

## **Memorandum to Tynwald Members**

Issued by the Isle of Man Financial Services Authority

### **1. Title of measure**

Beneficial Ownership (Civil Penalties) Regulations 2022

### **2. Changes in policy**

There are no changes in policy – this measure will introduce civil penalties for contraventions of certain additional provisions of the Beneficial Ownership Act 2017, which is consistent with the Act and contained within its vires.

### **3. Effects of the measure**

The measure will enable the Isle of Man Financial Services Authority ('the Authority') to impose civil penalties where a person has contravened certain provisions of the Beneficial Ownership Act 2017.

### **4. Reasons for the measure**

The Act currently provides for criminal offences where persons contravene certain parts of the Act which apply to them.

The Act also provides for the application of civil penalties (as set out in Regulations) in certain circumstances. There are civil penalty regulations currently in force however these are very narrow in scope and the Authority has determined that compliance would be improved and its oversight function and the enforcement of adherence to the Act's requirements would be enhanced if additional civil penalties were applicable in certain circumstances.

The key benefit of civil penalties in this instance is that they can operate to encourage compliance with the provisions of the Act by providing a sanction for recalcitrant conduct that does not involve the time and expense of a criminal prosecution, and which will not result in the person subject to them being found guilty of a criminal offence.

Please note that with civil penalties in place, the Authority would still have the option to refer persons for prosecution if that is most appropriate in the circumstances.

### **5. Resource implications**

Not applicable

### **6. Tynwald procedure**

These Regulations are laid for the approval of Tynwald, as required by section 32(5) of the Beneficial Ownership Act 2017.