

A look at Technology Risk Assessments

Companies licensed by the Isle of Man Gambling Supervision Commission (GSC) are required to adhere to the principles of all relevant Anti Money Laundering and Financing of Terrorism legislation, and to put measures in place to mitigate these risks.



A Technology Risk Assessment, usually just called a TRA, is a tool to assess the risk of **money laundering** and **financing terrorism** within the technology used by a company in its business operations. The types of technology implementation that could require a TRA to be carried out are:

- Screening Services
- Politically Exposed Persons (PEPs)
- Sanction Checks
- A New Payment Service Provider (PSP)

A register should be maintained that records any updates made to the document.

The TRA register should include the initial approved version of the TRA as the first entry, which makes adding newer versions easier and enables appropriate tracking of updates and evidence of consideration to updated risk guidance. This can be particularly important if for instance the technology is geographically targeted within the business and the technology is expanded into further jurisdictions, which may result in a change to the risk rating.

The TRA should result in a risk rating for that piece of technology. The company's internal policies should identify the process by which the risk rating is achieved and any further steps such as approval by the board and/or the Money Laundering Reporting Officer (MLRO) as well as clearly documenting the mitigation measures that will need to be put into place.

For example, when a new PSP is added, the company may look at its location, markets, size, if it's fiat or cryptocurrency, and other factors before analysing the risks and putting mitigating measures in place.

The TRA should always be considered alongside the Business and Customer Risk Assessments and the company's risk appetite statement. It is imperative that all these documents and the TRA are aligned on the risk ratings and show clear rationale where not.

Our team of experts have created countless TRAs for our clients and we will be happy to guide you through the process and ensure compliance with local regulations as well as peace of mind for your operation.

If you would like to receive a free consultation for your business, then we will be happy to help. Simply email us at info@manavia.im



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