



Financial Services Authority  
St. Vincent and the Grenadines

# NEWSLETTER

## OUR MISSION

To develop, regulate and supervise the international and non-bank financial sector in accordance with international best practices so as to promote the safety, soundness and integrity of the sector, thereby enhancing the reputation of St. Vincent and the Grenadines as a secure and competitive financial centre.



## Inside this Issue:

1. Regulatory Updates
2. Parametric Insurance
3. New Legislation
4. Upcoming Legislation
5. Registry Round Up

## Message from Director

In an era characterized by rapid technological advancements and an evolving regulatory landscapes, the FSA recognizes the imperative to keep all stakeholders well-informed and engaged. Our mission is to provide you with timely updates, insightful analyses, and a comprehensive understanding of the initiatives and developments that shape our financial ecosystem.

Through this newsletter which will be issued on a quarterly basis, we aim to provide updates on regulatory changes,

policy developments, and industry trends that impact our financial landscape and provide resources and insights that enhance understanding and compliance with regulatory standards and best practices. Moreover, we aim to enhance the general public's understanding of financial issues, thereby promoting greater financial literacy.

We invite you to actively engage with this publication, share your perspectives, and contribute to the ongoing discourse that shapes our industry.

**Carla James**  
Executive Director

## NEWS ALERT

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# LET'S TALK ABOUT OUR INTERNATIONAL FINANCIAL SERVICES

## An Overview



- **What is the IFS?**

St. Vincent and the Grenadines (SVG) operates a small but well regulated international financial services ('IFS') sector and is one of the oldest international financial centres in the Caribbean region, offering a wealth of experience, knowledge and professionalism since the 1970s.

The IFS in SVG are services/products that can be provided to residents and also non-residents - investors (shareholders, ultimate beneficial owners) across the borders of the country. Therefore, in relation to the latter, the customers and depositors' base specifically is generally often from overseas. These services can be offered via the following existing products of the IFS -



- ✓ **International Banks**
- ✓ **Mutual Funds - (Public and Private)**
- ✓ **Mutual Funds - (Managers and Administrators)**
- ✓ **Recognized Mutual Fund Managers**
- ✓ **Business Companies**
- ✓ **LLCs**
- ✓ **Trusts**

- **Existing Products**

The IFS sector is comprised of the following types of financial products:



SVG's products compete in a dynamic global market and the Financial Services Authority ('the FSA') works to keep apprised of all international developments and best practices to ensure that its product offerings are in keeping with those internationally offered.

The products are reviewed periodically to ensure sustainability and relevance ensuring that their governing legislation for administering and their registration/licensing is updated and modern (see below for recent updates to the legislation).



## SVG INTERNATIONAL FINANCIAL SERVICES SECTOR

When registering/licensing any of the above entities with the FSA you will require a Registered Agent to assist with the process. For these types of business entities, a Registered Agent acts as the official point of contact between the business and the FSA and serves as the intermediary between the FSA and the business to conduct all international business transactions on behalf of the sector. The Registered Agent will help the entity with the registration/licensing process, address queries, facilitate the changes required to the entity, the appointment/approval of directors, shareholders etc. The Registered Agents & Trustees are licensed and regulated set out by the Registered Agent Trustee (Licensing) Act, Chapter 105 of the Revised Laws of St. Vincent and the Grenadines 2009 and its Regulations.



The active licensed Agents and contact details can be found on FSA's website [Registered Agents and Trustees/Service Providers – St. Vincent and the Grenadines Financial Services Authority](#).



# THE IFS DEPARTMENT - WHAT IT DOES?

## SVGIFS

The IFS Department is responsible for the regulation and supervision of its registered and licensed products, namely international banks, mutual funds and mutual fund entities and registered agents. As part of carrying out this function, the Department is charged with ensuring compliance with the FSA Act and other specified enactments, regulations or guidelines relating to the said licensed entities. It is also responsible for ensuring that each licensed entity is properly managed and remains financially sound. The FSA has the powers to intervene into the affairs of any of these regulated entity for the purpose of protecting customers/depositors.







## UPCOMING PRODUCT - VIRTUAL ASSETS & VIRTUAL ASSETS SERVICE PROVIDERS

In 2022, SVG enacted the Virtual Assets Business Act (VABA). The VABA Act sets out licensing requirements for VASP, prudential obligations and requirements and consumer protection mechanisms.

The Virtual Asset Business Act was enacted in SVG in 2022 to provide for the registration and supervision of virtual asset business in/from the jurisdiction. However, the legislation has not yet been implemented as the accompanying Regulations are still being finalized. The Regulations contain other critical and necessary details needed for implementation of the Principal legislation.

The FSA is the Regulator/Supervisor

of virtual assets business which is a new/emerging product that will soon be available under the IFS Sector.

A virtual asset is defined as a digital representation of value that can be traded, transferred, and used to make payments or for investment purposes. Examples of such assets include cryptocurrencies, non-fungible tokens (NFTs), gaming tokens, and governance tokens. However, it doesn't include digital representations of fiat currencies, securities or other financial assets. These types of assets are used to make payments or investments. They can also be transferred or traded virtual assets. Persons who deal in or with these assets in or from within SVG may need to solicit the services of a virtual asset service provider (VASP).

Under the VABA, a VASP is a virtual asset

provider that does one of the following as a business:



**Makes exchanges between one or more forms of virtual assets,**

**Provides or participates in financial services for an issuer's sale or offer of virtual assets,**

**Makes exchanges between virtual assets and fiat currencies,**

**Administers or protects virtual assets or instruments that enable control over virtual assets, or**

**Makes (on behalf of others) virtual asset transfers that move virtual assets from one virtual asset account or address to another.**

**VASP will be required to obtain a license from the FSA.**

The regulation of VASP is critical as virtual assets are growing at warp speed internationally. Regulations will shield businesses and the public against outside actors' dangerous activities. Virtual asset regulations reduce risks for holders, transferors, and investors of virtual assets. These reduced risks can make virtual transactions more attractive to potential business associates or patrons. Regulations includes anti-money-laundering (AML) and counter-financing of terrorism regulations (CFT) requirements



# From our Insurance Department







## What is Parametric Insurance and how is it building climate resilience?



Parametric insurance is a type of insurance that pays a set amount upon the occurrence of a covered event meeting or exceeding a pre-defined intensity threshold, as measured

by an objective value (or parameter – hence the name 'Parametric Insurance'), rather than reimbursing for actual losses. It's also known as index-based insurance.

## Key differences between parametric insurance and a traditional indemnity product include:

	Traditional Indemnity	Parametric Insurance
 Trigger	Loss or damage to physical asset	Event occurrence exceeding pre-agreed threshold or trigger. Physical damage not required for claims payment
 Recovery	Reimbursement of actual loss sustained following assessment	Pre-agreed payment structure based on event parameter/index and duration
 Basis Risk*	Policy conditions, deductions and exclusions	Correlation of chosen triggers and structure with actual exposure
 Loss Assessment and Payment	Months to several years, depending on complexity of loss	Very transparent; settlement within 30 days of event
 Term	Usually annual	Single or multi-year
 Structure	Standard products and contract wordings	Customised product with high structuring flexibility (single trigger, multi-trigger)



# How does Parametric Insurance Work?

- A third party typically measures the parameters that trigger payouts.
- An independent third party verifies that the event occurred and met the policy's parameters
- The policyholder is paid out quickly
- The policyholder and insurer agree to a predetermined payout amount if the trigger threshold of a specific event occurs. The payout is pre-determined and doesn't depend on actual losses.

## DID YOU KNOW

A prominent example of parametric insurance in the Caribbean is the Caribbean Catastrophe Risk Insurance Facility (CCRIF), a multi-country risk pool that offers earthquake, tropical cyclone, and excess rainfall policies to Caribbean and Central American governments.



# Our Credit Union sector

Monitoring systems can either be manual, automated or blended. If the service provider deems the manual method to be the most suitable, they must be able to demonstrate its ability to identify the more complex transactions and retain relevant records relating to an assessment of a transaction. Financial institutions can opt to use software programmes for transaction monitoring however consideration must be given to the size, nature and complexity of the business activities.

## Ongoing Monitoring

The ongoing monitoring process is two-fold. It involves the scrutiny of transactions undertaken throughout the relationship, including, where necessary, the source of funds, ensuring that they are consistent with the service provider's knowledge of the customer and his/her business and risk profile. Further, keeping the documents, data, or information obtained to apply customer due diligence measures up-to-date and relevant is critical to the process.

**A financial institution should tailor its monitoring system to ensure it:**

- detects changes in customer behaviour;
  - determines appropriate triggers for suspicious activities and the filing of suspicious activity reports with the FIU;
  - keeps customer, beneficial ownership information, and the purpose and intended nature of the business relationship up to date;
  - discerns whether transactions or activities are consistent with the customer's risk assessment and risk profile.
  - guides the performance of subsequent reassessments of risk associated with the customer.
- One measure a financial institution must undertake to ensure alignment and ultimately achieve optimal results is to establish appropriate ongoing monitoring policies and procedures. This step-by-step guide should outline how the monitoring system will be able to:
- assess the financial institution's customer's business and risk profile and ensure appropriate authorization is in place.
  - monitor all of the financial institution's customers' transactions/activity,
  - recognize whether any business relationship or one-off transactions are directly or indirectly conducted with sanctioned persons, organisations or other parties.
- collect appropriate additional information;
  - examine and recognize transactions/activities with a person connected with higher-risk jurisdictions;
  - undertake sanctions screening for all business relationships and one-off transactions.
  - ensure appropriate systems and controls are in place to comply with asset-freezing and reporting obligations "without delay" as issued by the FIU.





# LEGISLATION (NEW & UPCOMING)

## NEW LEGISLATION

### ***Anti-money Laundering and Terrorist Financing (Administrative Penalties) Regulations No. 18 of 2004 effective March 26, 2024***

- The AML & CFT (Administrative Penalties) Regulations define the enforcement measures for non-compliance with the AML/CFT Regulations. They provide guidelines for issuing penalties and the rights of the affected parties. The regulations aim to ensure compliance with the AML/TF Regulations and deter violations.
- The regulations are to be administered by all AML supervisory authorities (FIU, FSA, ECCB, ECSRC)
- Contraventions and penalties are outlined in the Schedule. Financial Penalties are cited in EC Dollars (EC\$) and range between \$7500 and \$20,000

St. Vincent and the Grenadines has sought to adapt to the ever-evolving global financial market and has introduced a robust set of laws and regulations for virtual asset service providers (VASP).

### ANTI-MONEY LAUNDERING



## UPCOMING LEGISLATION

### ***Virtual Asset Regulations***

Draft Regulations have been developed and are in the last stages of finalization. It is anticipated that the Regulations will be approved in the first quarter of 2025, thereby propelling the proclamation and implementation of the Act.



## VIRTUAL ASSET SVG

### AMENDMENTS

### RECOVERY & RESOLUTION REGULATIONS

#### The FSA's enforcement powers include:

- Warnings
- Directives
- Administrative penalties
- Removal of Directors/Personnel
- Referral for Criminal Prosecution
- Referral for Civil Prosecution
- Enhanced monitoring
- Suspension & Revocation
- Early Intervention
- Winding up

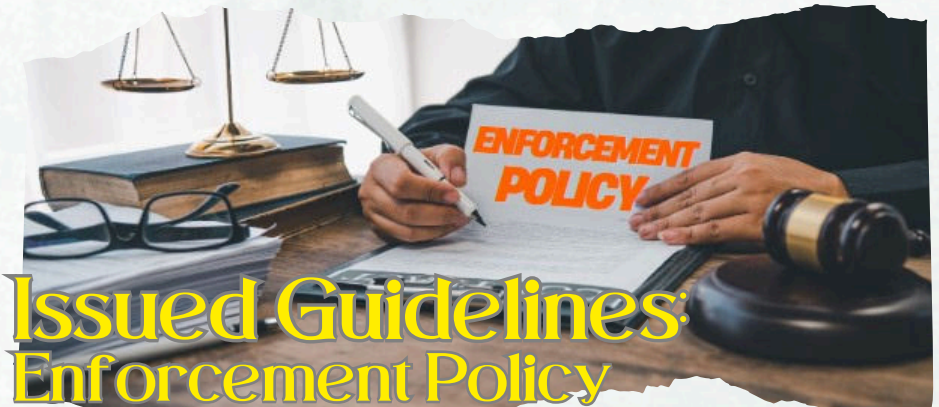
The Virtual Asset Business Regulations (Draft) outlines specific consumer protection provisions which seek to address issues of inter alia, custody and protection of client assets (Reg. 10), Prevention of market abuse (Reg. 11), Internal policies, procedures, systems and controls (Reg. 14), safeguarding and administering assets (Reg. 16), Risk management (Reg. 17), Client protection (Reg. 19). Additionally, pursuant to section 16 of the Virtual Asset Business Act, the FSA is empowered to conduct on-site examinations of licensees

#### ***Draft Financial Services Authority (Amendment) Bill***

The Financial Services Authority Act No. 33 of 2011 is being amended to elaborate on the powers of the Financial Services Authority to ensure that there is clarity in how and when they should be imposed. The amendments will also establish a Resolution Authority which will be responsible for recovery and resolution proceedings of licensed financial entities which are failing or are likely to fail.

#### ***Draft Financial Service Authority (Recovery & Resolution) Regulations***

As a complement to this the FSA's new proposed function as Resolution Authority, the Draft Financial Services Authority (Recovery & Resolution) Regulations 2024 proposes to outline the responsibilities of the FSA as designated Resolution Authority for the non-bank financial sector in St. Vincent and the Grenadines.



### Issued Guidelines: Enforcement Policy

- The FSA issued its enforcement policy in February 2025
- The Policy outlines the procedural steps to be followed where the FSA intends to impose a sanction or penalty against licensed or registered entity.
- Where breaches are of serious nature, the FSA will seek to act swiftly, but fairly to ensure that registered or licensed entities and individuals take proper steps to resolve issues or to achieve other effective outcomes.



# Workshops

## Legislative Consultation

The FSA facilitated a Legislative Consultation on February 6th, 2025, which was a resounding success. The consultation brought together 95 participants from across the FSA's regulated sectors and the SVG Bar Association. The consultation was aimed at sensitizing the sectors on the:

- Draft Financial Services Authority (Amendment) Bill;
- Draft Financial Services Authority (Recovery & Resolution) Regulations;
- Virtual Asset Business Act 2022; and
- Draft Virtual Assets Business Regulations

The participant's feedback was very positive with many commending the FSA for its efforts in formulating the proposed draft. Participants also offered ideas on how the draft legislation could be further improved or enhanced.







## Registry Update: Stay Up to Date!

### ANNUAL FEES

Business Companies and Limited Liability Companies which have not paid annual fees by the January 15th deadline are liable to be struck off and are subject to a surcharge fee of US\$10 for each month that the annual fee remains outstanding.

### CHANGE OF DIRECTORS / SHAREHOLDERS

Where there is a change in the members of a BC (appointment of new members, resignation, change in name or address), the Form 28 Notice must be filed within ten (10) days of the change. A fine of \$20,000 is applicable for failure to adhere to this requirement (Ref. section 29 of the Act).



### Upcoming Filing deadlines for BCs

Dead-line	Entities	Require-ment
April 30th	Business Companies	Filing of Statement of Share Transfer
May 31st	Business Companies (Large Companies )	Filing of Financial Statements
May 31st	Business Companies (Small Companies	Filing of Declaration of Solvency

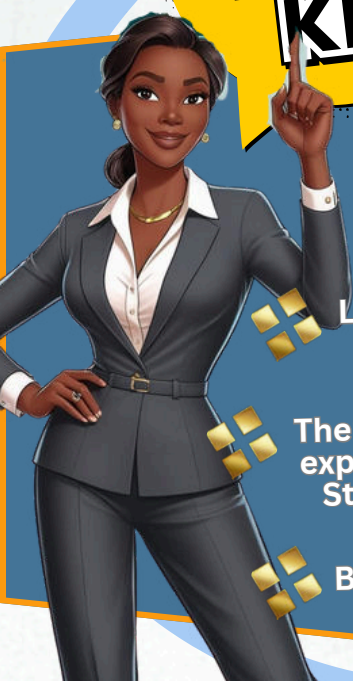
## DID YOU KNOW?

International Business Companies (IBCs) are now called Business Companies (BC)

Limited Liability Companies (LLCs) can be registered in St. Vincent and the Grenadines

There are Fifteen (15) licensed and experienced Registered Agents in St. Vincent and the Grenadines

BC and LLC registration fees are just US\$100.00





# Meet Our Team!



Meet our Leadership Team — Center: Executive Director, Ms. Carla James. Above her: Deputy Executive Director, Mr. Derek St. Rose. Clockwise from top left: Manager of Insurance & Pensions, Mrs. Mintrue Rose-Providence; Legal Counsel, Ms. Geshell Peters; Manager of Administration & Finance, Mrs. Keisha Bynoe; Manager of Credit Union et al, Mrs. Nyasha Browne; Manager of International Financial Services, Ms. Karen Jackson.



Examiners of the IFS Dept. from top to bottom: Ival Jack and Kalique Peters



Examiners of the Insurance Dept. from left to right: Daphne Scott, Farique Daniel and Laffa Francois



Examiners of the Credit Union Dept. from left to right: Jimmy Black, Roxanne Durham and Sashaw Dublin



Registry and IT staff from left to right: Yolande Balcombe, Debon Moses-Boyde and Leslieanna Joseph.

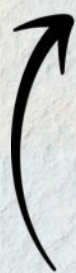
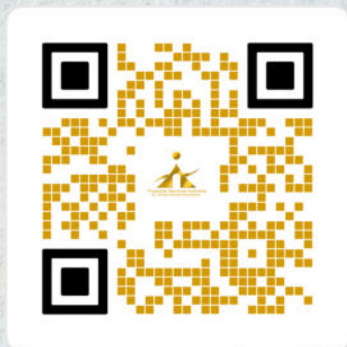


Administrative staff from left to right: Corstina Lampkin, Vasilca Cato-Morgan, Noela Gurley-Dublin, Courtney Lewis and Teneisha Thomas.





**Financial Services Authority**  
St. Vincent and the Grenadines



**SCAN ME**