



SVG Financial Services Authority

NEWSLETTER

FIRST EDITION

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 www.svgfsa.com



We are pleased to present the fifth issue of our quarterly newsletter, continuing our commitment to keeping stakeholders and the public informed about key developments within the Financial Services Authority and by extension the financial services sector in St. Vincent and the Grenadines.

This edition highlights key regulatory developments, including guidance on VASP business plans, and outlines compliance requirements for pension fund plan trustees and friendly societies. It also features regulatory updates, industry engagement, and capacity-building initiatives undertaken by the Authority.

Building a Strong VASP Business Plan: Key Elements for Regulatory Approval

A well-prepared business plan is one of the most important components of an application for registration as a Virtual Asset Service Provider (“VASP”) with the Financial Services Authority.

For regulators, the business plan provides a clear understanding of how the company intends to operate and manage its activities, and sustain its operations within the virtual asset sector. Therefore, a strong business plan should present a clear, structured overview of the proposed business and demonstrate that the applicant has carefully considered the operational, governance, and financial aspects of the enterprise.



Clear Business Model

In their business plan VASPs should clearly explain what the company does and how it intends to generate revenue.

This includes a concise description of the services the company will offer, such as digital asset exchange services, brokerage, custody solutions, or other virtual asset-related activities. The plan should also outline how these services will function and how the company intends to interact with its clientele.

Clarity is important. Regulators reviewing the application should be able to quickly understand the purpose of the business and the structure of its activities.



Governance and Management

The business plan should also describe the governance structure of the company. This typically includes an overview of the board of directors, senior management, and key operational roles.

Clearly defining responsibilities within the organization demonstrates that the company has appropriate oversight, accountability and decision-making structures in place to support the operations of a regulated business.

A well-defined governance framework helps reassure regulators that the company will be managed responsibly.



Operational Structure

An effective business plan should outline the company’s operational framework. This should include a high-level overview of how the platform or service will function, how clients will access the services, and how the business will manage its day-to-day operations. While extensive technical details are not always necessary, the plan should show that the company has considered the practical aspects of running the proposed service.



Risk Awareness

Given the inherently high-risk profile of the virtual asset sector, the FSA expects applicants to demonstrate a comprehensive understanding of the risks associated with their proposed virtual asset activities.

A robust business plan should identify the key operational, technological, and compliance risks that may arise in the course of business and provide a high-level overview of the measures in place to mitigate and manage those risks.

Demonstrating risk awareness reflects the applicant's understanding of the obligations and responsibilities associated with operating within a regulated environment.



Financial Outlook

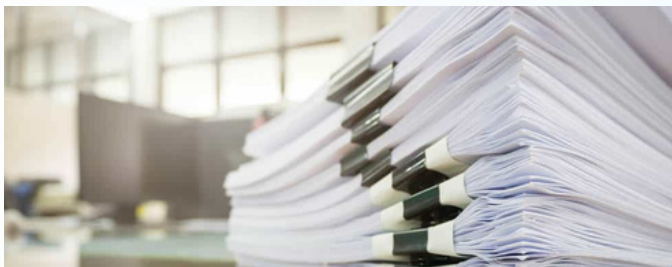
The business plan should also provide an overview of the company's financial projections and expected growth.

This may include anticipated revenue streams, operational expenses, and general financial forecasts. The purpose of this section is to demonstrate that the business model is sustainable and adequately resourced.

Supporting Policies

While the business plan outlines the overall strategy and operations of the company, it is typically supported by a number of internal policies and procedures that should form part of the application package.

These may include policies relating to areas such as compliance, risk management, internal controls, and cybersecurity. The specific policies required will depend on the nature of the business model and operational structure, and different VASPs may require different policy frameworks to support their activities.



Conclusion

A well-structured VASP business plan should be clear, practical, and transparent. By comprehensively outlining the company's business model, governance framework, operational approach, risk considerations, and financial outlook, the plan enables the FSA to assess whether the applicant is adequately prepared to operate a responsible, compliant and sustainable virtual asset business within the regulatory framework of St. Vincent and the Grenadines.

**Regulatory Spotlight:
"Is Your Pension Plan
Compliant?"
A Trustees checklist**

The New Era of Accountability:

A significant global "new era" of pension regulation is expected to emerge between 2026 and 2029. This period is expected to be characterized by heightened accountability, stricter regulatory oversight, modernization of governance expectations and the introduction of more robust risk-management requirements. While these changes are designed to strengthen retirement systems and enhance member protection, they also bring heightened expectations for pension trustees.

As the Regulatory Authority, the FSA is reminding all trustees that proactive compliance, sound governance and effective risk management will be crucial in navigating this evolving regulatory landscape.



The FSA will place renewed emphasis on the "practical imperative" of compliance, signalling a shift from "passive oversight" to "active supervision" and assigning new responsibilities to plan sponsors and trustees.

The objective is straightforward: to ensure that the retirement promises made to members are supported by sound governance, prudent risk management and professional administration.

Historically, many private pension plans in SVG were administered under a passive governance model, resulting in delinquent regulatory filings, weak governance structures, and inadequate investment oversight. In response, the FSA will be modernizing supervisory frameworks to ensure pension funds remain sustainable, well-governed and capable of meeting their long-term obligations. As regulatory expectations evolve, trustees must recognize that compliance is no longer a periodic exercise. It is an ongoing responsibility that must be embedded in the governance culture of every pension fund.

In this new era, the FSA expects all trustees to take immediate and proactive measures to assess their regulatory compliance and address any identified gaps. Compliance is an ongoing obligation and a fundamental aspect of trustees' fiduciary duties.



Below is a practical compliance checklist to assist trustees in assessing whether their pension plan is meeting current regulatory and supervisory obligations under the Insurance Act and related guidelines.

Trustee Compliance Checklist

Governance & Registration

- Plan Registration: Are the Plan Rules and Trust Deed properly executed, current and registered with the FSA in accordance with the Insurance Act?
- Trustee Appointments: Have all serving trustees been formally approved, appointed, properly recorded and has the FSA been notified of any recent trustee resignations or appointments?

Reporting

- Audited Annual Accounts: Have audited financial statements been prepared and submitted to the FSA within the prescribed timeframe following the financial year-end?

- Actuarial Reports: Is the plan's actuarial valuation up to date and completed in accordance with statutory requirements?
- Investment Policy Statement: Is there a current, written Investment Policy Statement that clearly outlines the investment objectives and identifying the asset allocation strategy?

Administrative & Member Records

- Member Register: is a complete and accurate register maintained for active members, deferred members and pensioners?
- Contribution Schedule: Are monthly contribution schedules maintained that clearly detail employee deductions and employer contributions, and are these schedules effectively communicated to members?
- Annual Member Statements: Are benefits Statements issued to members on an annual basis?
- Dispute and Complaints Log: Is a formal record of member complaints maintained, documenting how and when each complaint was addressed and resolved?

Trustee Management (Fit & Proper Requirements)

- Trustee Meetings and Minutes: Have at least two (2) trustee meetings been held within the last 12 months, and are formal minutes properly documented and retained?
- Trustee Training & Competency: Have trustees undertaken appropriate training within the last 12 months to ensure they maintain adequate knowledge of their fiduciary duties, regulatory obligations, investment oversight responsibilities and overall pension plan governance requirements?
- Fit & Proper Documentation: Are updated curricula vitae (CVs) and police records maintained on file for all trustees?
- Service Provider Agreements: Are there signed and current contracts in place with the Fund Manager, Custodian, Auditor and other key service providers.



COMPLIANCE



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DID YOU KNOW?

Under the Insurance Act, a trustee who is non-compliant or who fails to furnish required information to the FSA **may be subject to personal fines of up to EC\$5,000.00**. In addition, the pension plan itself may be liable to separate penalties for regulatory breaches.

FRIENDLY SOCIETIES IN ST. VINCENT AND THE GRENADINES

Friendly societies have been part of the formal financial services sector in SVG since 1843. They are formed to provide for the funeral expenses of deceased members and to promote savings and thrift among members, or for any benevolent purposes. Friendly societies are mainly regulated by the Friendly Societies Act No. 8 of 2021 ("The Act").



At present, there are thirteen (13) registered friendly societies in SVG:

1. Marriacqua United Friendly Society.
2. Barrouallie & Layou Prudential Friendly Society.
3. Canouan Perseverance Friendly Society.
4. Chateaubelair Provident Friendly Society.
5. Union Island United Friendly Society.
6. Chateaubelair Methodist Friendly Society.
7. The People's Successful Friendly Society.
8. Troumaca Temperance Friendly Society.

9. Buccament Wise and Prudent Friendly Society.
10. Chateaubelair Olive Friendly Society.
11. Bequia Brotherly Love Friendly Society.
12. St. Patrick's Friendly Society.
13. New Testament Church of God Friendly Society.

While this is not an exhaustive list of expectations for friendly societies, the following key points highlight important aspects of these financial institutions in SVG. The Act, however, provides a more detailed outline of the specific requirements.

Establishing a friendly society

To establish a friendly society, prospective applicants must submit:

- An application signed by the nominated president and secretary
- The proposed name of the society
- Two copies of the proposed rules
- The names and addresses of the proposed board of directors, members and trustee
- **A List of prospective members**
- The prescribed application fee

NB* A friendly society must consist of a minimum of fifty members to be registered as such.



Obligations of friendly societies

Governance Structure

The governance structure of a friendly society is democratically elected. This structure has two tiers: a Board of Directors which provides direct oversight of the society's management, and Trustees, who act as custodians of the society's assets, property, and any funds received on its behalf.



Composition

- Board of Directors – at least five (5) members elected by the members through a vote.
- Trustees - three or more persons appointed by resolution of the majority.

The tenure for these oversight bodies shall not exceed two terms of three years each. If a person serves two consecutive terms, they must take a two-year break before becoming eligible for reappointment.

An individual acting as secretary or treasurer of a registered friendly society shall not simultaneously serve as a trustee of the same registered friendly society.

Annual fees

Friendly societies are required to renew their registration certificates annually by 31 December and pay the prescribed fee of EC\$300.00. Failure to comply may result in the cancellation of the registration certificate, as Friendly Societies are not permitted to operate without a valid certificate.

Record Keeping

Friendly societies are required to keep various records for regulatory compliance, transparency, business continuity and other purposes.

These include:

1. A register of its members;
2. Information relating to contributions received from members and book balances;
3. Disbursements;
4. Assets and liabilities;
5. Minutes of meetings;
6. Copies of resolutions of members;
7. A listing of the Board and Trustee;
8. The bye-laws; and
9. The certificate of registration issued by the FSA.

Financial Statements

Given the cash-intensive nature of friendly societies in SVG, maintaining detailed accounting records and preparing regular financial statements is essential for monitoring inflows and outflows and ensuring transparency. Friendly societies should update their records regularly and maintain separate accounts for all expenditure and monies received from or paid to members.

NB* The society's financial statements must be prepared annually by an independent, qualified auditor.



Bye-laws

The bye-laws or rule book of a friendly society sets out the principles used to streamline the operations and actions of its members and executive team. It includes a structured framework for oversight, management, and control that helps to safeguard the members' interests.

Amendments to the byelaws/rules are made at the meeting of members through a resolution. No amendment to the rules of a registered friendly society shall be valid until the amendment is registered in accordance with the Friendly Societies Act.

At a minimum, the proposed rules of the society must cover the matters outlined in Schedule 1 of the Act, or in the guidance document titled "Friendly Societies Bye-Laws Template" issued by the FSA.



Annual General Meeting

Annual General Meetings (AGMs) are convened to enable direct interaction between the executive team and members. The agenda usually includes presentation of the minutes of the last meeting, the

financial statements, the Board report, the election of officers/trustees, and general discussion of matters raised by members. The chair takes concerns to a vote by proposing motions or resolutions. Topics generally discussed include updates on special projects and new plans and programmes.

NB* **Friendly societies must hold an AGM within six months after the end of each calendar year.**



DID YOU KNOW?

The Virtual Asset Business Regulations No. 2 of 2026 was passed on February 18th 2026

The Regulations give effect to the Virtual Asset Business Act, 2022 by setting out the rules for the registration, operation and ongoing supervision of virtual asset businesses in St. Vincent and the Grenadines.

The regulations provide guidance on the application process by outlining the requirements that must be met to obtain a Virtual Asset Service Provider (VASP) License. The application form, which must accompany every VAB application, is included in the schedule of the regulations.

The regulations provide guidance on the policies that should accompany the application and outline requirements for safeguarding client assets, handling complaints, maintaining records, and submitting reports to the Authority.

Additionally, the Regulations include provisions governing the transfer of virtual assets, requiring the collection and sharing of originator and beneficiary information. The regulations also impose ongoing compliance obligations to ensure that businesses operate in a fair, transparent and orderly manner.

REGISTRY *Reminder*

1. All applications for the incorporation or formation of a company proposing to engage in Forex Trading must be accompanied by a certified copy of a valid and up-to-date Forex Licence issued by the competent regulatory authority in the jurisdiction where the license was obtained.

2. All applications for the renewal a company engaged in forex trading must be accompanied by a Certificate of Good Standing issued by the competent authority in the jurisdiction where the company obtained its forex license.

3. All applications for the restoration of a company engaged in forex trading must be accompanied by a Certificate of Good Standing issued by the competent authority in the jurisdiction where the company obtained its forex license.

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AML/CFT/CPF Onsite Examinations with ECCB & FIU

The Financial Services Authority recently collaborated with the Eastern Caribbean Central Bank (ECCB) and the Financial Intelligence Unit (FIU) in conducting AML/CFT/CPF onsite examinations of Republic Bank (EC) Limited - St. Vincent and the Grenadines Branch and the St. Vincent Co-operative Bank Limited.



Our examiners, Mr. Laffa Francois and Ms. Roxanne Durham assisted the ECCB team in assessing the quality of the institutions' governance and risk management frameworks.

This collaborative effort reflects an ongoing commitment among regional regulatory bodies to uphold robust financial integrity standards and promote a culture of compliance within regulated institutions.

Financial Analysis Training

The Caribbean Regional Technical Assistance Centre (CARTAC) hosted a professional development seminar at the Financial Services Authority from March 9-13, 2026. The aim of this collaboration was to sharpen the team's analytical skills and redesign the financial soundness indicators used to supervise the non-bank financial sector.



Pension Plan Meeting

On March 12, 2026, the FSA held a constructive meeting with pension plan trustees to discuss ongoing regulatory issues and strengthen collaboration.



The discussion focused on reviewing regulatory and fiduciary obligations of trustees, promoting robust governance and oversight frameworks and addressing common compliance challenges. Stakeholders shared insights on operational issues and best practices, while the FSA provided updates on supervisory expectations and proposed policy initiatives. The engagement underscored the FSA's commitment to promoting transparency, safeguarding members' retirement savings, and ensuring the long-term stability and resilience of the pension industry.

Thank you for reading!

The FSA welcomes your feedback and suggestions towards improving the utility of this news letter to your institution. Please make your submissions to : info@svgfsa.com



ST. VINCENT AND THE GRENADINES
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