



Financial Services Authority
St. Vincent and the Grenadines

STRATEGIC PLAN

2025 - 2027

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ABBREVIATIONS and ACRONYMS

AML- Anti-money Laundering

BAICO- British American Insurance Company

BC- Business Company

CARTAC- Caribbean Regional Technical Assistance Centre

CFATF- Caribbean Financial Action Task Force

CFT- Counter Financing of Terrorism

CGBS- Caribbean Group of Banking Supervisors

CLICO- Colonial Life Insurance Company

EC- Eastern Caribbean

ECCB- Eastern Caribbean Central Bank

ECCU- Eastern Caribbean Currency Union

FIU- Financial Intelligence Unit

FSA-Financial Services Authority

ICT- Information and Communication Technology

IFS- International Financial Services

LLC- Limited Liability Company

MOU- Memorandum of Understanding

RBS- Risk-Based Supervision

REG TECH- Regulatory Technology

SRU- Single Regulatory Unit

SUP TECH-Supervisory Technology

SVG- St. Vincent and the Grenadines



EXECUTIVE SUMMARY

This document constitutes the Strategic Plan for the Financial Services Authority (FSA) of St. Vincent and the Grenadines for the period 2025-2027. The Plan outlines the role of the organization and most importantly its vision for the financial services sector it supervises. This strategic plan outlines the FSA's strategic pillars and objectives and the corresponding priority actions it intends to implement during the stated period of its operations.


These objectives and priorities are, however, influenced by several external environmental factors, including the dynamic international financial markets and robust domestic and international legislative frameworks which are responsive to changing international standards.

While the Plan anticipates various ways in which our markets, regulated industries and legislative underpinnings may evolve over time, no plan can fully anticipate all possible scenarios. Influential externalities that can affect fulfillment of the stated mission and objectives will therefore be addressed.

The FSA's mandate is to supervise and regulate the operations of specified international and non-bank financial entities, and to promote stability, public awareness and public confidence in the operations of these licensed operators.

In order to successfully execute its vision, mission and mandate using formal strategic planning approaches, certain favorable conditions must be in place; and these are among the goals pursued by the 2025-2027 Plan, namely:

- Maintenance of a well informed and knowledgeable Board of Directors which provides support, policy and strategic guidance to management;

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- Strong leadership at the managerial level motivating and controlling employees effectively, but also identifying key areas where staff can increase ingenuity, improve productivity and generate the greatest benefits;
 - Enabling Legislation that accords the Authority sufficient powers and sanctions to effectively perform its supervisory and regulatory duties;
 - Consultation and inclusion of the industry in crafting strategy for the financial services in St. Vincent and the Grenadines.



Our Mandate

The mandate of the FSA derives from its legal objects and purpose. Clearly defined in the Financial Services Authority Act, No. 33 of 2011, the FSA is empowered “to regulate, supervise and develop the international and non-bank financial services sector in St. Vincent and the Grenadines”.

The FSA is a governmental statutory entity responsible for the administration and enforcement of those enactments specified under its governing legislation and reports to the Minister of Finance. As part of its mandate therefore, the FSA is charged with ensuring compliance with the FSA Act and other specified enactments, regulations or guidelines. It is also responsible for ensuring that each licensed financial entity is properly managed and remains financially sound. The FSA therefore has the powers to intervene in the affairs of a regulated entity for the purpose of protecting customers.

Mission

The FSA’s Mission Statement provides the context in which the Organization’s goals and strategies are formulated, and depict its intent, scope and direction. The mission is:

To develop, regulate and supervise the international and non-bank financial sectors with integrity and efficiency, fostering financial stability, protecting consumers, and building public awareness through robust oversight, innovation, digital transformation and collaboration.

Vision

The FSA’s Vision provides the hub around which the planning team has developed its goals. The Vision is:

To be a trusted, transparent and globally recognized authority ensuring financial stability, public confidence and aiding economic growth.

Core Values and Guiding Principles

The Core Values and Guiding Principles that underpin the thinking, plans, behavior and practices of the FSA include: Integrity, Accountability, Confidentiality, Transparency, and Adaptability.





Core Values and Guiding Principles

Integrity

We believe in adherence to ethical standards and principles in our dealings, ensuring transparency, honesty, and compliance with our governing laws.

Confidentiality

We promise to safeguard personal data and protect confidential supervisory information.

Accountability

We promise to conduct our affairs to the highest standards, behave responsibly and fairly toward all stakeholders and to not wield undue influence, power or control.

Transparency

We promote open Communication with our stakeholders, clear rules and procedures, disclosure, monitoring and reporting to engender and maintain trust and confidence in our work.

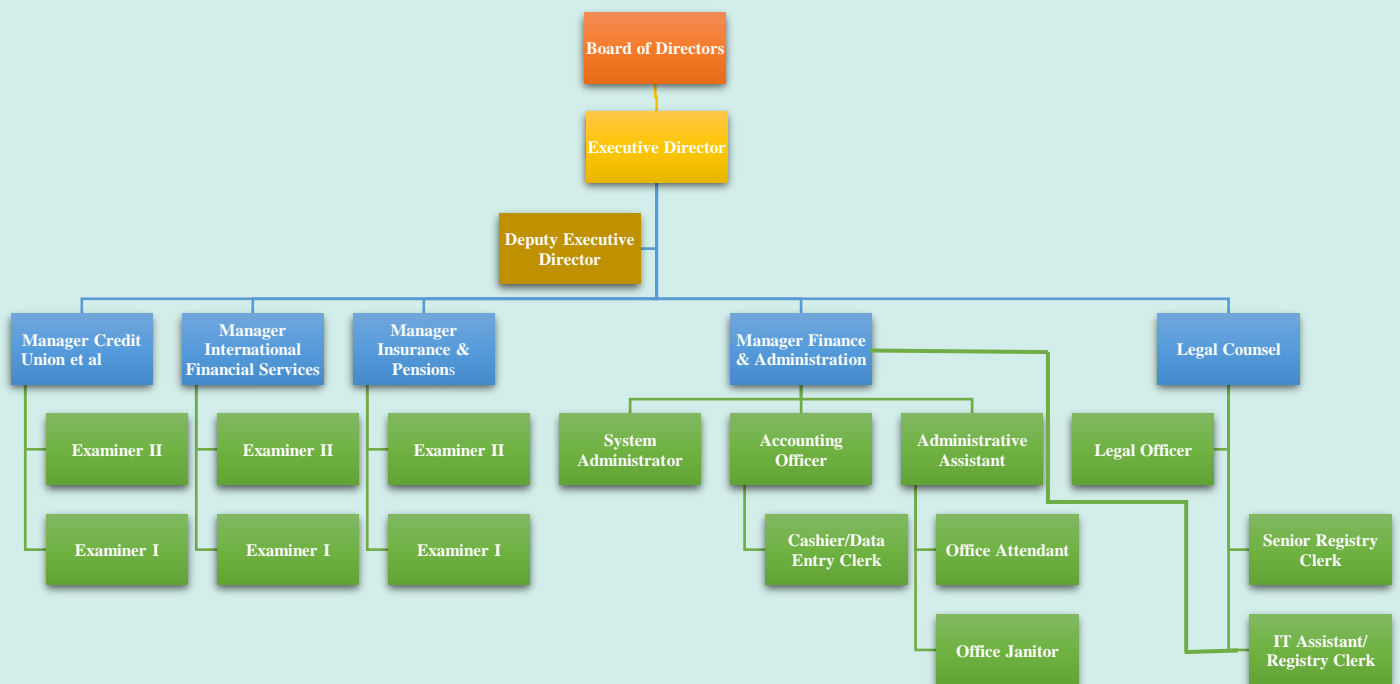
Adaptability

We undertake to be responsive to market changes, address emerging risks, continue to innovate, engage our stakeholders, exercise flexibility and incorporate technological advances in our work to ensure that the regulatory framework remains robust and effective in maintaining financial stability and protecting consumers.

FSA OPERATIONS

Organizational Structure: The organizational structure of the FSA consists of the Board of Directors at the top, followed by the Executive Director, then the Deputy Executive Director and the divisional Managers on the fourth tier. The Authority operates through five (5) functional departments, as depicted in the chart below:

Figure 1: Organizational Structure of the FSA



SELECTED SECTOR DATA

Sector Composition

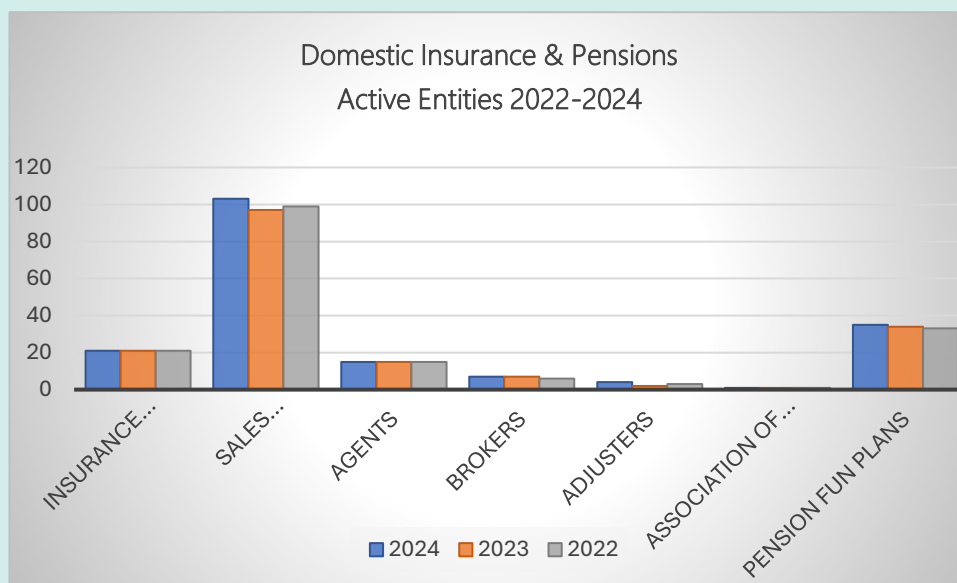
The tables below give a snapshot of the financial landscape of the St. Vincent and the Grenadines' domestic non-bank financial sector for the period 2022-2024. Also, data is provided for the international financial sector for the period 2022 to 2024.

Insurance Sector Composition

For the period 2022-2024 the number of licensed insurance companies, Agents, Association of Underwriters remained static at twenty-one (21), fifteen (15) and one (1) respectively. The number of Insurance Sales Representatives tend to be stable, however there was a slight increase of 6.2% as at the end of 2024. Consequent upon the occurrence of Hurricane Beryl in 2024, we saw a slight increase in the number of Adjusters to four (4) compared with two (2) the previous year. Registered pension fund plans increased to thirty-five (35) as at the end of 2024 compared with thirty-three (33) as at the end of 2022.

The graph below illustrates this information.

CHART I
DOMESTIC INSURANCE & PENSIONS
ACTIVE ENTITIES: 2022 – 2024



International Financial Services Sector Composition

The total number of active entities for all IFS products has generally trended downwards since 2022, *reference Charts 2 and 3 below*. The exception to this was the number of active international banks which remained stable at two (2) over the same period. Also, since 2022 the number of active registered agents has generally been stable at 14, however in 2024 an additional agent was licensed. In 2024, active trusts decline by 8 (16.3%), however, at a slightly slower rate than 16.9% in 2023. Also, in 2024 the rate of decline in LLCs and BCs was 5.5% and 2.7% respectively and slowed significantly when compared to 2023 when the rate was 14.5% and 30.5% respectively. Notwithstanding the adverse trend of mutual funds in the 2022/2023 period, in 2024 an additional mutual fund manager/administrator was licensed.

CHART 2
INTERNATIONAL FINANCIAL SERVICES
ACTIVE ENTITIES: 2022 – 2024

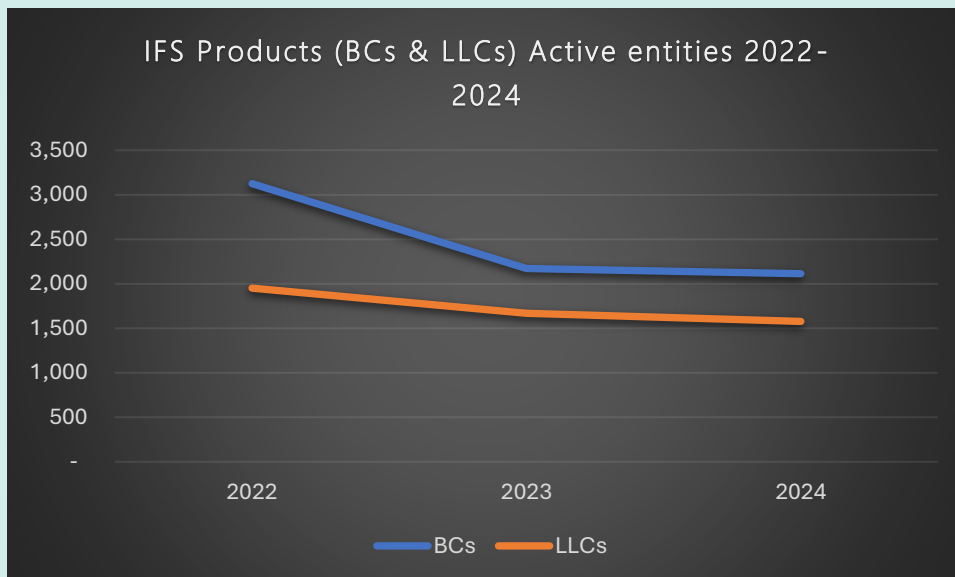
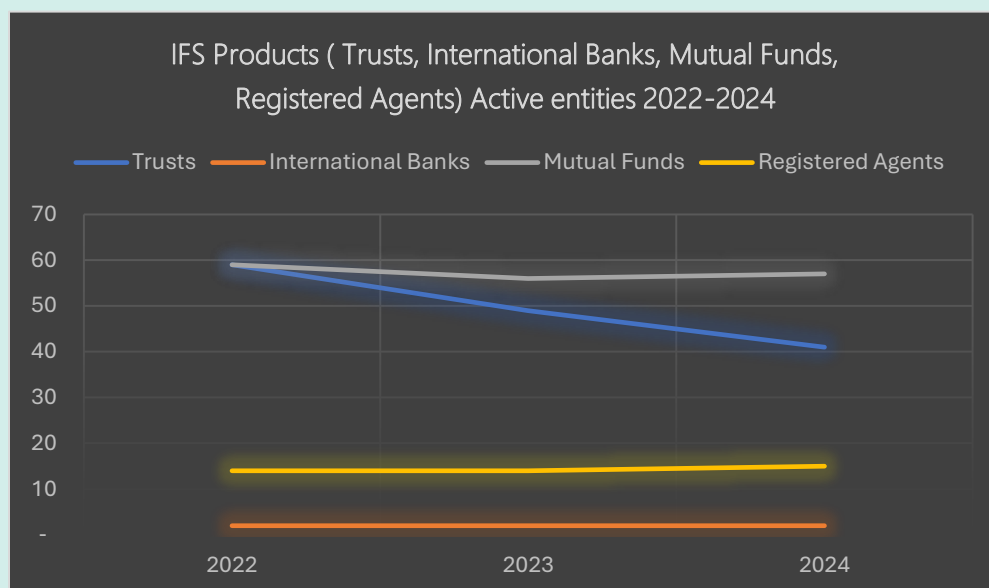


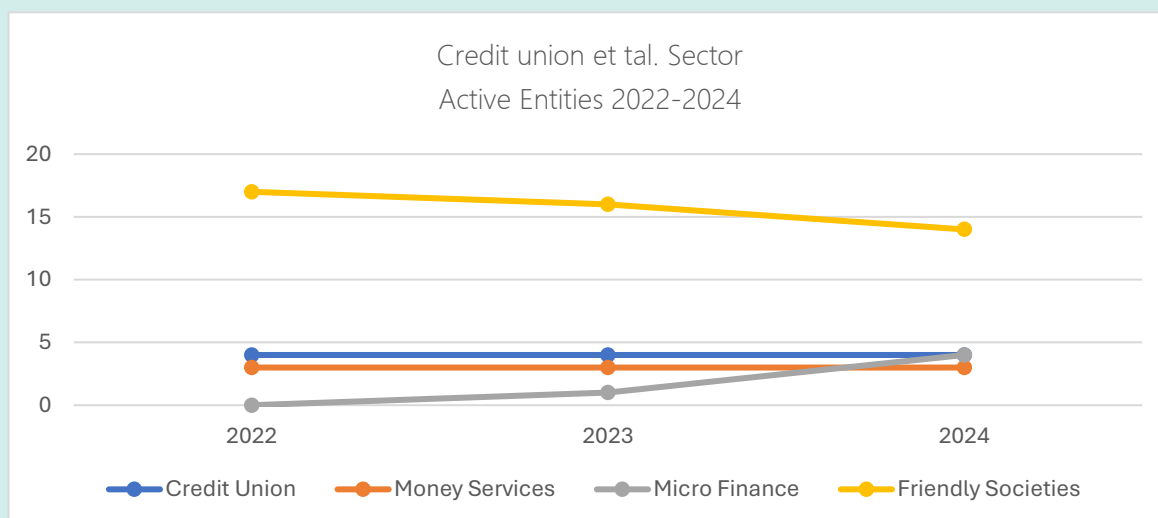
CHART 3
INTERNATIONAL FINANCIAL SERVICES PRODUCTS - ACTIVE ENTITIES: 2022 – 2024



Credit Union et al Sector

Based on the trend depicted in the table below, the financial entities in this sector appear to be undergoing a transformation, in which microfinance services are expanding while there is a contraction in friendly societies. On the other hand, the credit unions and money remitters remain stable, maintaining four (4) and three (3) entities respectively over the review period. This trend reflects the evolving members' needs and changing strategic focus within the sector.

CHART 4
CREDIT UNION ET AL DATA - ACTIVE ENTITIES: 2022 – 2024





FSA's Regulatory Approach

Building Financial Stability

The FSA's main contribution to building financial stability is to ensure that institutions are well-supervised and that emerging threats and risks are identified, addressed and mitigated in a timely and effective manner. A stable financial system is key to achieving other statutory objectives of maintaining market confidence, protecting consumers and reducing financial crime.


Prudential supervision has historically focused on the safety and soundness of individual firms and the risks they pose to their sector. The growing importance and use of financial soundness indicators and stress tests underscores the need for a macro-prudential approach to regulation and supervision to identify and mitigate risks emerging in the financial system as a whole, i.e., the institutions and the markets in which they operate as a means of maintaining financial stability and averting systemic crises.

Risk-Based and Consolidated Risk-Based Supervision

In 2022 the FSA adopted and implemented a revised Risk Based Supervision (RBS) framework in keeping with best international practice for regulators.

The key benefits of the application of a risk-based approach to supervision include systemic, forward-looking assessment within a formalized framework, allowance for early identification and intervention leading to a reduction in resolution costs, encouraging strong risk management practices and devotion of supervisory attention on a proportionate basis, in line with the risk profiles of the institutions and their systemic importance.

The FSA's application of RBS has ultimately resulted in the departure from the practice of conducting annual full-scope on-site inspections and use of the FSA's limited resources wisely in directing efforts where the greater risks lie and conducting more focused visits, as necessary.

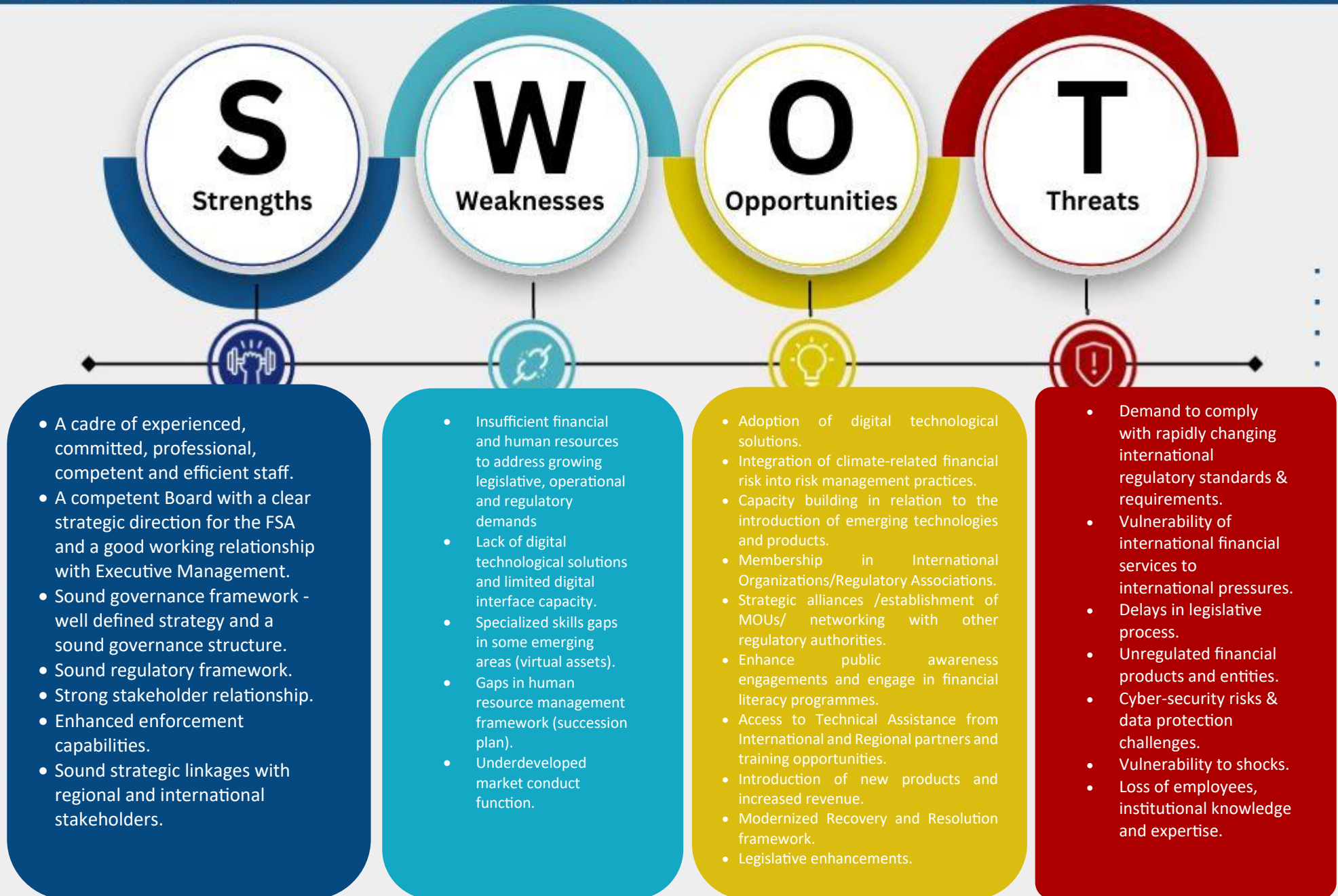


Continuous application of the RBS approach has resulted in an increasingly in depth understanding of institutions and industries to identify material changes and assess the probable impact on their risk profiles for timely interventions.

The FSA will further seek to promote a more cohesive consolidated supervisory approach by enhancing its data compilation and analysis of the regulated financial institutions and seeking collaboration with other regional regulators in the regulation of cross-border institutions. This would allow regulators to share information, identify emerging risks and advise the authorities on the identification of firms whose failure could pose a threat to financial stability due to their systemic importance evaluated based on a combination of size, complexity, substitutability and interconnectedness.

SWOT ANALYSIS

In developing this Strategic Plan, an assessment of the organization's strengths and weaknesses, as well as opportunities and threats were conducted. The SWOT Analysis below focuses on major impelling and impeding factors for positive change. This analysis provided a platform to determine appropriate strategies and activities so as to ensure that the planned objectives are achieved.





STRATEGIC PLAN (2025-2027)

Strategic Plan Approach & Methodology: The FSA's Strategic Plan sets out the Authority's work programme and priorities for 2025-2027 and the implications for the FSA Budget. The main elements of the Strategic Plan have been structured to align with the FSA's statutory objectives as the single regulator for the entire non-bank and international financial services sector. Accordingly, the Plan's deliverables are driven by these objectives, the risks faced by the institutions the FSA regulates, and the consumers who utilize their services. To this end, the approach has been a consultative process with the relevant stakeholders.

The Strategic Plan has also been created against a backdrop of evolving international standards for financial services regulation. The FSA will continue with the major initiatives that are already well underway.

Strategic Pillars: The supervisory tasks of the FSA are derived from its statutory mandate and the legislation governing the supervised entities, as well as the current developments and growth of the international, regional and local financial services sectors. In addition to this legal basis, the Plan seeks to define the longer-term focus of the FSA's work in line with its strategic pillars as outlined below. These are scheduled to be implemented through concrete initiatives within the next three years.

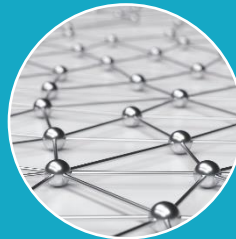
KEY STRATEGIC PILLARS



**FINANCIAL
STABILITY
&
SUSTAINABILITY**



**STAKEHOLDER
AND INDUSTRY
SUPPORT,
COLLABORATION
AND
CONSULTATION**

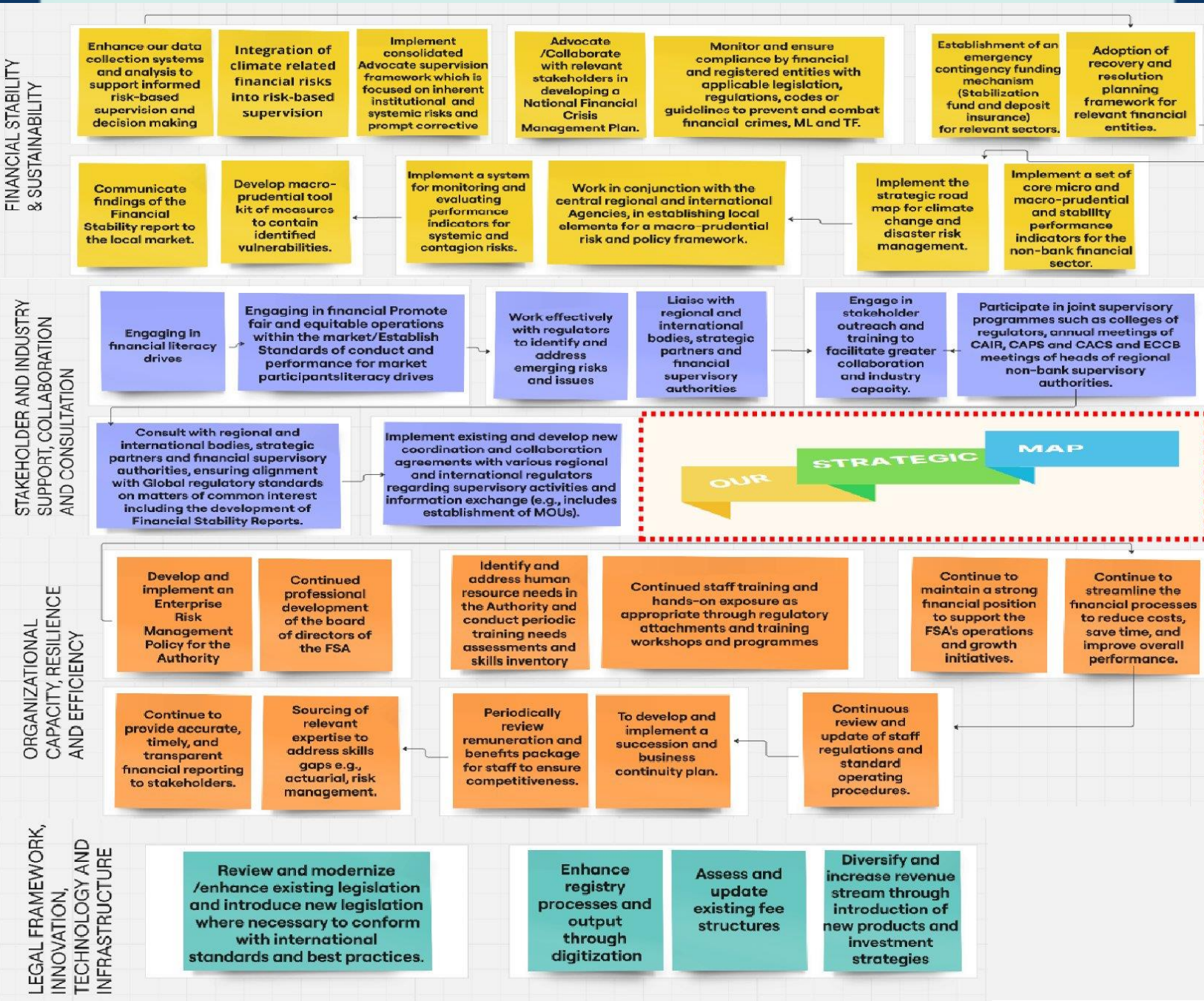


**ORGANIZATIONAL
CAPACITY,
RESILIENCE
AND
EFFICIENCY**



**LEGAL
FRAMEWORK,
INNOVATION,
TECHNOLOGY
AND
INFRASTRUCTURE**

OUR STRATEGIC MAP






STRATEGIC ACTIONS/INITIATIVES

PILLAR I: FINANCIAL STABILITY AND SUSTAINABILITY

Strategic Objective: Effective management of risks to the international and non-bank financial system.

- A. Enhance our data collection systems and analysis to support informed risk-based supervision and decision making.
- B. Integrate climate-related financial risks into risk-based supervision.
- C. Implement a consolidated supervision framework which is focused on inherent institutional and systemic risks and prompt corrective actions.
- D. Advocate/Collaborate with relevant stakeholders in developing a National Financial Crisis Management Plan.
- E. Monitor the emergence of new products, services, and risks and adjust supervisory strategies and activities as appropriate.
- F. Monitor and ensure compliance by financial and registered entities with applicable legislation, regulations, codes or guidelines to prevent and combat financial crimes, ML and TF.
- G. Establish an emergency contingency funding mechanism (Stabilization fund and deposit insurance) for relevant sectors.
- H. Adopt recovery and resolution planning framework for relevant financial entities.
- I. Implement the strategic road map for climate change and disaster risk management.
- J. Implement additional core micro and macro-prudential and financial health and stability indicators for the non-bank financial sector.



K. Work in conjunction with the central regional and international Agencies, in establishing local elements for a macro-prudential risk and policy framework.

L. Implement a system for monitoring and evaluating performance indicators for systemic and contagion risks.

M. Develop a macro-prudential tool kit of measures to contain identified vulnerabilities.

N. Communicate findings of the Financial Stability report to the local market.

PILLAR II: STAKEHOLDER AND INDUSTRY SUPPORT, COLLABORATION AND CONSULTATION

Strategic Objective: Promote public awareness and public confidence in the operations of financial entities.

Strategic Actions/Initiatives:

A. Engage in financial literacy drives.


B. Promote fair and equitable operations within the market by establishing standards of conduct and performance for market participants.

C. Conduct an industry perception survey of the FSA to garner information on areas for improvement and stakeholder engagement.

D. Engage in stakeholder outreach and training to facilitate greater collaboration and enhance industry capacity.

E. Consult with regional and international bodies, strategic partners and financial supervisory authorities, ensuring alignment with global regulatory standards on matters of common interest including the development of Financial Stability Reports.

F. Work effectively with regulators to identify and address emerging risks



and issues.

- G. Participate in joint supervisory programmes such as colleges of regulators, annual meetings of CAIR, CAPS and CACS and ECCB meetings of heads of regional non-bank supervisory authorities.


- H. Implement existing and develop new coordination and collaboration agreements with various regional and international regulators regarding supervisory activities and information exchange (e.g., includes establishment of MOUs).

PILLAR III: ORGANIZATIONAL CAPACITY, RESILIENCE AND EFFICIENCY

Strategic Objective: To continuously enhance human resource capacity and competencies.

Strategic Actions/Initiatives:

- | | |
|---|--|
| A. Develop and implement an Enterprise Risk Management Policy for the Authority. | D. Continue to maintain a strong financial position to support the FSA's operations and growth initiatives. |
| B. Identify and address human resource needs in the Authority and conduct periodic training needs assessments and skills inventory. | E. Continue to streamline the financial processes to reduce costs, save time, and improve overall performance. |
| C. Continue professional development of staff through training and hands-on exposure as appropriate through regulatory attachments and training workshops and programmes. | F. Continue to provide accurate, timely, and transparent financial reporting to stakeholders. |
| | G. Source relevant expertise to address skills gaps e.g., actuarial, risk management. |



H. Continue professional development of the board of directors of the FSA.

I. Periodic review of remuneration

and benefits package for staff to ensure competitiveness.

J. Develop and implement a succession plan.

PILLAR IV: LEGAL FRAMEWORK, INNOVATION, TECHNOLOGY AND INFRASTRUCTURE

Strategic Objective: Strengthen organizational resilience and maximize the benefits of technology.

Strategic Initiatives:

A. Review and modernize/enhance existing legislation and introduce new legislation where necessary to conform with international standards and best practices.

B. Enhance registry processes and output through digitization.

C. Implement (Reg-Tech/ Sup-Tech) digital technological solutions to enhance regulatory work processes and productivity.

D. Assess and update existing fee structures.

E. Diversify and increase revenue stream through introduction of new products and investment strategies.

F. Develop and implement a business continuity plan.

G. Review and update staff regulations.

H. Review and update standard operating procedures.



KEY PERFORMANCE INDICATORS/RESULT AREAS

This Strategic Plan had been developed with a focus on continuing the momentum of the work of the FSA. The FSA will therefore seek to build on the already established areas and further develop areas which require improvements. We have set challenging but achievable targets against which performance will be reviewed on a regular basis (monthly or quarterly depending on the target). Management will report on a quarterly basis to the Board on the implementation of these targets.

The achievements and progress of the FSA will be measured against performance indicators as outlined in the Appendix to the Strategic Plan.

6.1 Risk Factors to Achieving Strategic Plan

There are several factors that could affect the achievement of the strategic pillars and objectives which underpin the Plan. These factors fall broadly into the following categories: legislative, human capital and economic and technological.

6.2 Legislative

Slow legislative processes, particularly where the legislation is harmonized, can cause delays in passage.

6.3 Human Capital (Staff Buy-in)

The attraction and retention of skilled individuals in the face of competitive recruitment by private and regional agencies could pose challenges. Changes in the labour market could affect the FSA's ability to successfully recruit people as the needs dictate, as well as to retain the technical expertise required for key positions. A lack of commitment on the part of the Board and senior management to implement the plan can result in partial or suboptimal execution.



6.4 *Economic*

Shifts in the national and global economies can significantly affect the risk profiles of regulated entities and the corresponding supervisory strategies of the Authority. As such, rapid changes in the financial services market could outpace the ability to provide timely responses and place greater pressure on the FSA's systemic risk analysis function.

6.5 *Technological*

Modern technology will continue to be a key driver that will shape future development and competition in financial services in the foreseeable future. Rapid change in the financial sector's use of technology will require the FSA's information technology to be flexible and adaptive with the optimal blend of security, stability, and responsiveness. To meet the technology demands of customers and stakeholders, the FSA must have broad capabilities and skills in many disciplines, including systems development and support, telecommunications and network support, technical and help-desk support, and outsourcing management.

6.6 *Crisis Management and Resolution*

The absence of an effective regional risk surveillance system that incorporates the interconnectedness of the financial sectors nationally and across border may pose a challenge to the success of crisis management plans and regional stability.

6.7 *Stakeholder Partnership*

Ineffective stakeholder engagement and buy-in. Failure to communicate the plan to critical stakeholders will result in disengagement which can negatively impact areas where partnerships with stakeholders are crucial to success.



7. CONCLUSION

The financial services industry is evolving rapidly and has gone through tremendous change in the past decade. This paradigm shift in the industry presents new regulatory and supervisory challenges. As such, regulators of financial services institutions are being forced to countenance and tackle a more complex myriad of organizational challenges.

To address these challenges and solve the capability conundrum, regulators worldwide are turning to various digital technological solutions (Reg-Tech/Sup-Tech) powered by different technologies and technological capabilities such as artificial intelligence/machine learning (AI/ML), cloud computing, blockchain technology, data analytics, and adapting these innovations to their local contexts and unique needs to achieve improved regulation compliance methods, efficient supervision processes and effective oversight outcomes, which are necessary pillars to sustain and accelerate financial inclusion. During the strategic period, the FSA hopes to acquire a Regulatory and Supervisory Technology (Reg-Tech/Sup-Tech) software solution to greatly enhance its efficiency in executing its regulatory functions, including ensuring that IT systems and tools are adequate to carry out effective risk-based supervision of climate-related risks.

This Strategic Business Plan for the period 2025-2027 details the specific outcomes the Authority is seeking to achieve, as well as the strategies and initiatives that will be undertaken to accomplish those outcomes. However, the key to successful implementation of this Plan is the efficient and timely deployment of resources, coupled with effective execution and monitoring of the FSA's entire work programme.

In order to achieve the stated outcomes, it is necessary for management to communicate the contents, benefits and ramifications of the Plan to all staff and other stakeholders, to ensure clarity of vision and purpose. Additionally, mobilization and allocation of resources as *per* priority activities identified in the Plan must be undertaken to ensure the Annual Work Plans are tied to budgetary provisions. High levels of staff competence and productivity and timely revenue generation by effective production and marketing of the IFS services are therefore critical to the FSA's survival.