

Financial Services Authority (FSA) Turns 7!

On November 12, 2019 the Financial Services Authority ('FSA') celebrated its 7th anniversary. The occasion was marked by an internal thanksgiving service where staff reflected on the distance the organization has travelled and its impact on the regulatory landscape in St. Vincent and the Grenadines.

The FSA is an autonomous statutory body established pursuant to the Financial Services Authority Act, No. 33 of 2011 ('the FSA Act'), for the purpose of regulating the international (*offshore*) financial and non-bank financial sectors, the latter comprising Credit Unions, Insurances and Pensions, Building Societies, Friendly Societies and Money Remitters. The FSA's role, functions and powers are outlined in the FSA Act, and its regulatory objectives are enshrined in the FSA's core guiding principles, also outlined therein. These include, in sum, the protection and fair treatment of consumers, the enhancement of market integrity and financial stability, and the promotion of fair competition.

The FSA operates and regulates in accordance with existing legislation and best practices, and works, together with those it regulates, as well as other regulators and stakeholders to ensure the stability of the financial sector. The FSA has worked tirelessly over the past 7 years to address the various challenges and problematic issues which have been identified, and our engagement with the industry and all relevant entities, including stakeholders, strategic partners, the industry, customers of financial entities and members of the public, will continue.

Over the past 7 years, the FSA forged full speed ahead to evolve into a professional and specialized organization, engaged in the responsible execution of its legal mandate. It has utilized its wide-ranging regulatory powers to undertake various regulatory and empowerment actions to foster compliance with governing legislation and to promote stability in the operations of financial entities.

The FSA is suitably staffed by a cadre of qualified multi-disciplinary professionals with relevant financial, legal, accounting and regulatory backgrounds, who continue to exhibit a positive, courteous, conscientious and businesslike manner in their interactions with customers; both internal and external.

SVG's international financial services sector continues to face myriad challenges, as it has over the past 7 years, as a result of changing standards of international organizations and countries. The FSA has, and continues to work assiduously to address the necessary requirements with the objective of safeguarding the international financial services sector and the country as a whole. The FSA will also ensure that its products and services are competitive on the international market by continuous focus on updating and improving relevant legislation and keeping apprised of all international developments and best practices.

The FSA urges that each member of the regulated sector ensures that it is well positioned to easily demonstrate its accountability as well as its integrity, to its consumers, stakeholders (*particularly its regulator*) and the public at large. Being able to demonstrate sound governance structure and systems, compliance with governing legislation, prudential requirements and best practices and thus transparency and accountability as an institution, is no longer a choice on the part of the regulated sector. Voluntariness has long been superseded by the practical imperative need for regulatory compliance in today's financial world. Any deviation therefrom has the potential for irrepressible adverse impact on the micro and macro-economic stability and the reputation of our country. The maelstrom of international challenges that never seems to abate also heightens the need for every member of the regulated sector to be resolute in demonstrating compliance.

The FSA adopted and implemented a formalized **Risk-Based Supervision (RBS)** and consolidated supervision framework in keeping with best international practice for regulators. Supervision is undertaken by means of offsite monitoring and onsite examinations and the FSA consistently applies internationally accepted prudential standards to assess the condition and financial soundness of institutions which it supervises (CAMELS, PEARLS-M, IAIS Insurance Core Principle, CAMELS, IFRS, Basel I and some aspects of Basel II) in conjunction with the application of RBS.

The FSA collaborates locally with key stakeholders including, but not limited to, the Financial Intelligence Unit, the Inland Revenue Department, the Ministry of Finance and the Attorney General's Chambers on initiatives relating to the work of the FSA and other matters of national interest. Work with the Attorney General's Chambers has included revising various pieces of legislation to either modernize those and/or bring those in line with certain international initiatives.

The progress and results of the FSA over the past 7 years would not have been accomplished without the sound stewardship and guidance of the FSA's Board of Directors and the dedication of its employees. Neither could they be achieved without the valuable support and cooperation of stakeholders such as the Minister of Finance, as well as the Attorney General.

The FSA wishes to herewith record its deepest appreciation and thanks to the industry and stakeholders for its cooperation and support received throughout the past 7 years, without which, the FSA would not be able to effectively discharge its mandate.

Submitted by:

Financial Services Authority

November 12th 2019.