



SVG Financial Services Authority NEWSLETTER

ISSUE NO.3

October 1st 2025

<https://fsasvg.com>

Building a secure, resilient, and respected Financial Sector for St. Vincent and the Grenadines.

Welcome to Our Third Edition

We are pleased to present the third issue of our 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 covers critical topics including consumer protection in micro-financing, climate change and its impact on insurance, and the FATF Travel Rule requirement for virtual asset businesses. It also features a notice from the Registry Department, underscores the importance of enterprise risk management in today's dynamic regulatory environment, and provides updates on recent developments at the FSA.

Inside this issue:

- Consumer Protection in Micro-Financing and Lending Entities
- Climate Change and Insurance: Navigating a Growing Risk Landscape
- The Travel Rule: A Global Regulatory Requirement for Virtual Asset Business
- Enterprise Risk Management
- Amendments to the FSA Act
- Recent developments
- Registry Round Up
- Meet the Executive Management



CONSUMER PROTECTION IN MICRO-FINANCING AND LENDING ENTITIES

Consumer protection is the act of safeguarding buyers of goods and services, as well as the public, against unfair market practices. Principles for consumer protection are outlined in Section 6 of the *Money Services Business (Amendment) Act, 2022 (The Amendment)*. This provision aims to safeguard consumers from unfair, deceptive, or fraudulent business practices.

A consumer is an individual or group that purchases goods or services for personal use, not for manufacturing or resale. All consumers have the right to access safe goods, quality services, fairness and effective solutions if they are dissatisfied with the quality of the goods purchased or the service they received.



St. Vincent and the Grenadines ("SVG") microfinancing sector provides small consumer loans to individuals or small businesses that may typically experience challenges via the domestic banking system. This type of credit is typically unsecured and often carries a higher level of risk.

Two legislative documents guide the microfinancing sector in SVG: *the Money Services Business Act No. 27 of 2005 (The MSB Act)* and the *Money Services Business (Amendment) Act No. 25 of 2022*.

This article will cover the microfinancing consumer's rights to:

- A Loan Agreement
- A Statement of Accounts and Receipts, and
- File Complaints

LOAN AGREEMENT

Once a loan applicant is successful, a loan agreement is prepared by the lender and is signed by both parties (lender & borrower).

This agreement establishes a legally binding contract between the borrower and the lender. The loan agreement/contract outlines the expectations of both the lender and borrower simultaneously, i.e., it outlines the loan repayment amount, duration, and interest rate for each loan. The contents of this document must be carefully and thoroughly explained to the consumer by the lender before signing to avoid any confusion that may arise from the terminology used.



By law, a loan agreement prepared by a microlender must include:

- personal information (name, occupation, place of residence and place of business);
- date of loan disbursement;
- loan amount;
- additional fees (e.g. processing fees);
- rate of interest chargeable;
- repayment period;
- date the repayment of the loan commences and is due;
- instalments payable;
- cost of the loan;
- calculation of interest on default payments;
- penalty on default payments; and
- terms and conditions for early repayment.

STATEMENT OF ACCOUNTS AND RECEIPTS

A statement of accounts is a summary document that should be made available to all borrowers periodically throughout the life of the loan. It shows the financial transactions, i.e., the payments made to date and how those payments were applied. This helps the borrower keep track of the loan's progress and encourages transparency and accountability from both sides. The statement must also show the outstanding amount of both principal and interest.

The consumer or guarantor may request a statement of account at any time during the loan's term. This can be supplied in printed or electronic form.

Additionally, consumers of micro-lenders are provided with a receipt or written confirmation of loan repayment. Similar to the statement of accounts, this can be presented in a printed or electronic form to the consumer.



FILING COMPLAINTS

Where a consumer is intentionally or unintentionally mistreated or disenfranchised by a micro-lender, there are available avenues to have the matter reviewed.

Guide to handling disputes:

When a disagreement arises between the consumer and the lender, the consumer should:

1. Firstly, make representations to the regulated entity by using:
 - a pre-approved form;
 - a handwritten letter or via email; or
 - any other means as indicated by the entity.
2. Refer the complaint to the FSA where the entity provides no resolution within a reasonable timeframe.
 - The complaint must be made in writing and must include supporting documentation.
 - Can be submitted via email (info@svgfsa.com) or in person at the FSA's office.



Procedural guidance is available on the FSA's website for the submission of complaints.

CLIMATE CHANGE AND INSURANCE: NAVIGATING A GROWING RISK LANDSCAPE

The growing recognition of climate change and environmental risks as systemic threats to financial stability has prompted increased attention from regulators, investors and financial institutions worldwide. For the insurance industry, where risk assessment is at the heart of operations, climate change presents profound challenges that demand urgent action.

UNDERSTANDING CLIMATE RISK

Climate risk refers to the potential adverse effects of climate change and extreme weather events on economies, communities and the environment.

It is commonly categorized into two forms:

- Physical risk refers to the physical impact of climate change, these represents losses due to the increasing frequency and severity of climate-related events, also called "hazards". Physical risk also includes acute events such as hurricanes, floods and heatwaves, as well as chronic changes reflecting the effect of long-term changes in climate patterns, such as rising sea levels or altered rainfall patterns. These can damage assets and trigger financial losses across the broader economy.
- Transition risk arises from the shift towards low-carbon economies, including new regulatory requirements, technological changes and market adaptations. Policies such as carbon pricing may help reduce long-term damage but could create significant short-term adjustment costs.



RIISING CLIMATE EXTREMES IN THE CARIBBEAN

Over the past three years, the Caribbean has experienced elevated hurricane activity and intensified climate-related extremes, underpinned by record ocean heat and warming trends in the region.

- In 2022, the Atlantic produced 14 named storms, 8 hurricanes, and 2 major hurricanes—close to the historical average.
- Activity rose in 2023, with 20 named storms, 7 hurricanes, and 3 major hurricanes, fuelled by record-warm Atlantic Sea surface temperatures.
- The 2024 season was even more intense, recording 18 named storms, 11 hurricanes, and 5 major hurricanes. The year also marked the warmest on record for the region, with prolonged marine heatwaves and rapid storm intensification.

A defining event was Hurricane Beryl, the earliest Category 5 storm in Atlantic history and the strongest to make landfall in Carriacou, Grenada. This storm devastated the southern Grenadines before impacting Jamaica and several neighbouring islands.



IMPLICATIONS FOR THE INSURANCE INDUSTRY

Natural disasters directly translate into higher claims costs for insurers. As the climate shifts, the industry faces mounting challenges in predicting and managing risks. Traditional models built on historical weather data, struggle to keep pace with unprecedented extremes, leaving insurers exposed.

Key impacts include:

- **Rising Claims Costs:** Extreme weather events have triggered higher payouts for property, agricultural and business interruption claims.
 - **Underwriting and Pricing Challenges:** Traditional actuarial models, which depend on historical weather data, are becoming less predictive in the face of changing climate patterns. This creates uncertainty in pricing and underwriting decisions.
 - **Affordability and Coverage Gaps:** Persistent premium increases make insurance less affordable, especially in countries like St. Vincent and the Grenadines, with already low coverage rates, increasing the risk of persons being underinsured or uninsured.
 - **Reinsurance Market Pressures:** As insurers transfer risk to global reinsurers, the reinsurance market itself faces mounting pressure. This has led to higher reinsurance costs and reduced capacity, which are inevitably passed down to policyholders.
- For persons living in high-risk zones such as low-lying coastal areas vulnerable to flooding and storm surge, these pressures can mean limited or even no access to coverage. In many cases, reinsurance contracts restrict or exclude underwriting in these regions leaving individuals and communities without adequate protection against climate-related hazards.
- **Regulatory and Disclosure Requirements:** Supervisors now require insurers to assess, disclose and integrate climate risk into their business strategies.



TURNING RISK INTO OPPORTUNITY

Despite the challenges, climate risk is also driving innovation. Insurers are exploring new products such as parametric insurance (which pays out based on predefined triggers, such as wind speed or rainfall), climate resilience bonds, and green investment linked policies. These products not only provide protection, but also promote adaptation and resilience in vulnerable regions.

THE ROAD AHEAD

The systemic risk posed by climate change underscores the critical need for insurers, regulators and policymakers to adapt to an evolving risk landscape. The increasing frequency and intensity of climate-related disasters have already begun to challenge the resilience of traditional underwriting models, placing significant strains on claims management, pricing strategies, reinsurance capacity and overall market stability.

For the Caribbean, one of the most climate-vulnerable regions in the world, addressing these challenges is essential. Strengthening climate resilience within the insurance sector is not just about managing risk; it is about safeguarding livelihoods, economies, and communities against a rapidly changing environment.



As climate extremes continue to reshape our reality, one truth is clear: **the insurance sector must evolve to ensure that protection remains accessible, affordable and sustainable in the face of a changing climate.**

THE TRAVEL RULE: A GLOBAL REGULATORY REQUIREMENT FOR VIRTUAL ASSET BUSINESS

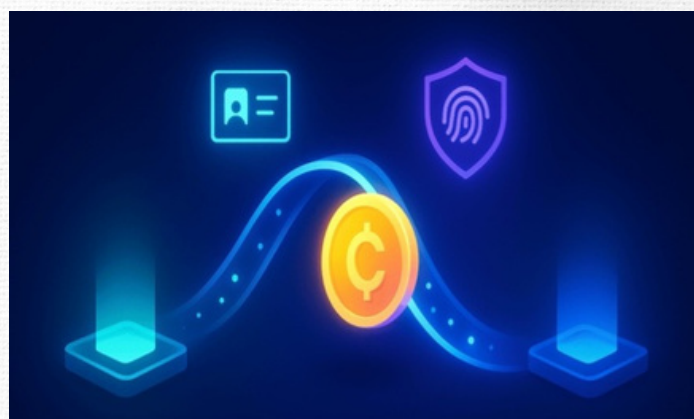
The global fight against money laundering, terrorist financing, and proliferation financing continues to evolve. One important requirement that financial institutions and Virtual Asset Service Providers (VASPs) must comply with is known as the “**Travel Rule.**”

The Travel Rule was originally introduced under the Financial Action Task Force (FATF) Recommendations and has become a central regulatory requirement in the oversight of Virtual Assets (VAs) and VASPs.



WHAT IS THE TRAVEL RULE?

The Travel Rule is a principle where financial institutions and VASPs are required to collect, verify, and share key customer (the originator and the beneficiary) information when transferring virtual assets above specified thresholds on behalf of a third party. The purpose is to strengthen Anti-Money Laundering (AML) and Countering the Financing of Terrorism (CFT) safeguards, ensuring transparency and accountability in cross-border and domestic VA transactions.



KEY REQUIREMENTS FOR VASPS

VASPs must ensure that:

Originator Information accompanies a transfer, including:

- Name of the sender
- Account or wallet number
- Residential address, national ID, or date and place of birth

Beneficiary Information is also included, such as:

- Name of the recipient
- Account or wallet number
- Physical address

This collected information must “travel” with the transaction to the receiving VASP or financial institution.

WHY IT MATTERS

- **Transparency:** Helps regulators and law enforcement trace illicit financial flows.
- **Global Standards:** Aligns local regulation with FATF's Recommendation 16, reducing risks of jurisdictional arbitrage.
- **Market Integrity:** Strengthens trust in virtual asset markets by ensuring responsible practices.

IMPLEMENTATION CHALLENGES

- **Technology Integration:** Ensuring secure, interoperable systems for information transfer across VASPs.
- **Data Privacy:** Balancing regulatory requirements with data protection laws.
- **Cross-Border Consistency:** Addressing gaps in jurisdictions with del.

FINANCIAL SERVICES AUTHORITY'S (FSA'S) SUPERVISORY APPROACH

The FSA is committed to:

- Monitoring VASP compliance with the Travel Rule.
- Providing guidance to industry participants on technological and operational best practices.
- Engaging in regional and international dialogue to promote regulatory harmonization.



The Travel Rule, as a global standard for VASPs, requires effective governance frameworks to ensure compliance, reduce regulatory risk, and build market confidence.



DID YOU KNOW?

These are Virtual Asset Businesses:

- A crypto exchange (platform which facilitates the buying, selling, or trading of virtual assets (crypto-to-crypto or crypto-to-fiat)). E.g. the offering of spot trading of Bitcoin and Ethereum
- A crypto transfer service (a service which allows for the sending or receiving of cryptocurrency)
- A crypto wallet provider (a platform which offers hosted wallets and involves the custodial control of user's keys)
- A cryptocurrency issuer (a company which issues or creates virtual assets such as tokens, stablecoins, NFTs, as a business)

These are Not Virtual Asset Businesses:

- A company which only provides technology (e.g. cloud storage for crypto data).
- A private individual making a one-time crypto transfer.
- A business using cryptocurrency for its own transaction only.

ENTERPRISE RISK MANAGEMENT

The Financial Services Authority, is committed to protecting customers of the international and non-bank financial services sectors, maintaining financial stability, and upholding the reputation of St. Vincent and the Grenadines as a trusted international financial services centre. The FSA's approach to risk management is guided by the principles set out in the **Enterprise Risk Appetite Statement** and **Enterprise Risk Management Policy**.

The FSA recognizes that risk is inherent in all business activities. Accordingly, a structured and transparent approach to risk is adopted to safeguard the stability, integrity and resilience of the non-bank financial sector:

- **Consumer Protection and Market Integrity** – There is no tolerance for risks that could compromise the fair treatment of clients, regulatory or legal compliance, or the integrity of the non-bank financial system.
- **AML/CFT/Financial Crime Prevention** – There is zero tolerance for risks relating to money laundering, terrorist financing, fraud, or other illicit activities, in line with AML/CFT standards.
- **Operational and Strategic Resilience** – A measured level of risk may be accepted to support innovation, efficiency, and growth, provided such risks are clearly identified, well understood, actively managed, and aligned with our strategic objectives.
- **Governance and Accountability** – The Board of Directors and senior management are ultimately responsible for ensuring that risks are identified, assessed, monitored, and mitigated through robust internal controls and oversight.

The organisation's Enterprise Risk Management framework ensures that:

- All material risks, including emerging risks, are proactively identified, assessed and managed.
- Risk tolerance levels are clearly defined and aligned with our objectives, and resources.

- Significant new activities, products, or initiatives are subject to rigorous risk review and approval processes prior to implementation.
- Risks are escalated and reported in a timely, accurate and transparent manner to support decision-making and oversight.

This statement will be reviewed annually to reflect changes in the operating environment, evolving regulatory responsibilities, and strategic priorities. By publishing this statement, the FSA reaffirms its commitment to responsible risk-taking, robust governance, and the long-term sustainability of both the organisation and the wider non-bank financial system.



Pictured: Ms. Kechewia Charles, ECCB Consultant, alongside the Management Team of the Financial Services Authority (FSA).



DID YOU KNOW?

The Financial Services Authority (Amendment) Act, 2025 was recently passed.

- ✓ The FSA now has expanded enforcement powers- Section 8 of the Act has been repealed and replaced to clarify and broaden the Authority's regulatory and supervisory powers.
- ✓ All financial entities must file annual audited financial statements each year, ensuring consistent oversight and alignment with international best practices.
- ✓ Updates improve clarity and consistency in the law.

These reforms close important gaps in the law, promote compliance, and enhance the FSA's ability to protect the financial system.

RECENT DEVELOPMENTS

THE FSA WELCOMES A NEW EMPLOYEE

The FSA is pleased to announce the appointment of the following member to its team:



Legal Department
Ms. Cheyanne Bacchus, Legal Officer

REGISTRY ROUND UP



Upcoming deadlines for Business Companies (BCs) and Limited Liability Companies (LLCs):

- 2025 Annual Fee Renewal for BCs and LLCs- **December 31st 2025**
- Filing Declaration in relation to IP Assets by BCs - **January 31st 2026**
- Filing Statement of Share Transfers by BCs - **April 1st 2026**
- Filing Declaration of Solvency or Financial Statements by BCs - **May 31st 2026**

MEET THE EXECUTIVE MANAGEMENT OF THE ST. VINCENT AND THE GRENADINES FINANCIAL SERVICES AUTHORITY

CARLA JAMES

Executive Director
Financial Services Authority



As Executive Director of the Financial Services Authority (FSA), Ms. James leads the day-to-day administration, management, and supervisory functions of the Authority. She is responsible for shaping and advancing the FSA's strategic priorities, driving its continued development as the regulator of St. Vincent and the Grenadines' international financial sector and non-bank financial institutions.

Ms. James is an experienced Attorney-At-Law which provides a strong foundation for her career in financial and regulatory affairs.

DEREK ST ROSE

Deputy Executive Director
Financial Services Authority



As Deputy Executive Director of the Financial Services Authority (FSA), Mr. St Rose is responsible for guiding strategic direction and managing the day-to-day operations of the Authority's regulatory functions. He also works closely with the Executive Director in developing policy, implementing regulatory reforms, strengthening supervisory frameworks, and engaging stakeholders.

Mr. St Rose is a seasoned financial regulator with over 30 years of experience in financial regulation, supervision, and institutional leadership.

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@svgfisa.com



Click to connect with us on:



 2nd Floor, Inland Revenue Building
Grenville Street
P.O. Box 356, Kingstown
St. Vincent & the Grenadines

 <https://fsasvg.com>
 +1 (784) 456-2577
+1 (784) 457 2328
+1 (784) 485 6031

