



**FINANCIAL SERVICES AUTHORITY
SAINT VINCENT & THE GRENADINES**

**PUBLIC NOTICE
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UPDATE ON THE FINANCIAL SERVICES AUTHORITY

The Financial Services Authority of St Vincent and the Grenadines (FSA) is a regulatory organization established on November 12, 2012, pursuant to the provisions of the Financial Services Authority Act, Act No 33 of 2011. The local Vincentian public and those in the Diaspora would have been apprised of this development by publications in the printed local media dated November 16th 2012, and thereafter by radio broadcasts. This instant publication serves to inform the public that the Financial Services Authority ('FSA') is presently operational.

The FSA replaces the former International Financial Services Authority (IFSA) which already operated as an autonomous statutory body with clear legislative functions, skilled and capable staff and a regulatory focus which implemented best international practices. Under the new structure, St Vincent and the Grenadines would be well placed to meet the evolving changes to the international regulatory architecture and to enhance supervision of the financial sector in general, with the incorporation into the FSA of supervisory responsibilities for domestic non-bank institutions, namely insurance companies, co-operatives, money remitters and building and loan societies.

In order for the new FSA to be effective, the FSA must be properly and appropriately resourced: both in terms of employee numbers and skills. A key task of ensuring a highly skilled human resources component of the FSA has been addressed.

Divisional Structure and Functions

The functional areas of the Authority have been organized into five divisions, namely:

- (i) International Financial Services ('IFS');
- (ii) Credit Unions, Building Societies Supervision, Money Remitters;
- (iii) Domestic & International Insurance & Pension Funds Supervision;
- (iv) Legal; and
- (v) Finance & Administration.

Each technical division will implement programmes and policies aimed at ensuring compliance through surveillance, supervision and inspection of regulated entities in line with regulatory requirements and the chosen model of supervision.

Strategic Direction

A Strategic Plan 2013- 2015 has been recently approved by the FSA Board of Directors and implementation of same by management has already commenced. This Plan outlines the role, functions, vision and strategy of the FSA, defines the objectives to be achieved and in particular, the priority actions the organization intends to implement during the stated period of its operations. A Situational Analysis (SWOT) prominently informs this Strategic Plan and serves to guide the organization's activities in the short and long term.

Corporate Governance and Organizational Structure

The Board of Directors of the FSA comprises highly capable individuals, all of whom have met statutory requirements for being a member of the Board. The current Board is headed by Mr. Leon Snagg, Chairman (former Director of Audit), Mrs. Alma Dougan, Deputy Chairperson (former Director VAT, Comptroller Inland Revenue), Mr. Maurice Edwards, Director General of Finance and Planning, Mr. Stewart Haynes, Actuary and Investment /Research Analyst, NIS, Mr. Hubert Da Silva, former Banker/Businessman, Mrs. Tamara Gibson- Marks, Barrister at law and Registrar of the High Court. The organizational structure of the FSA consists of the Board of Directors at the top level, followed by the Executive Director, then the Deputy Executive Director and divisional managers on the fourth tier.

Management Framework

Management is charged with the implementation of the FSA's Strategic Plan and thus it is imperative that a strong management team is in place. The management team of the FSA comprises Executive Director, Mrs. Sharda Bollers, the former Executive Director of the International Services Authority (IFSA) and the Financial Intelligence Unit (FIU). Mrs. Bollers is a barrister at law by profession and holds a Masters of Laws (International Finance, Banking). Mrs. Bollers is also a designated Legal Expert for the purposes of Anti Money Laundering and Counter Financing of Terrorism Methodology.

The FSA's Deputy Executive Director, Mrs. Eleanor Astaphan, has been recently recruited. Mrs. Astaphan is the former Executive Director of the regulatory authorities in Dominica and Anguilla respectively. Mrs. Astaphan holds a BA in Business Administration, a MBA (Finance /Banking Major) and a LLB. The FSA is fortunate to be able to recruit a Vincentian citizen such as Mrs. Astaphan, with such a highly desirable regulatory background and directly relevant management and leadership experience.

Both Mrs. Bollers and Mrs. Astaphan have proven track records of managerial success within a regulatory environment.

Management at the divisional level is provided by:

- Ms. Karen Jackson, FCCA, Bsc, Msc.
- Mrs. Mintrue Rose –Providence, Bsc, Msc, and
- Ms. Dionne Harry, ACCA, Bsc.

Management is supported by administrative, regulatory, legal and IT staff with appropriate qualifications and experience. Regulatory staff all possess undergraduate and/or postgraduate degrees in banking, accounting and finance and/or other relevant qualifications such as the ACCA and CGA.

Recent Developments - Sectors Falling Under the FSA

Since the commencement of the international financial crisis, regulatory authorities have come under increasing scrutiny and face increased calls to enhance their supervisory frameworks. In recent years, there have been enhanced regulatory and supervisory processes undertaken by IFSA and the Ministry of Finance. The lessons learnt from the global financial crises have made such enhanced regulatory practices not merely desirable but necessary.

The following work has been undertaken:

- Under the ECCB regionally coordinated OECS Grant for “Strengthening Accountability of the Non-Bank Financial Sector, work has already commenced in St Vincent & the Grenadines with training and development of regulatory guidelines and processes for the money services sector. The FSA will capitalize on work already undertaken in relation to money remitters in the exercise of its regulatory functions under the FSA Act.
- New draft legislation, a Building and Societies Bill, is presently receiving the Attorney General’s consideration and is anticipated to be enacted in 2013. In the interim, though the legislation governing the Building and Loan Association needs updating, regulatory powers under the FSA Act provide a sound foundation for regulatory oversight and monitoring, and any action which is deemed necessary by the regulator.

Since February 2010, the Building and Loan Association has entered into a Memorandum of Understanding with the Ministry of Finance under assistance of the World Bank to introduce measures to strengthen the overall condition of the institution. The resulting Action Plan carries forward in 2013 with further assistance from the World Bank and close oversight by the FSA. The FSA is satisfied with this ongoing work.

- A new Co-operative Societies Act was enacted in 2012 which propels a harmonized regional approach to the regulation of co-operatives. Regulatory staff of the Credit Union Division of the FSA are presently receiving training in ‘*Effective Supervision of Credit Unions*’ including Onsite Inspections, and further training is scheduled during 2013. The FSA will continue the work initiated by the World Bank and CARTAC to ensure a viable and properly regulated credit union sector.
- The FSA will also be working with regional regulators and the World Bank in the implementation of the “*Roadmap for Insurance Supervision in the Eastern Currency Union*”, an initiative to address the shortcomings in the regulation and supervision of the insurance sector. In the interim, the FSA is closely monitoring progress of the judicial management of the CLICO and BAICO insurance companies.

Regulatory Approach/ Financial Stability

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

Although in its infancy stage, it is important to note that in less than three (3) months of existence, the FSA's administrative framework has been implemented as well as a situational analysis completed to inform strategic plans for the effective regulation for the various entities within its remit. The various departments which regulate the financial services sector are now staffed with a cadre of skilled and trained professionals, and the competencies, qualifications and commensurate emoluments proposed for each major position have been adopted into the policy documentation of the Authority.

The FSA intends to fully engage the regulated sectors as well as regional regulators of cross border institutions in meaningful dialogue and exchange in its commitment to ensure that its responsibilities are effectively and transparently discharged.

Submitted by:

The Financial Services Authority