



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

MEMORANDUM

TO: REGISTERED AGENTS AND TRUSTEES

FROM: REGISTRAR OF INTERNATIONAL BUSINESS COMPANIES

SUBJECT: **FAQs Re Revised Requirements for Business Companies (BCs) and Limited Liability Companies (LLCs) Seeking to Engage/ Engaged in FOREX Activity.**

DATE: January 12, 2023

1. How can an entity demonstrate to the FSA that no licence is offered in the jurisdiction which they conduct/wish to conduct business?
 - *If no license is required in a specific jurisdiction in which FOREX Activity is being undertaken, a letter issued by the regulatory/competent authority in the relevant jurisdiction can be furnished to the FSA. This letter must indicate that a license is not required by the named entity to engage in such activity in the jurisdiction.*

2. What are the consequences of non-compliance of the notice?
 - *The consequences of non-compliance are the application of sanctions towards the non-compliant company.*

3. What are the applicable sanctions?
 - *The applicable sanctions are:*
 - *cancellation of a company pursuant to Section 37 (1) of the FSA Act¹ and/ or*

¹ Section 37 (1) FSA Act provides that the licence of a registered entity may be cancelled by the Authority after consultation with the minister where in the Authority's opinion –

(a) **a financial entity or registered entity is not maintaining high standards of financial probity or following sound business practices.**

(b) A financial entity has committed a serious breach of this Act, the Regulations, a specified enactment or any act or regulations relating to money laundering or the financing of terrorism.

(c) A registered entity has committed a serious breach of this Act, the Regulations, a specified enactment or any act or regulations relating to money laundering or the financing of terrorism.

- *being struck off the Register pursuant to Section 172 (1)(a)(ii) of the International Business Companies (Amendment) Act 2018².*

4. Would the FSA be minded to grant an extension of time to obtain the necessary licence/approval from other jurisdictions for those companies that are already incorporated and trading?
 - *Extensions may be granted to a company upon the submission of an application to the FSA prior to the deadline stipulated in the notice. Extensions will be granted on a case-by-case basis.*
5. Where it is impossible to obtain a licence for a company that is not yet incorporated. Is the FSA willing to provide a grace period from the date of incorporation to obtain the necessary licence/approval from other jurisdictions?
 - *Where it is impossible for a company to obtain the requisite licence or approval, a company can provide a letter from the regulatory/ competent authority indicating that the requisite approval/ licence is only issued after the company is incorporated and an estimated time period within which such licence/ approval can be granted after incorporation. The FSA will consider this letter in determining whether the company will be incorporated on the condition that the licence / approval is provided in a reasonable time (such time to be specified by the FSA).*
6. Would the FSA be minded to accept legal opinions from lawyers authorised to practice in such countries to confirm that no licence/approval is required to onboard clients/trade from such countries in lieu of a licence?
 - *The FSA will not accept legal opinions from lawyers. A letter from the competent authority will suffice.*
7. Will sanctions be applied to companies that initiate and or have not completed exit plans, such as a re-domiciliation or liquidation prior to the deadline?
 - *In such instances, an extension of time can be applied for and will be granted on a case-by-case basis. Where a company fails to apply for an extension of time prior to the deadline, the sanctions will apply.*
8. Whether the policy applies only to forex companies trading with third party funds or whether it is also applicable to forex companies trading with their own funds?
 - *The policy applies to all companies engaging in Forex activity.*

² Section 172 (1)(a)(ii) of the IBC (Amendment) Act 2018 provides that
(1) The Registrar may strike a business company off the Register if-
(a) the company

.....
(ii) **fails to file any return, notice or document required to be filed under this Act or the Regulations.**

9. Whether the policy applies to Contact for Difference (CFDs) who generally do not trade forex on its own but trade CFDs?

➤ *Where a company is engaged in Forex trading whether wholly or partly, the requirements apply equally.*



Registrar

International Business Companies