



In 2024, the Financial Services Regulatory Commission (FSRC) continued to develop, enhance and implement policies and procedures for Anti Money Laundering/Countering the Financing of Terrorism/Countering the Financing of the Proliferation of Weapons of Mass Destruction (AML/CFT/CPF) in the Federation of St. Kitts and Nevis to regulate and supervise the Financial Services Sector.

The FSRC also worked alongside other Competent Authorities to ensure that the Financial Services Sector of St. Kitts and Nevis is safeguarded against existing and emerging threats through the amendment of existing legislation and the education, training and monitoring of regulated entities.

Outreach and Guidance

Statements from the Financial Action Task Force (FATF) were published on the FSRC’s website and forwarded to all relevant entities and organizations. Regular advisories/updates were also disseminated from the Office of Foreign Assets Control (OFAC) and the United Nations (UN) Sanctions List to all regulated entities. The newsletters for 2024 focused on sensitizing regulated entities on existing and emerging ML/TF/PF threats and trends to our region.

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| January - March | <ul style="list-style-type: none"> • Top 6 Scams to Look for in 2024 • Misuse of Internet & Mobile Payment Systems for ML/TF/PF • Combating Insurance Fraud |
| April - June | <ul style="list-style-type: none"> • Climate Related Risks • Identifying Dirty Money • Dual Use Goods and Proliferation Financing |
| July - September | <ul style="list-style-type: none"> • The Rise of ML/TF/PF on Snap Chat • Money Laundering in the High Value Goods Sector • Credit Reporting |
| October - December | <ul style="list-style-type: none"> • Digital Skimming • The Dark Side of Crypto • Year in Review 2024 |

2024 Sensitization Workshops

A series of targeted workshops were held throughout the year with representatives from various sectors such as Insurance, Money Services Businesses and Credit Union. Institutions such as the Development Bank of St. Kitts and Nevis were also included in the workshops. Targeted workshops were also held for Board of Directors, Senior Management and Regional Compliance Officers of the Financial Institutions (FIs).

The workshops focused on topics such as climate risk, suspicious transaction reporting and transaction monitoring.

Sessions were also held on:

- i) the importance of providing efficient responses and relevant information to requests from the AML/CFT/CPF Competent Authorities within a suitable timeframe; and
- ii) compliance matters specifically emerging trends within the Financial Services Sector.



Onsite Examinations

In 2024, the FSRC conducted six (6) onsite examinations:

- * One (1) Credit Union;
- * Two (2) Commercial Banks;
- * One (1) Insurance Company (Targeted);
- * One (1) Corporate Service Provider; and
- * One (1) Gaming Entity.

Eleven (11) follow up examinations were conducted to assess and determine whether the regulated entities with strategic deficiencies had implemented the recommended actions and systems to address the weaknesses outlined in their respective Onsite Examination Reports. Three (3) spot checks were also completed in 2024.

Training Invitations

The FSRC was invited by the following entities to conduct training:

- ⇒ Lake Health and Wellbeing: The training focused on the requirement to register a Non Government Organization (NGO) and the legislative obligations for NGOs.
- ⇒ The SKNA National Bank Group of Companies: Annual Risk and Compliance Seminar. The topic for the seminar was Safeguarding Integrity: Modern Challenges in AM/CFT/CPF Compliance.

Other Training Initiatives

- ⇒ Two (2) Quarterly Training Seminars were held under the theme: Strengthening the Foundation with Pillars of Compliance. Topics focused on:
 - 1) common compliance deficiencies and new legislative requirements; and
 - 11) enterprise-wide risk assessments.
- ⇒ One (1) Compliance Officer training course was held virtually. Fourteen (14) participants across several sectors attended the training.
- ⇒ Four (4) half day targeted sessions were held on Enterprise Wide Risk Management and the requirements of the AML/CFT/CPF Laws and Regulations. Eighty (80) participants across several sectors attended the trainings.

Licensed Entities/ Persons as at 31 December 2024

- ◆ **Forty-Two (42) Trust and Corporate Service Providers (TCSPs) consisting of Accountants, Lawyers and Persons with experience in Company Formation;**
- ◆ **Eight (8) Money Services Businesses;**
- ◆ **Four (4) Credit Unions;**
- ◆ **Fourteen (14) Domestic Insurance Companies, One (1) Association of Underwriters and Two (2) Insurance Brokers;**
- ◆ **Fifteen (15) Insurance Agents;**
- ◆ **Thirty (30) Sales Representatives;**
- ◆ **Three (3) Escrow Agents for Citizenship by Investment (CBI);**
- ◆ **One (1) Casino;**
- ◆ **One (1) Lottery;**
- ◆ **Three (3) Slot Parlours; and**
- ◆ **One (1) Internet Gaming Entity**



Registers of Entities

The information below reflects the relevant statistics for the Registers of Entities as at 31 December 2024.

| Entities | No. of Entities |
|-------------------------|------------------------|
| Ordinary Companies | 1,476 |
| International Companies | 87 |
| Public Companies | 15 |
| External Companies | 90 |
| Foundations | 163 |
| Trusts | 5 |
| Limited Partnerships | 8 |
| Total Entities | <u>1844</u> |

Common Deficiencies Identified During On-Site Examinations

The FSRC analyzes the on-site examination reports of regulated entities on an annual basis to identify common deficiencies which demonstrate non-compliance with AML/CFT/CPF Regulations and other relevant legislation that govern the regulated entities. The chart below summarizes the common deficiencies which were highlighted in the reports of on-site examinations conducted in 2023.

Common Deficiencies Identified During Onsite Inspections 2023

