FSRC: Reflections and Looking Ahead

As each new year rolls around, individuals make new year's resolutions and set goals; organizations would re-visit their vision statements. We take time to complete an assessment of what went well and what did not; a time of reflection. At this time, these questions are always asked: ***What can I do better this year, than last year? What and How can I improve?***

New Year's Resolution #1:
Be More Awesome than last year.

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Looking Back

In 2014, the FSRC embarked on a risk-based approach to Anti-Money Laundering/Countering the Financing of Terrorism (AML/CFT) regulation and supervision which included an increase in the number of on-site inspections and a revamped risk-rating regime. In 2015, with additional training provided by the Caribbean Regional Technical Assistance Centre (CARTAC), a robust risk assessment model was introduced. This has been integrated into the on-site and off-site analysis of entities which are regulated by the FSRC. The increased number of on-site examinations was maintained and the use of the newly developed risk assessment model was implemented.

The on-site and off-site examinations have proven useful in identifying significant deficiencies in the AML/CFT Compliance Programs of the regulated entities. The resulting report provides recommendations to rectify deficiencies and strengthen the AML/CFT Compliance for the relevant business.

Over the years, the FSRC has analyzed the deficiencies noted during on-site and off-site analyses to determine the common deficiencies identified with regulated entities. The following have been observed as the major deficiencies affecting regulated entities in developing and sustaining an effective AML/CFT Program:

* Lack of Ongoing Training; and
* Lack of AML/CFT Policies and Procedures Manual

Looking Ahead

In light of these deficiencies, in 2016 the FSRC – St. Kitts, intends to provide assistance to its regulated entities with building the capacity of their employees and business operations. The FSRC – St. Kitts Branch will focus on two (2) initiatives: (i) quarterly training sessions and (ii) developing an AML/CFT Policies and Procedures Manual Template.

Knowledge is power! Training is a vital part of building the human resource capacity of any business. The FSRC – St. Kitts Branch will be hosting quarterly training sessions for regulated entities desirous of obtaining fundamental training for its staff members. This training would provide useful information and key aspects to be included in an effective anti- money laundering and countering the financing of terrorism program. It is critical for an organization's employees to be aware of basic requirements and knowledge to ensure compliance. The first training session will be held on 14 April 2016; a second session would be held in June 2016.

Also, the FSRC is in the process of compiling an AML/CFT Policies and Procedures Manual which may be used as a template by regulated entities to develop a Manual for their business. This Manual is developed in accordance with the AML/CFT Laws and Regulations of St. Kitts and Nevis. It provides a comprehensive overview of the fundamentals of an efficient and effective AML/CFT Compliance Program designed to detect money laundering and terrorist financing. Additionally, it is a 'how to' guide for all employees within an organization of the procedures which should be adhered to, to ensure the safety and soundness of the organization and compliance with the relevant AML/CFT Laws and Regulations of St. Kitts and Nevis. All employees should be extensively trained on the details provided in their organization's manual to fully understand their daily duties. A copy of this Manual must be maintained by each employee for reference.
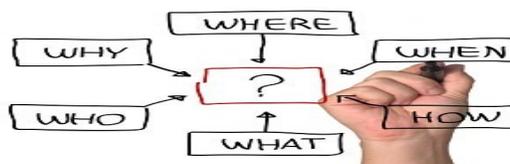
We encourage all regulated entities to take advantage of these initiatives as the FSRC is committed to work with you to enhance your compliance, while safeguarding the integrity of our financial economy.

New Location

The office of the FSRC—St. Kitts Branch has relocated to South Independence Square Street (building previously occupied by CLICO Insurances).