



# Year In Review 2020



**October 2020** marked the 10th Anniversary of the Financial Services Regulatory Commission (FSRC) as a Statutory Body in St. Kitts and Nevis. The Board of Commissioners, Management and Staff recognized the achievements and contribution made by the Commission to the monitoring, regulation and supervision of Financial Services carried on within the Federation. A week of activities, Monday 19th—24th October 2020 was organized to commemorate the anniversary of the Commission and its work to fulfill the mandate of safeguarding the Financial Sector of St. Kitts and Nevis. Activities included the following:

- ◇ Visits to the Irish Town and Edgar T. Morris Primary Schools and donation of sanitizing supplies;
- ◇ Donation of Food Hamper to Family in Need;
- ◇ Client Appreciation Day at the FSRC’s Office; and
- ◇ Staff Dinner at Rock Lobster.

In January 2020, COVID-19 was quietly making its rounds through Wuhan, China. Most of the world went about their daily routines, oblivious to how their lives would be turned upside down in a short period of time. By 11 March 2020, Dr. Tedros Ghebreyesus, the Director General of the World Health Organization (WHO) declared a global pandemic. In a matter of months, vibrant cities became silent. Economies plummeted and industries ceased to function. Millions of persons lost their jobs. Society was forced to adapt to the new ‘norms’ of travelling and conducting business.

The FSRC too faced numerous challenges but resiliently rose to the occasion by adopting and implementing systems to ensure that the Commission continued to fulfil its mandate. Virtual training workshops were conducted with entities. Additionally, courtesy calls were made across the various sectors to provide guidance and to gauge how well the various entities were managing the COVID- 19 pandemic and that mechanisms were in place to ensure business continuity and Know Your Customer (KYC) guidelines were being adhered to. The table below summarizes the COVID-19 situation in St. Kitts and Nevis as at 1 January 2021.



<b>COVID Situation in St. Kitts and Nevis</b>	<b>#</b>
Total No. of Confirmed Cases	33
No. Imported Cases within last 14 days	1
No. of Deaths	0
No. of Persons Tested	5593
No. of Positive Test Results	33
No. of Negative Test Results	5560
No. of Test Results Pending	0
No. of Persons Quarantined (at home)	11
No. of Persons Quarantined (at facility)	428
No. of Persons in Isolation	2
No. of Persons Released from Quarantine	3319
No. of Persons Recovered	31

### Sector Awareness Initiatives for 2020

Due to COVID-19 restrictions, the Annual Know Your Regulator (KYR) Event and AML/CFT Conference were not held. Outreach was held with the Non-Government Organization (NGO) Sector in February and representatives from the FSRC were guests on the radio show “Working For You” to sensitize the public on the revised registration process for NGOs. The FSRC continued to publish monthly Newsletters as well as issue Public Statements from the Financial Action Task Force (FATF) and Caribbean Financial Action Task Force (CFATF) to ensure that entities were kept informed of developing threats and vulnerabilities. The Newsletters for 2020 were as follows:

1st Quarter	<ul style="list-style-type: none"> <li>•January - The National Risk Assessment for St. Kitts and Nevis 2019 Next Steps</li> <li>•February - Terrorist Financing Risk Assessment</li> <li>•March - Digital Identity</li> </ul>
2nd Quarter	<ul style="list-style-type: none"> <li>•April - Conducting a Compliance Audit</li> <li>•May - COVID-19 Fraud, Scams and Opportunistic Threats</li> <li>•June - Proliferation Financing</li> </ul>
3rd Quarter	<ul style="list-style-type: none"> <li>•July - Effectiveness: Elements of an AML/CFT/CPF System</li> <li>•August - Reliance on Third Parties</li> <li>•September - Illegal Wild Life Trade</li> </ul>
4th Quarter	<ul style="list-style-type: none"> <li>•October - Tax Crimes</li> <li>•November - Virtual Assets: Red Flag Indicators</li> <li>•December - Year In Review</li> </ul>



# STATISTICAL DATA

## Licensed Entities/ Persons as at 31 December 2020

- ◆ Forty Seven (47) Trust and Corporate Service Providers consisting of Accountants, Lawyers and Persons with experience in Company Formation;
- ◆ Ten (10) Money Services Businesses;
- ◆ One (1) Insurance Manager;
- ◆ Four (4) Credit Unions;
- ◆ Fifteen (15) Domestic Insurance Companies, One (1) Association of Underwriters, Two (2) Insurance Brokers, Fourteen (14) Insurance Agents and Twenty Six (26) Sales Representatives;
- ◆ Thirteen (13) active Captive Insurance Companies; and
- ◆ Four (4) Escrow Agents for Citizenship by Investment.

## Registers of Entities

The information below reflects the relevant statistics for the Registers of Entities as at 31 December 2020.

### Incorporated Entities

### No. of Entities

Private Ordinary Companies	1,676
Private Exempt Companies	534
Public Companies	19
External Companies	77
Foundations	379
Trusts	5
Limited Partnerships	7
<b>Total Registered Entities</b>	<b><u>2,697</u></b>

## Onsite Examinations

In 2020, the FSRC conducted (6) onsite examinations:

- \* One (1) Insurance Broker;
- \* Two (2) Insurance Companies;
- \* One (1) Money Services Business; and
- \* Two (2) Corporate Service Providers.

Eight (8) follow up examinations were completed in 2020. Additionally, eleven (11) spot checks were conducted.

Due to the implementation of the COVID-19 protocols, the FSRC suspended on-site and follow up examinations during the second quarter of 2020.



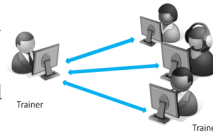
## Training

The following training sessions were held in 2020:

⇒ Two (2) Quarterly Training Sessions at the National Emergency Management Agency (NEMA) in March 2020

⇒ Virtual Sessions via Zoom on the following:

1. Compliance Officer Training Course with representatives from the following entities:



- \* One (1) Credit Union
- \* Two (2) Corporate Service Providers
- \* Two (2) Insurance Agents
- \* One (1) Development Bank

2. Requirements of the AML/CFT Laws & Regulations with representatives of one:

- \* One (1) Insurance Company

## 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 Regulations and other relevant legislation that govern Regulated Entities. The chart below summarizes the common deficiencies which were highlighted in the reports of on-site examinations conducted in 2019.

