



**Anguilla Financial
Services Commission**

2017

Annual Report

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Governor's Report



As I reflect on the past year, I know that many people, myself included, will remember 2017 for the destruction wrought by Hurricane Irma, which made landfall in Anguilla on 6 September. The impact of this category five hurricane must not be underestimated. However, demonstrating the resilience and steadfastness so characteristic of local citizens, the Commission, as with much of the financial services sector on island, was up and running within two days of the hurricane. I commend the AFSC for its efforts in ensuring continuity for businesses and citizens in the wake of such a devastating natural disaster.

The past year has also been significant in terms of the Commission's effective discharge of its regulatory responsibilities for our financial services industry, and I am pleased to highlight a number of important examples.

The Commission took a leading role in organising Anguilla's early preparations for the Caribbean Financial Action Task Force (CFATF's) Fourth Round Mutual Evaluation Review, which will focus on the jurisdiction's compliance with international standards on Anti-Money Laundering (AML) and Counter Financing of Terrorism (CFT) and is due to be conducted in Quarter 4 of 2021. The Commission's efforts included working with the Government of Anguilla to establish a Steering Council and Working Group tasked with carrying out a National Risk Assessment for Anguilla, a key component of the Fourth Round review, as well as preparations for an in-depth evaluation of the jurisdiction's ability to address identified AML and CFT-related risks. The review will continue to be an important area of focus for the Commission and the Government of Anguilla in 2018 and beyond.

The Commission also maintained its focus on ensuring the stability and integrity of Anguilla's financial system and 2017 was an important year for its enforcement activities, particularly in relation to compliance with AML/CFT standards. The Commission imposed more than US\$126,000

in administrative penalties during the year and I would like to thank the Commission for its efforts in this area.

As with regulators in many other countries, the Commission has been proactive in assessing the risks inherent in new financial technology products and systems and in determining how Anguilla can reap the benefits of these new technologies whilst ensuring appropriate regulatory structures are in place. In particular, the Commission was involved in the development of robust legislation to enable regulated offerings of utility tokens in or from within Anguilla. The Commission will continue to work closely with policy makers and legal experts on the finalisation of this legislation next year which will show-case Anguilla as an international leader in the regulation and promotion of these innovative products. In the meantime, the Commission was responsible in 2017 for licensing Anguilla's first ATM for the conversion of US Dollars to Bitcoin and vice versa.

These are important achievements, however it is important not to be complacent. We know that a number of challenges lie ahead, in particular in relation to the demands of international standard-setters on economic and tax transparency which continue to increase in scale and complexity. Whilst these demands place burdens on small jurisdictions, they will also ensure that our financial services sector is well-regulated, governed judiciously and that companies registered in the territory are held to the highest standards and operate in the best interests of citizens.

I am confident that Anguilla will respond with alacrity to the challenges ahead and the Commission will be an important leader in these efforts. I would like to take this opportunity to thank all staff for their hard work throughout 2017 and I look forward to our continued close partnership in 2018.