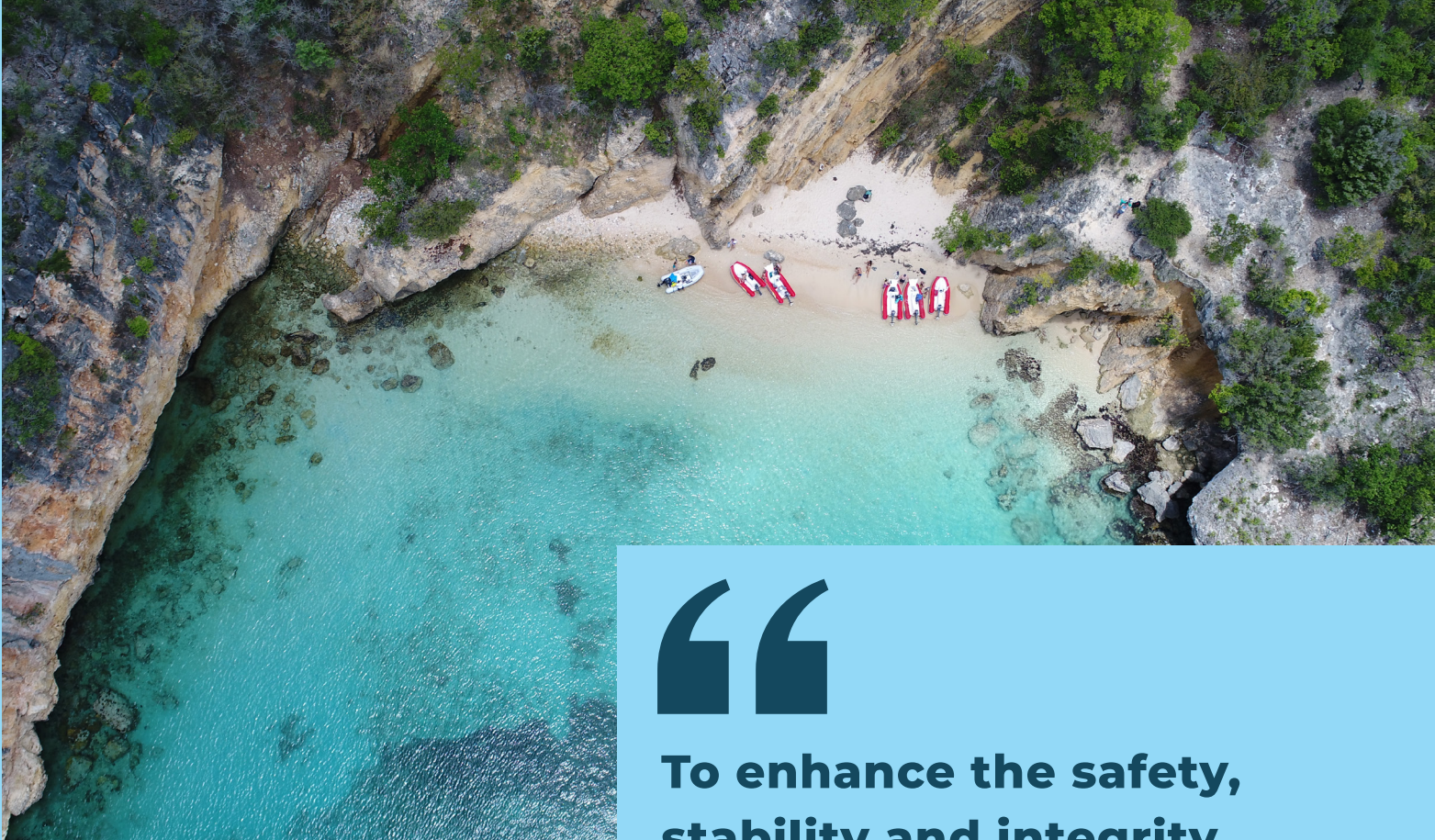


ANGUILLA FINANCIAL SERVICES COMMISSION



ANNUAL REPORT 2023

OUR MISSION



To enhance the safety, stability and integrity of Anguilla’s financial system and contribute to Anguilla being a premier financial centre, through appropriate regulation and legislation, judicious licensing, comprehensive monitoring and good governance.

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In 2023, the global financial services landscape was impacted by heightened regulatory activity and systemic challenges. Financial authorities and standard-setting bodies responded to emerging risks by strengthening resilience, enhancing transparency, and safeguarding financial stability. Attention was particularly directed to vulnerabilities in the banking sector, the growing threat of climate risk, and the challenge of illicit finance.

Globally, the banking sector faced increased scrutiny, as contagion concerns highlighted the cross-border vulnerabilities of financial systems and reinforced the importance of sound risk management practices.

Concurrently, the review of climate risk as an emerging global phenomenon by the British Overseas Territories including Anguilla continued. It has become a key area of focus for several financial regulators and standard-setting bodies, given its macroeconomic implications and its potential to threaten financial stability.

Illicit finance also remained a significant concern for many jurisdictions, emphasizing the need for increased transparency across financial systems. Revisions to international standards, particularly the Financial Action Task Force (FATF) Recommendations, promoted stronger anti-money laundering and counter-terrorist financing frameworks, along with enhanced mechanisms for cross-border information sharing. These reforms aim to reduce vulnerabilities in the global financial system and ensure that financial service providers play an active role in detecting and deterring illicit activity.

In this context, Anguilla dedicated considerable resources to preparing for the Caribbean Financial Action Task Force mutual evaluation. To ensure compliance with FATF standards, the jurisdiction enacted several legislative amendments, including important updates to its AML/CFT regime. Noteworthy developments included the introduction of the revised Co-operative Societies Act, with regulatory oversight now shared between two Registrars, the Financial Services Commission (the "Commission") and the Commercial Registry, as well as the enactment of the Digital Assets Business Act.

To strategically navigate this evolving environment, the Commission held a strategic planning retreat in which a three-year strategic plan was drafted and later published on the Commission's



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website. The Strategic Plan examines the mission, vision and core values of the Commission and focused on three goals outlined below:

- A vibrant and diverse system of financial businesses that support Anguilla as a premier international financial centre;
- A centre of excellence focused on collaboration, innovation, coordination, efficient internal workflow processes, enterprise risk management and risk tolerance frameworks; and
- The Commission is firmly positioned to continue to operate independently and effectively in the future.

A major accomplishment for the Commission during the period was the launching of its Anguilla Regulatory Information and Analytics System (ARIAS). This SupTech and RegTech tool marked a significant advancement in the electronic submission of information by service providers to the Commission, enabling enhanced data collation, comparison, and analysis capabilities.

Finally, with the approval of Executive Council, a pivotal step was taken to integrate the Commercial Registry into the Commission to bolster efficiency and reinforce the financial services sector in Anguilla.