



ANGUILLA FINANCIAL SERVICES COMMISSION
ANNUAL REPORT 2013

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GOVERNOR'S REPORT



CHRISTINA SCOTT

H.E. The Governor



The UK Government remains committed to working with the ECCB and the Government of Anguilla to bring about a resolution that is fair for all the people of Anguilla and consistent with the long term sustainable development of the island.



The world economy began to demonstrate in 2013 that a corner had been turned, and that it was recovering from the global recession, yet public confidence remained fragile. The financial services industry was therefore challenged to consider how new levels of sustainable growth could be achieved in an environment of low interest rates, how to rebuild asset quality and capital adequacy, and how best to ensure that appropriate risk management cultures were fully embedded in daily operations. Internationally and in Anguilla, the industry has been required to adjust to enhanced regulatory standards by implementing often significant improvements to corporate compliance practices and procedures.

In Anguilla, 2013 demonstrated again the importance of effective regulation to any jurisdiction seeking to develop a successful financial services sector. The most significant event in Anguilla in 2013 was the Eastern Caribbean Central Bank Conservatorship of two local banks - a pertinent example of the importance of both sound regulation that is in line with international good practice and a corporate emphasis on compliance practices and procedures that effectively address regulatory requirements. The UK Government remains committed to working with the ECCB and the Government of Anguilla to bring about a resolution that is fair for all the

people of Anguilla and consistent with the long term sustainable development of the island.

Since arriving in Anguilla, I have been pleased to work with elected Ministers who recognise the need to ensure standards set by international organisations are applied to Anguilla, and enforced. Anguilla should be proud of her performance. But it would be a mistake to rest on our laurels. Many claim that regulation is burdensome, costly to implement and detrimental to growth. If, however, the financial services industry is to remain an important, and hopefully growing, sector of the local economy, we must ensure the highest standards of compliance are met.

In a challenging environment I therefore thank the Financial Services Commission's staff for their solid achievements throughout 2013, in particular their efforts to transpose international standards into local law, and to uphold them, and their collaboration with the private sector to develop the skills of the local workforce. I am grateful too to those industry colleagues who have understood and supported the Commission's activities. Together, despite challenges, they bode well for Anguilla's financial services sector in what is an increasingly competitive international landscape.