



# GOVERNOR'S REPORT



This will be my last contribution to the Commission's Annual Report as my term as Governor will end prior to completion of the 2017 financial year. I would like most of all to take this opportunity to express my thanks

to the Board and staff of the Commission for the advice and assistance they have given me, and for their hard work skillfully and effectively carried out over the past eventful four years.

This is also a chance for me to provide some thoughts on the financial services sector in Anguilla and how best to move it forward. It is fair to say that issues relating to Anguilla's financial services sector have proven to be some of the most significant, interesting, challenging and to some degree, frustrating, of my tenure. Along with tourism, the financial services sector of the Anguillian economy is one in which the jurisdiction has some significant definable and expandable competitive advantage. Unfortunately, however, growth in the sector has been stagnant over the past several years. This is due in part to the international financial crisis and its aftermath. But it is also in part a failure of the jurisdiction to accept fully, adapt effectively to, and develop opportunities from fundamental changes that have taken place, and continue to take place, in how financial services business is conducted internationally. The ongoing issues deriving from the failure of the indigenous banks have not helped and pose additional challenges to overcome so that the sector can move beyond historic inefficiencies and move forward to develop opportunities in financial services that will propel the island's economy forward. This is a shared responsibility of my office, the Government of Anguilla, the FSC and the local financial services industry. I am hopeful that given all share the same objective of a thriving industry and resilient economy in Anguilla, none of these parties will permit

political or personal differences to stand in the way of working together to identify opportunities to grow Anguilla's financial services sector.

Some of the potential opportunities for the sector were presented at the Commission's 2016 Industry Day. One opportunity presented and discussed was the locally developed concept of Caribbean based trading companies which builds on the historic trading and associated financial connections between Anguilla and other island nations in the region. Another was a proposal that Anguilla find a way to link its financial services sector to the growing movement internationally towards "green", "sustainable"/"socially responsible" investing and the development and implementation of innovative financing methods. Other opportunities could be developed out of the exploding interest in financial technology solutions for increasing the efficiency of delivery of financial services around the world and from the increasing international pressure for greater transparency and for more effective compliance to address AML/CFT risks. I encourage both the government and the financial services industry on the island to give serious and open-minded consideration to identifying and implementing a plan to adapt to these new realities, supported by enabling legislation, effective leadership, and carefully targeted resources.

As I prepare to hand over my responsibilities to my successor, I am conscious that he will be inheriting both outstanding issues bedeviling the financial services sector for which effective solutions have yet to be established, and fascinating potential opportunities for the sector that could, if pursued effectively, transform the economy of the island. I trust that the Government of Anguilla, the FSC and the financial services industry on the island will work together with him to resolve outstanding matters and to identify and take advantage of appropriate opportunities. I wish all parties the very best as they work together towards their shared objective.