

Anguilla's Financial Services Industry

The road will not be easy

by
Steve Garlick



Anguilla's
requirements

What the Country needs

- An increase in Gross Domestic Product. Anguilla 'Limited' must be seen as one entity, not a disparate collection of service providers.
- An enhanced national image of professionalism for financial services.
- An opportunity to offer increased education. Individual organisations' growth to offer this via increasing revenues.
- A stable and prosperous private sector.
- Increased revenue to Government.
- A solution to risk from the potential decrease of tourism.





Risks

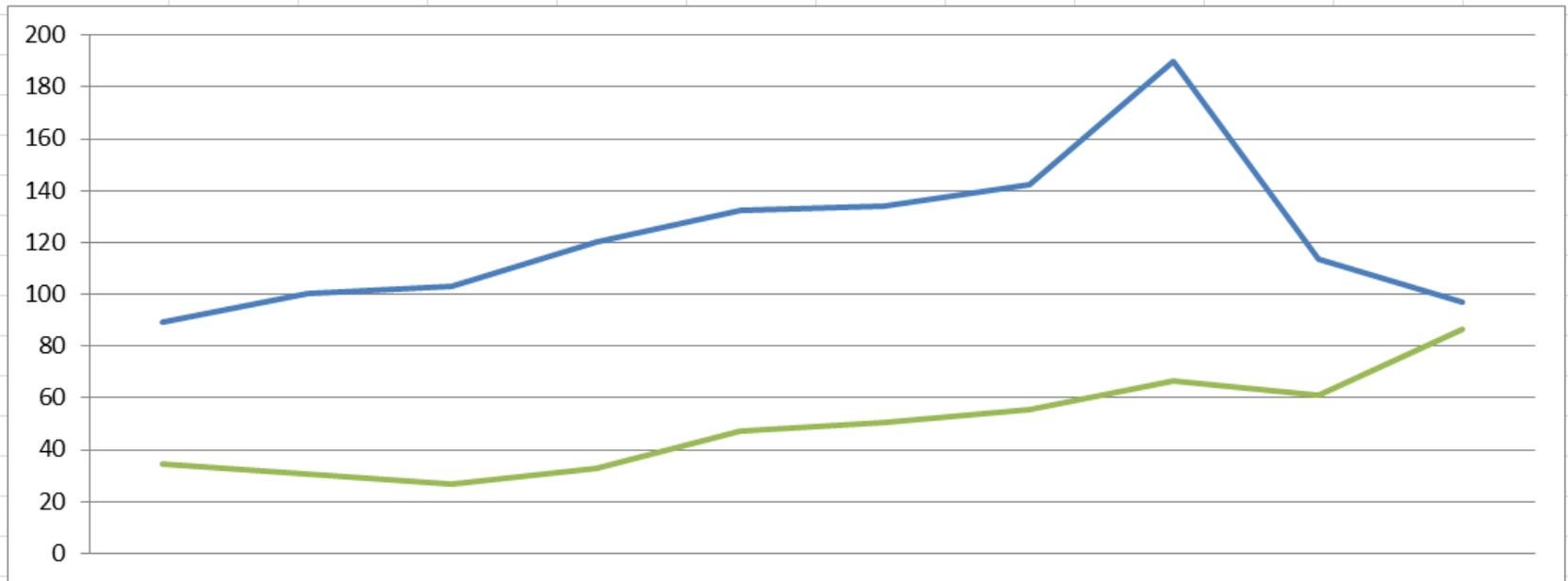
Risk management – offering stability

- What happens if the tourist trade decreases
- Threats that are not under our control
 - Cuba – A new destination for our US clients.
 - Transportation.
 - Hurricanes.
 - Further downturn in US economy



GROSS DOMESTIC PRODUCT IN CURRENT PRICES (EC\$M)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009 (P)
HOTELS AND RESTAURANTS	89.17	100.44	103.27	120.29	132.58	133.9	142.6	189.79	113.84	96.82
FINANCIAL INTERMEDIATION	34.64	30.53	26.68	32.84	47.47	50.49	55.61	66.58	61.29	86.54



Financial Services Overview

- The Stakeholders
 - The Government
 - The Financial Services Commission
 - The Private Sector
 - The People of Anguilla
- Individually we will not thrive. We are totally linked. We must act together...We have the same aims.

Basic
Undeniable
Facts





Threats

The threats that are all too obvious

Global economy. The USA and Europe.

Tax regulations and the OECD...and its potential successor.

Competitors and their aggressive approach.

Anguilla's jurisdictional reputation.

Product stagnation.

Client service level requirements.

Dependence on relying on current clients and a 'word of mouth' approach.





Two options

The future – grow or decline

Our financial services industry is small in global terms

In the first quarter of 2011 BVI had the largest number of incorporations for three years (19,010). This is greater than the total number of Anguillian companies registered.

BVI started their financial services industry later than us.... But now have one ten times our size.

What have BVI got that we have not? What have they done? Are their products better than ours? They have little but size in reality...but they have made mistakes that we can learn from.

- A vigorous and single-minded desire for growth.
- They get products into the market quickly.
- The World has heard about BVI... only the enlightened few about Anguilla.
- They have a size that will allow for a single blip in jurisdictional reputation.
- They have the size that allows for significant marketing.
- The service providers in the BVI are, in general, larger, which allows for better training and career progression. They have become a jurisdiction of choice for inward professionals.
- However, has their size has become a barrier? They are getting a reputation for being not interested in good client service and responsiveness. (Example – Captive Insurance) Are they becoming arrogant and complacent?

Clients make decisions about the jurisdiction first and then the service provider selection.

We must take the first steps towards bridging the gap so as to become a significant player in all our product areas.



What are the next steps?

- All entities, however large or small, must work together.
- Expertise and advice should be given willingly.
- All products should be looked at and developed if necessary.
- We must use our marketing dollars wisely and to the best effect.
- We must seek support (financial and advisory) from wherever and whoever we can.
- We must go out and sell Anguilla.





What can you do?

What Anguilla needs from you

- To have a full involvement in all our financial services activities.
- To advise and give input on all aspects of the industry and its products.
- To help educate the nation regarding the 'secret' world of financial services. And nurture new talent.
- To look inwardly at your own organisation's service level standards and clients' satisfaction.
- To work on your own plans for growth.
- To educate yourselves through continuous professional development.
- As profits increase to look at reinvestment.
- To be ambassadors for Anguilla and its financial services industry.



Product
Developments

Looking at the legislation to reflect needs

- Jurisdictional reviews
- Joint Financial Services Legislation Committee
 - The Government
 - The Attorney General's Office
 - The Private Sector
 - The Financial Services Commission

To review and propose legislation and regulations relating to the financial service industry for:

- *regulatory purposes e.g. meeting international standards, responding to local risks*
- *industry purposes e.g. developing the legislative framework and operational opportunities for commercial purpose.*





Joint FS Legislation Committee

- OECD Peer Review Report - Phase 1 -- Review of findings.
- Review of progress of draft International Insurance Bill.
- Review of progress of proposed amendments to Mutual Funds Act.
- Review of progress of proposed amendments to LLC Act concerning continuation of foreign companies into Anguilla.
- Review of progress of proposed amendments to LLC Act concerning the formation of cell companies, referred to as "Series LLC".
- Review of possible further legislation in 2011 and 2012. including, inter alia, insolvency legislation (suggestions welcome)
- Drafting sources and costings and offer of funding from the FSC.

The Essentials





The Tools you need
to succeed

Giving you the tools you need to sell

Jurisdictional review analysis.

Brochures.

Product brochures.

Website and ability to input.

Marketing support.

Ability to join delegations.

Library of information.

Market research.

Client research.





Events & speaking opportunities

- Captive Insurance Summit
- 2012 Delegations from “Team Anguilla”
 - Shanghai and South East Asia – Offshore Investment Conference
 - Miami - World Captive & Alternative Risk Financing Forum
 - Brazil – Independent Delegation

Delegations will be made up from Government, the FSC and the Private Sector with the backing of the British Government and the Governor. All contributors welcome.

Visits will include conference attendance, speaking opportunities, exhibiting, meeting local government officials and opportunities to visit clients and potential clients.

Visability





Resources outside Anguilla

- British Government
 - Financial Conduit
 - World Bank
 - European Union
 - Introductions and Delegation Support

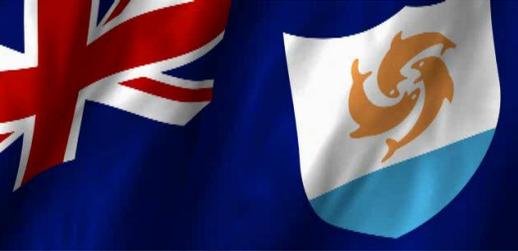


Tourism - a case history

What we can learn from tourism

- First impressions
- Professional
- Responsive
- Client Friendly
- Client Focus
- Efficient
- Client satisfaction and overall impression
- Evaluation of products and development plans for the future
- Development of workforce
- The business won't come to us...We must go out there and get it!





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