

ANGUILLA FINANCIAL SERVICES COMMISSION

ANNUAL REPORT 2022



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.

CHAIRMAN'S REMARKS



The AFSC's achievements in the year is testimony to its excellent execution of its day-to-day activities in the supervision, regulation and oversight of Anguilla's financial sector and working with stakeholders to develop better policies to protect consumers and promote the integrity of our world-class financial services sector.

This huge expanse of responsibilities means the AFSC must continually make difficult choices about where to focus finite resources. The Board has a duty to make sure these resources are directed to those activities that are of most value to the financial stability and integrity and to the jurisdiction's financial services sector.

The board remained cognizant of the importance of a sound and trusted regulatory system to underpin the continued success of the jurisdiction as a premier financial hub. To this end, the Board is also aware of the need for the AFSC to be sufficiently agile and adaptive to deliver effective regulatory outcomes. As has become only too apparent in recent years, events can require us to redirect resources and efforts, sometimes within hours, to meet emerging challenges. From the pandemic through to Russia's invasion of Ukraine, the AFSC continually demonstrates it can respond swiftly to very different types of crisis.

The AFSC recognizes that effective supervision requires constant self-reflection on the part of the regulator, constant stock-taking of the tools that are no longer fit for purpose, and a move towards improvement and modernization of its supervisory regime. To ensure that its supervisory framework can rise to the challenge of an ever-changing financial services landscape, the AFSC has made substantial progress in advancing several pieces of new or revamped legislation to offer novel products and services. These include the Trust and Corporate Services Bill; Amendments to the Anguilla Utility Tokens Offering (AUTO) Act; Anguilla Special Trust Bill (ASTrA); Variable Capital Companies Bill; and the Private Trust Companies Regulations. In addition, some important pieces of legislation falling under administration of the Companies Registry were passed during the year, including the Business Companies Act, 2022 which provides opportunities for more modern structures and solutions and the Commercial Registry and Beneficial Ownership Registration System Act, 2022.

The AFSC has made significant progress in leveraging technology through SupTech

solutions, developing the Anguilla Regulatory Information and Analytics System (ARIAS). This customized supervisory software, set to launch soon, will streamline filings, enhance data organization, improve efficiency, and facilitate internal analysis. By increasing automation, ARIAS will enable a stronger focus on risk-based supervision, identifying anomalies and high-risk areas more effectively.

Beyond internal advancements, the AFSC has also expanded its outreach, enhancing visibility and engagement with stakeholders via LinkedIn, YouTube, and Facebook. Key initiatives include the annual Fintech and Compliance Conference, IFRS 17 and GST webinars, and a growing social media presence—ensuring greater accessibility and global reach.

In preparation for the CFATF 4th round Mutual Evaluation of Anguilla, scheduled to take place in July 2023, the AFSC has played an enormous role in assisting with preparing the jurisdiction for its assessment and serving as a member of the working group of the Anguilla National Anti-Money Laundering Committee (ANAMLC). Our engagement has also extended to meeting, assisting and preparing for the OECD Exchange of Information on Request supplementary review.

It is important that the Government continues to show meaningful commitment in the promotion of the financial services industry. This will further enable an industry that has the clear potential to become a substantial industry alongside that of tourism in Anguilla's developmental strategy.

With the steady emergence out of the global pandemic, that has gripped economies throughout the world, comes new opportunities. While other external shocks such as the Russia-Ukraine conflict and crippling inflation continue to plague Anguilla and the region, we must keep our eyes forward and maintain the resilience we have always shown. If there is only one lesson to be learned from the events of the recent past, it is that there will always be a challenge lying ahead. Thus, we must resolve to evolve – adapt and navigate through the rough waters as our forebears did on sea literally, and on land, figuratively. We look to innovation as the driving force that will light our way into a bright and brilliant future. We will continue to embrace technology and innovation, and use it as a tool for good, for inclusion, for access, for providing solutions.