



FINANCIAL SERVICES REGULATORY COMMISSION
IBCs & Corporate Management & Trust Service Providers Division



Newsletter

Issue No. 1, 2019

Theme: Reflecting on the Past, Charting a Course for the Future

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Introductory Note: The IBCs & Corporate Management & Trust Services Providers team of the Financial Services Regulatory Commission (Commission) is pleased to welcome our readers to its 2019 Newsletter under the theme, **Reflecting on the Past, Charting a Course for the Future**. Over the years Antigua's offshore financial services industry has evolved arguably for several reasons such as keeping abreast with changing developments in what seems to be an ever-changing international environment. Regional and global influencers are without

a doubt causing decision makers to review legal and regulatory platforms in an effort to preserve core business values and remain competitive on the global stage. Critical to this, is the need to foster stronger strategic partnerships with stakeholders to create the right synergies and move the jurisdiction forward. It is our intention that this newsletter will set the tone for meaningful information sharing, paving the way for greater collaboration as we seek to restore Antigua and Barbuda as a major financial services sector.

Update on Legislation: During the year 2017 the Law (Misc. Amendment) (No. 2) Act, 2017 was passed giving effect to several pieces of legislations to mandate the submission of companies' beneficial ownership and control information to the Commission. This amendment was implemented in August 2018 after important discussions with sector partners. The Commission is pleased to report a high compliance rate in terms of information received from all licensed corporate service providers. These provisions also have implications under the International Trust Act, 2008 and as such



submissions attesting to the beneficial ownership and control of international trusts should also be submitted by the end of the first quarter annually. The requirements are applicable not only the *Corporate Management and Trust Service Providers Act, 2008 (As Amended)*; but, also the following legislations which are administered by the department:

- *The International Trust Act, 2007;*
- *The International Foundations Act, 2007; and*
- *The International Limited Liability Companies Act, 2007.*

Tip: Beneficial ownership and control information should be secured as part of the reinstatement process for older or legacy companies. In these cases, and where the information was previously outstanding, the attestations may be submitted to the Commission when reinstating the company.

Update on Legislation Cont'd: The Law (Misc. Amendments) Act, 2018, No. 26 of 2018 was passed on December 20, 2018. Service providers should note carefully the amendment to Section 4 of the IBC Act which makes provision for a corporation to invest in, trade with or provide services to persons within the Antiguan jurisdiction provided that the prescribed conditions are met. A corporation that registers and conducts business with residents of Antigua

and Barbuda will be taxed in accordance with the Income Tax Act. Additional information on the procedure will be provided in due course.

Statistical Update: A summary of IBC activities relative to the incorporation, reinstatement and dissolution of companies during the period 2017 to 2019 (YTD) is provided below.

Chart 1: IBC Incorporations, 2017 - 2019 (YTD)

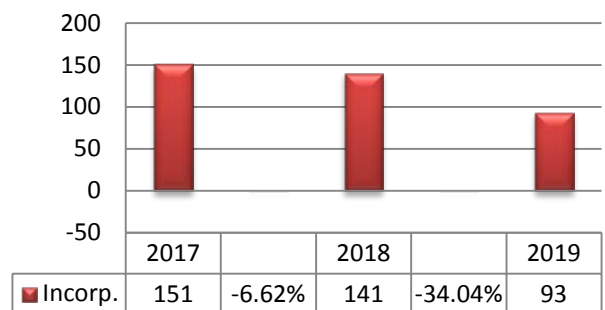


Chart 2: IBC Reinstatements, 2017 - 2019 (YTD)

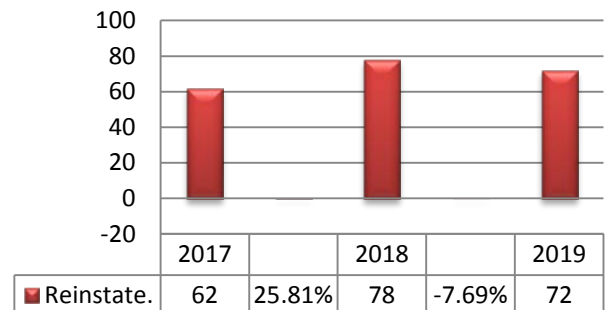
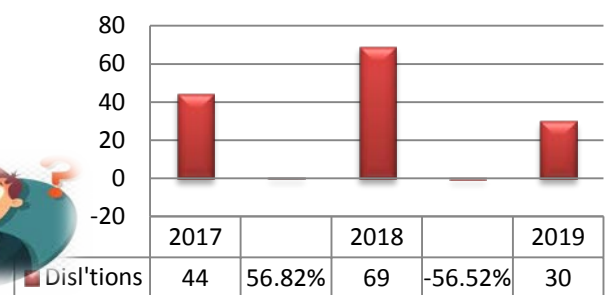


Chart 3: IBC Dissolutions, 2017 - 2019 (YTD)



Did you know...

When a corporation has been dissolved, a corporate service provider may apply to the Commission to have the corporation revived in accordance with Section 315 of the IBC Act. **For more information, please inquire with your IBC administrator.**

Eye on Cyber Security Risk:



Emergent technological developments have brought about new financial technologies such as Blockchain and developments in cryptocurrencies. Increasing interest in new technologies is also revolutionizing the way data is managed. Cloud technology, for instance, is increasingly becoming the modern-day data storage solution, both at the individual and corporate levels, providing file sharing platforms and even data backup solution. While convenient, this has implications for regulators and service providers as the inherent cyber security risk may lead to strategic and reputational exposures. As evidenced by the recent Panama Papers of 2016, cyber-attacks such data hacks can potentially undermine the reputation of organizations and create loss of business due to the erosion of confidence. Accordingly, these developments which can extend across several jurisdictions must be given sufficient attention, at all levels, to ensure that risks are properly identified and well managed to limit exposures to the safety, soundness and creditability of financial institutions, customers,

and the jurisdiction on a whole. Additional considerations must also be given to the use of third party vendors when service is outsourced as this presents another dimension to the potential risks that could be imposed on outsourcing companies. Adverse third party behavior could have rebounding effects on the reputation of the entire jurisdiction which could grow exponentially without the right due diligence and operational controls. Against this backdrop, steps must be taken to ensure that the nature and extent of cyber security risk is well understood and adequate policies are developed and integrated into the internal control framework. Service providers and persons having responsibility for customer data must be mindful of the following considerations, which are not exhaustive:

- Data, whether physical or in digital format, must be securely held; and reasonable steps must be taken to ensure:-
 1. Understanding of the cyber or information security risk is well understood from the Board level to create a 'top-down' culture and to ensure suitable investment is made in mitigating techniques;
 2. Security against theft and unauthorized access;
 3. Security against loss or destruction; and
 4. Implementation of a robust backup and contingency plan.



Along with the above, service providers should consider documenting strategies being implemented to manage cyber security risk exposures as part of their governance an internal control framework. Attention should be given to ensuring that cyber security risk management function, as well as IT, are subjected to periodic testing/audit, by the right expertise, to maintain efficiency, especially when the service is outsourced.

IN THE SPOTLIGHT:



KELTON O. BENJAMIN joined the department in late 2018 to give support to the IBC functions. He brings with him a wealth of technical skills as a Certified Microsoft Office Specialist, a Certified Anti-Money Laundering Specialist and other professional disciplines together with long standing experience of 17 years within the Commission, having previously been assigned to the Legal and Research Department. Mr. Benjamin has also quickly established himself as a shining light within the department and exemplifies himself as a strong team player. His can-do spirit and friendly disposition makes him a valuable and formidable member of the team.



The Commission, through membership with the Group of International Finance Centre Supervisors (GIFCS) continues to strengthen synergies with international finance markets in its bid to maintain a first class regulatory platform space with major financial services centers. To this end, the Manager of IBCs & CMTSPs, Mrs. Bunny Govia-Butler, and Regulatory Team Support, Mr. Lauckland Joseph, were assigned, through a one week short term attachment, to the Guernsey Financial Services Commission in August, 2019. Guernsey was recently recognized as the best specialized offshore jurisdiction in the world, according to The Banker's 2018 ratings. This attachment allowed the Commission to increase awareness of other regulatory platforms used by key partners in the international market and presented opportunities that will be beneficial in several ways; such as strengthening the current risk-based supervisory framework through upcoming changes geared at improving regulatory compliance.



IN THE SPOTLIGHT:



Lauralee joined the Financial Services Regulatory Commission in September 2019. She leads the legal team which provides advice to Senior Management and the Board of Directors on the legal impacts of regulatory and supervisory policies and actions of the Commission and oversees the review, implementation and amendment of financial services legislation.

Prior to joining the Financial Services Regulatory Commission, Lauralee worked as the Judicial Assistant to the Resident High Court Judge in the British Virgin Islands during the period 2005 to 2009. Thereafter, she spent a total of nine years working at two of the BVI’s leading offshore financial services providers in the Private Wealth and Private Clients Department as a Senior Trust Officer and Senior Account Executive, providing a wide range of corporate, trust and fiduciary services to ultra-high net worth individuals, multinational corporations, banks and other financial institutions. She also gained significant experience in the establishment and administration of trusts, managed companies, private trust companies and succession of BVI company shares.

Lauralee is a UK qualified Barrister and has been admitted to the Bar of England and Wales, Antigua and Barbuda and the British Virgin Islands. She also holds a Legal Education Certificate from the University of the West Indies, Mona, Jamaica.

Did you know...

For estate planning and other asset protection purposes, an International Trust may be easily registered with the Commission pursuant to Section 17 of the International Trust Act, 2007. **For more information, please inquire with your IBC administrator.**



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| backup | crime | data |
| encryption | firewall | hacker |
| identity | information | internet |
| malware | network | online |
| password | phishing | privacy |
| protection | ransomware | spam |
| spyware | threat | update |
| virus | vulnerability | wifi |



The Road Ahead 2020: The Corporate Management and Trust Services Act will be reviewed in with the aim of strengthening the regulatory framework through the introduction of administrative fines and other amendments.

The department also intends to renew focus on the implementation plan of other legislation currently within its purview. In keeping with its commitment to provide continued regulatory support, information will be made available through the publication of circulars, the

Commission's website, as well as the conduct of onsite reviews to test compliance with regulatory requirements. A critical part of our plans going forward will involve the corporate management and trust services sector; as such, we invite you to send your comments to registryandCMTSP@fsrc.gov.ag. It is our plan to present the department's newsletter on a periodic basis. If you would like to contribute to this publication, please feel welcomed to indicate your interest as soon as possible or by May 30, 2020.



*The Board of Directors, Management and Staff of the
Financial Services Regulatory Commission Would like to take this opportunity to
extend to You and Yours, Season's Greetings and best Wishes for a Bright and
Prosperous New Year 2020*



Inspirational Quote - "Our deepest fear is not that we are inadequate. Our deepest fear is that we are powerful beyond measure. It is our light, not our darkness that most frightens us. We ask ourselves, 'Who am I to be brilliant, gorgeous, talented, fabulous?' Actually, who are you not to be? You are a child of God. Your playing small does not serve the world. There is nothing enlightened about shrinking so that other people won't feel insecure around you. We are all meant to shine, as children do. We were born to make manifest the glory of God that is within us. It's not just in some of us; it's in everyone. And as we let our own light shine, we unconsciously give other people permission to do the same. As we are liberated from our own fear, our presence automatically liberates others." **Marianne Williamson**

The Directory

CORPORATE & TRUST SERVICE PROVIDERS AND HOLDERS OF EXEMPTIONS

1. AIT MANAGEMENT SERVICES (2001) LIMITED Romell Tiwari , Indranie Tiwari aitmsltd@usa.net	2. NAUTICAL MANAGEMENT SERVICES LIMITED Denise Gardiner nmt@candw.ag Web.: www.nauticalmanagement.com
3. APN CORPORATE AND MANAGMENT SERVICES LTD. Ayedele Warner /Marva Isaac apncorporate@gmail.com ;	4. FITZGERALD MANAGEMENT AND TRUST SERVICES Sharilyn Cort shaye2@hotmail.com or cortast@candw.ag
5. ANTIGUA CORPORATE MANAGEMENT SERVICES LIMITED (Exempt) Billie Yhap byacms@gmail.com ;	6. STACY RICHARDS-ROACH Stacy Richards Email: sroach@antigualaw.com
7. CC (ANTIGUA) LIMITED Louise Geiger wardl@candw.ag	8. THE BIRD LAW FIRM Clement Bird , Desire Irish birdc@candw.ag Website: www.thebirdlawfirm.com
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11. CMT INTERNATIONAL LIMITED Alice Roberts cmt@candw.ag	12. NMT INTERNATIONAL LIMITED Denise Gardiner nmt@candw.ag Website: www.nauticalmanagement.com
13. COMPANY MANAGEMENT (ANTIGUA) LTD. Septimus Rhudd , lawrhudd@candw.ag	14. LOUISE GEIGER donward@candw.ag or louise@wardassociates.co
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