



Newsletter

Volume No. 5 | 2022

WHAT'S INSIDE THIS ISSUE

- A Relook at Company Registration Requirements Post COVID-19
- How to Respond to a Notice of Examination
- Let's Talk Legislation
- Statistical & Other Updates
- ...and more!

INTRODUCTORY NOTE: The COVID-19 pandemic has demanded a relook or renewed focus on service delivery channels. This changing paradigm brought on by the pandemic has turbocharged our reliance on technology and how, service requests are received and delivered. It is from this viewpoint that licensees have been reminded to make optimal use of the eRegistry's document submission portal which allows for the secure and efficient submission of company registration requests and post-registration services. To support the eRegistry's document submission process, this newsletter will provide an overview of some registration and post registration requirements which have been identified based on the eRegistry's case exceptions and service inquiries.

GENERAL REQUIREMENTS - In keeping with current registration requirements, all authorized persons are required to submit case requests for registration services through the eRegistry using a unique and secure access code.



The Commission continues to receive eRegistry exceptions on registration and post registration requests which have delayed the 24-hour turnaround timeline due to outstanding documentation or incomplete submissions. With this in mind, and in keeping with the Commission's recent directive which mandated that *all* registration requests to be uploaded to the eRegistry, this newsletter will discuss some recurring eRegistry exceptions with the view of giving attention to several key requirements geared at improving the effective use of the eRegistry and its document submission portal.

NAME APPROVALS



In seeking to reduce this case exception and ensure a quick approval response, name approval and reservation requests should be consistent with the

corporate name requirements of the IBC Act. Therefore, please note that in order for a name that has been submitted for approval to be valid, it must include either of the following: 'limited', 'corporation' or 'incorporated' or the abbreviation 'ltd.', 'corp.' or 'inc.'.

Another noted exception occurs where a request for a name approval or reservation is submitted with a restricted word. A restricted word, in this case, is a word which suggests that the activity or corporate purpose of a company is a licensed activity. The Commission is prohibited from approving a name which includes words, such as 'bank' and 'insurance', until such time that the entity has been granted a license to carry on the restricted activity. More information on the use of restricted words can be found in the Commission's IBC Registration Guide, 2022.

Case Sensitivity of approved names must also be observed when submitting filing requests to the Commission. In this regard, an approved name which has only the first letter of all words capitalized must also maintain the same case format on corporate documents.

UPPER CASE
lower case
Title Case

CHANGE OF DIRECTORS



This eRegistry exception arises during the submission of requirements for a change of director to be filed. Along with the completed application form, this request must

include a shareholder's resolution. In addition, it is often overlooked that a request to file a new director by an entity engaged in a licensable activity must be supported by *written confirmation of the director's approval* by the issuer of the license. The letter of approval forms part of the application by a licensed entity and should be uploaded to the eRegistry to avoid processing delays.

Other exceptions have also been noted where a corporate director is being appointed. To ensure requests are processed quickly, evidence of the entity's current legal standing, its corporate documents, certificate of good standing, and signing authorities must be submitted.

CONTINUANCE

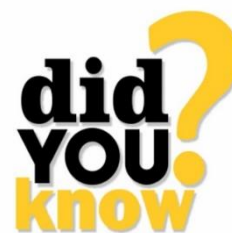


A company that is desirous of being continued in another jurisdiction must, along with its application, provide a shareholder's resolution confirming that it is

so authorized. The processing of applications for continuance is often delayed due to outstanding application requirements. Corporate service providers should bear in mind that the following information must also be uploaded to the eRegistry as part of the application requirements.

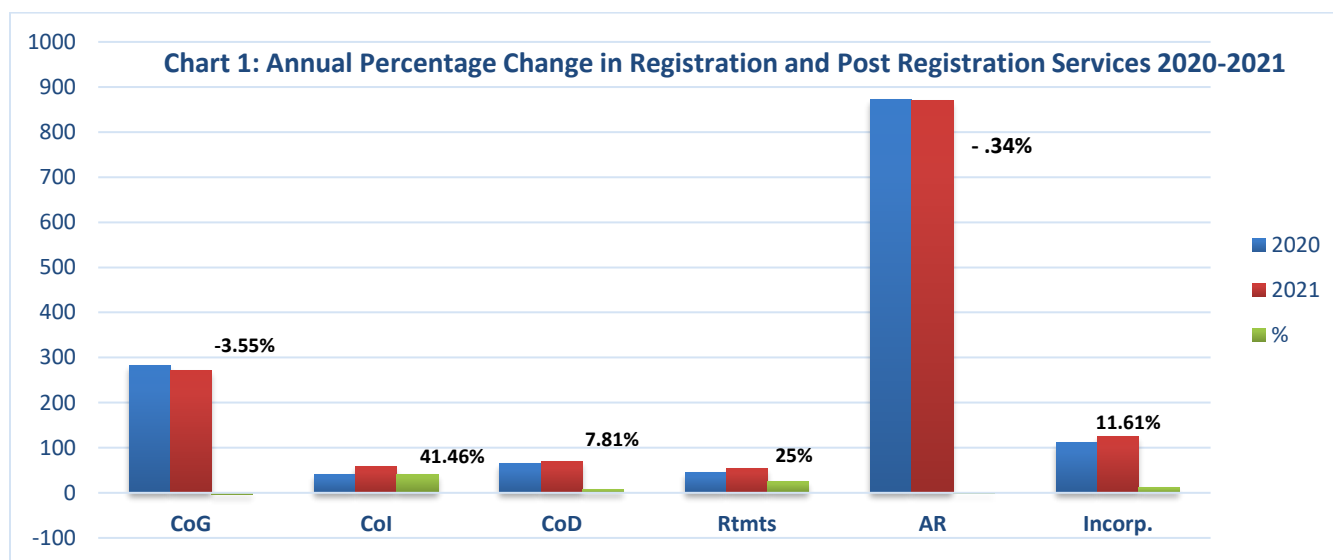
1. **Articles of continuance:** Articles of continuance may make amendments to a corporation's corporate instruments if the amendments are not permitted under the law applicable to the corporation before continuance under this Act; but are amendments which can be made to the articles by a corporation incorporated or continued under this Act.
2. **Notice of Directors:** A notice of directors accompanied by a resolution of the shareholders is required confirming the appointment of directors in accordance with the number or minimum number required in the articles of continuance. If new directors are not elected, the incumbent directors continue in office until the election of their successors. The guidance provided on page 3 is also applicable.
3. **Notice of Registered Agent and Registered Office:** Articles of continuance shall be accompanied by a notice of registered agent and registered office. A corporation that is incorporated or continued must at all times have a registered agent and office in Antigua and Barbuda which shall be responsible for the maintenance of records and registers at that office.
4. **Legal Standing:** A company desirous of being continued must provide evidence of current legal standing by the Registrar of Corporations in the country of origin. Such evidence of legal standing shall include certified copies of the company's certificate of incorporation and current certificate of good standing.

The Commission also requires a certificate of discontinuance or similar document issued by the registrar of corporation in the other country.



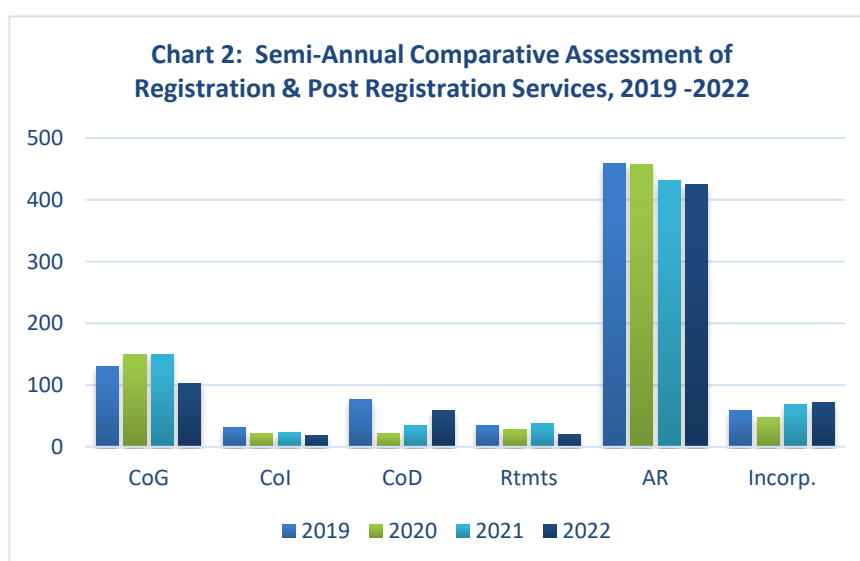
An IBC that is desirous of conducting business domestically may apply to the Commission for a Certificate of Authorization (COA) in order to apply for registration at the Antigua and Barbuda Intellectual Property and Commerce Office, <https://abipco.gov.ag>. Requests for COA may be uploaded to the eRegistry via 'IBC Service/Other Certificate'.

An analysis of registration services during the year 2021 has shown marginal increases relative to the 2020 output in the number of incorporations, reinstatements and incumbency certificates. This trend is encouraging given the cooling effects previously experienced during the COVID-19 pandemic. An overview of the annual percentage change in registration and post registration services is presented below.



COG	Certificate of Good Standing	RTMTS	Reinstatement of Company
COI	Certificate of Incumbency	AR	Annual Renewals
COD	Change of Directorship	Incorp.	New Incorporations

A semi-annual assessment of registration and post registration services as of June 30, 2022 has indicated some fluctuations compared to previous years.



TIPS FOR RESPONDING TO A NOTICE OF EXAMINATION BY THE COMMISSION

The Commission is reviewing its 2022/2023 onsite examination cycle and provides this update on examination tips on the best practices for responding to a Notice of Examination.

INTRODUCTION

As part of its regulatory mandate, the Commission is responsible for maintaining a general review of corporate management and trust service providers in Antigua and Barbuda. In keeping with this, the Commission conducts onsite and off-site examinations of licensees to ensure that: i) the provisions of the Act and other applicable laws are being complied with; and ii) licensees are in sound financial health and carrying on its business in a satisfactory and prudent manner.

In performance of its functions, the Commission may require licensees to produce, for examination, records and such other information in accordance with the Act and in accordance with examination objectives which may be full scope, targeted or a follow-up examination.

The Commission recognizes that the examination process can be daunting; however, corporate service providers are encouraged to cooperate with the requirements of the Commission through careful adherence to the Act as failure could have serious reputational implications for the business and the jurisdiction.

To manage expectations and reduce examination-anxiety...

the Commission will generally do the following:

1. At least one month prior to the start date of the examination, **provide a list of documents which are to be made available** to the examiners. (However, some information may be randomly selected for examination onsite);
2. Before commencing the examination, provide an **overview of the examination objectives and the planned assessment process**; and
3. Before concluding the examination, the Commission will **hold a meeting with the entity's senior management to outline key findings and observations**.



Avoid the risk of enforcement actions and the associated reputational and financial damage by being adequately prepared for your next examination with the following tips:

BEFORE

- **Test** your policies and procedures! Conduct process testing to confirm how effectively policies and procedures are being implemented. It is important to note that the Act requires that every licensee regularly evaluates the effectiveness of their policies and procedures. Remember that if your procedures are not documented, they do not exist.
- **Prepare** and establish a defined procedure for handling the examination.
- **Appoint** an examination coordinator. It is recommended that this individual should have thorough knowledge of the company, its organizational structure and processes.
- **Locate** and organize the information request on the list before the examination commences.
- **Prepare** for the examiner's arrival in advance by dedicating a work area. Functioning technology will ensure the examination is expedited.

DURING

- **Cooperate**, cooperate, cooperate with the examination process.
- **Comply** with the Commission's requests for evidentiary information.
- **The** regulator's objective is to test for evidence of the level of compliance. Therefore, do not embellish or exaggerate facts which the review process will eventually uncover.

AFTER

- **Develop a remedial plan** to address any issues uncovered by the examination. Respond adequately and promptly to the examination findings and recommendations for remedial actions. It is also prudent to delegate responsibilities to appropriate personnel early. Ensure that your plan of action aligns with the Commission's reporting timeline which is disclosed in the examination report.
- **Communicate** any issues which may negatively impact adherence to the reporting timeline early.
- **Cooperate** with the directives of the Commission to avoid the imposition of regulatory actions.



How well do you know your legislation and the obligations of corporate management and trust service providers?

Did you know... that prior written approval is required by the Commission for the appointment of a new director, manager or officer of a corporate management and trust service provider? The only exception under this legislation occurs in the case of death or unexpected illness of a key officer or a situation which necessitates the immediate appointment of an officer to ensure that the affairs of the business are not compromised.

The Act also has similar approval requirements for the transfer of shares and other equity interests of corporate licensees. It is also important to note that as part of the approval criteria, consideration will be given to the appointee's fitness and probity.

Did you know...that written notification must be sent to the Commission within thirty days of the effective date of a change in a

licensee's particulars? But what may be considered as 'particulars of a licensee'? Well, for avoidance of doubt, the particulars of a licensee may include, but not be limited to:

- The business's operational address;
- The business's contact information;
- The organizational structure of the business;
- Operational changes to the business model and range of services;
- Revisions of operational and AML/CFT compliance manuals.

It is important to note that some changes, such as those relating to the level of services due to an expansion of licensable activities or changes to organizational structure associated with the removal and/or appointment of key officers are subject to the *prior* approval of the Commission.

Did you know...that corporate management and trust service providers are required to maintain high professional standards in relation to their business affairs?

In this connection, corporate management and trust service providers are required to track and adequately manage client complaints with due care to mitigate adverse reputational damage to the sector and Antigua jurisdiction. Customer complaints and other matters of potential or actual litigation must be record and available for the Commission's inspection.

*Did you know...***that renewal of licence under the Act is not solely contingent on the payment of licence fees?** Persons responsible for managing the affairs of the business (including corporate persons) are assessed to determine whether they are fit to conduct business. Broad considerations are given to the legal and operational business structures of corporate management and trust service providers. The Commission also assesses an applicant's qualifications and professional repute as well as the history of compliance with the various key requirements of the Act.



During the period of December 5th to 9th, 2022 the Antigua and Barbuda jurisdiction will undergo an onsite assessment which will be conducted by Global Forum.

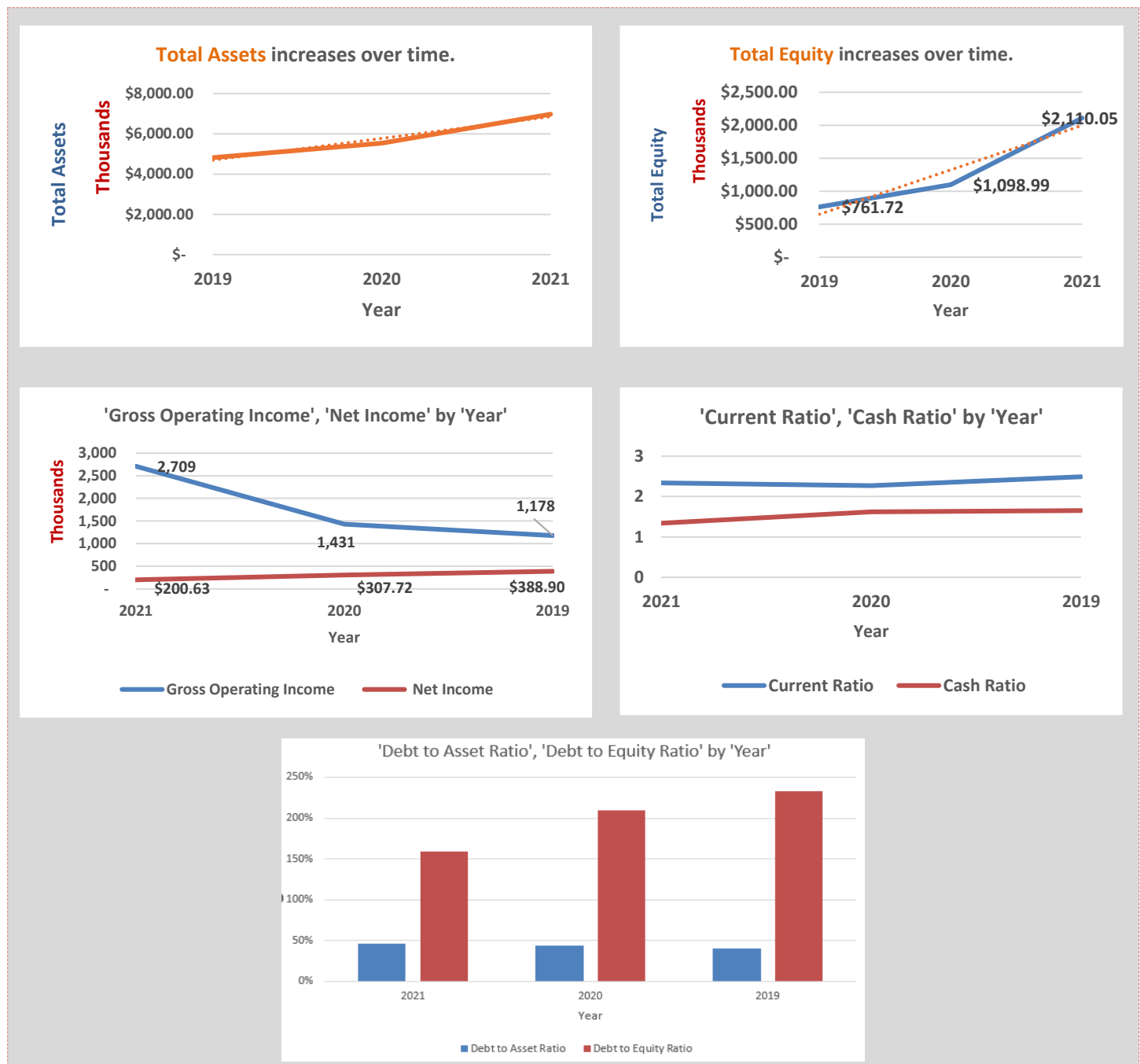
Global Forum is an association of policy makers from member countries of the OECD. It's core objective involves the establishment of rules governing the transparency and exchange of information for tax purposes. In keeping with its remit, the upcoming assessment will review the country's legal and regulatory framework.

This collaborative initiative will require the involvement of several stakeholders such as the tax authority (IRD), regulatory and supervisory authorities and financial sector personnel including corporate service providers.

Corporate service providers are encouraged to mark the dates as your assistance may be required to demonstrate the sector's adherence to laws governing the maintenance of records pertaining to beneficial ownership and control.

In keeping with its functions under the Act, the Commission continues to maintain oversight of the corporate service providers sector to ensure, among other things, that licensees remain in sound financial health. To this end, corporate service providers are reminded of their obligations under the Act to provide the Commission with audited financial statements and information **within three (3) months of the end of the financial year.**

The following statistical information represents the consolidated financial and income positions of licensees as of December 31, 2021.





The department welcomes **Mr. Jeremiah Harriette**, who joined the Commission on September 5th, 2022 as a Regulatory Team Support. He brings with him in excess of 5 years' experience in commercial banking, having worked at Eastern Caribbean Amalgamated Bank (ECAB). He later joined the Community First Cooperative Credit Union (CFCCU) as a member of the Supervisory and Compliance Committee. During his tenure, the institution managed to achieve higher levels of compliance as it relates to services offered to its membership.

Mr. Harriette holds a bachelor's degree in economics and accounting and a master's degree in financial management from the University of the West Indies. He has completed several AML/CFT training and is currently pursuing a certificate in Financial Risk Regulation with GARP institute.



The department welcomes **Ms. Ariel Douglas**, who joined the Commission as a Regulatory Team Support on September 5, 2022.

Ms. Douglas holds a bachelor's degree in Finance and Accounting and is currently pursuing the Association of Chartered Certified Accountants (ACCA) designation. She is also pursuing Anti-Money Laundering and Counter Financing Terrorism (AML/CFT) certification.

Ms. Douglas has over 5 years' experience in Accounting and Auditing. In her previous role, her contributions included fraud analysis, revision and monitoring of internal controls, financial analysis and reporting.

Ms. Douglas is excited to join the Commission as a member of the IBCs and CMTSPs team.

WORD PUZZLE – COMPANY REGISTRATION

S	R	A	F	K	U	A	N	V	S	X	U	N	S	B	L	P	D	B	I
H	E	Z	E	W	G	S	B	E	W	G	Q	O	N	Y	S	V	M	L	N
A	C	Y	Y	R	U	T	E	G	O	L	Y	I	O	A	S	Q	M	I	C
R	L	E	L	E	I	N	C	R	N	M	M	T	I	F	E	M	A	H	O
E	E	D	I	S	D	E	Y	E	N	A	N	A	T	V	C	D	I	W	R
H	U	A	M	T	A	M	L	S	S	A	A	V	P	U	C	S	D	H	P
O	A	U	I	R	N	E	K	A	U	G	M	R	E	A	A	T	E	A	O
L	N	T	T	I	C	R	U	C	U	T	E	E	C	M	H	N	R	R	R
D	L	H	E	C	E	I	I	E	H	A	A	S	X	E	R	E	E	T	A
E	S	O	D	T	Z	U	B	L	Y	L	P	E	E	N	E	M	T	I	T
R	Y	R	W	E	B	Q	I	T	G	U	P	R	Y	D	S	U	S	C	E
S	D	I	O	D	F	E	I	I	X	K	R	S	E	M	O	C	I	L	D
U	M	Z	Q	T	S	R	E	T	H	X	O	W	R	E	L	O	G	E	X
H	B	A	A	R	C	L	E	G	A	L	V	A	E	N	U	D	E	S	E
Q	X	T	L	W	G	E	O	N	L	P	A	L	G	T	T	W	R	N	E
I	H	I	O	Z	R	V	R	F	U	G	L	Y	I	S	I	J	I	K	U
C	S	O	P	G	F	R	D	I	I	S	S	B	S	N	O	A	I	N	T
W	X	N	V	K	A	B	D	K	D	V	E	K	T	A	N	J	A	M	M
L	S	K	A	P	O	R	T	A	L	G	V	V	R	A	C	R	M	G	T
I	G	C	O	R	P	O	R	A	T	I	O	N	Y	Y	M	N	P	O	O



LEGAL
ACCESS
BYLAWS
PORTAL
LIMITED

ARTICLES
GUIDANCE
USERNAME
DIRECTORS
DOCUMENTS

EREGISTRY
TITLECASE
AMENDMENTS
EXCEPTIONS
REGISTERED

RESOLUTION
RESTRICTED
CORPORATION
RESERVATION

INCORPORATED
REQUIREMENTS
SHAREHOLDERS
AUTHORIZATION
NAMEAPPROVALS



Our Mission: To develop Antigua and Barbuda as an effectively regulated,
well managed major financial services jurisdiction

WE INVITE YOUR QUESTIONS & COMMENTS

IBCs & CMTSPs Department

Financial Services Regulatory Commission

Email: registryandCMTSP@fsrc.gov.ag

