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BVI Financial Services Commission NEWSLETTER



Featured Articles in this Publication:

- A Tribute to the Visionary Leadership of Dr Robert Anderson Mathavious, Founding MD/CEO of the Financial Services Commission
- BVI FSC Announces Key Leadership Appointments
- Summer 2025 MTR Series Recap

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A TRIBUTE TO THE VISIONARY LEADERSHIP OF DR ROBERT ANDERSON MATHAVIOUS, FOUNDING MD/CEO OF THE FINANCIAL SERVICES COMMISSION



Dr Robert A Mathavious

Founding Managing Director / CEO, BVI Financial Services Commission

Dr Robert Anderson Mathavious (who simply accepted being called Mr Mac) was the first Managing Director and Chief Executive Officer (MD/CEO) of the Financial Services Commission (the **Commission** or the **FSC**). He assumed that responsibility on 1 January 2002. This followed the enactment by the Legislative Council (now House of Assembly of the Virgin Islands) of the Financial Services Commission Act on 7 December 2001, and assent to the Act by the Governor – His Excellency Francis J Savage on 27 December 2001. The Proclamation bringing the Act into force on 1 January, 2002 was published on 27 December, 2001. These events were proud moments for Mr Mac, as he presided for the next 18 years over the gradual and strengthened development of the Financial Services Commission as it blossomed into a mature and well-respected regulatory and supervisory

authority for the conduct of financial services business in and from within the Virgin Islands.

Mr Mac's journey to becoming the first MD/CEO of the Commission began eight years earlier, in 1993 when he was Financial Secretary in the Ministry of Finance of the Government of the Virgin Islands. He established the Inspectorate of Financial Services within the Ministry, under which the Banks and Trust Companies Act and Company Management Act were enacted in 1990. The Inspectorate of Financial Services was subsequently transformed into the Financial Services Department which functioned as a separate department within the Ministry of Finance. Mr Mac demitted the more dominant and advantageous position of Financial Secretary to become the first and only Director of the Financial Services Department until 2002 when the Department morphed into the Commission.

Mr Mac's decisions, guidance and advice on financial services matters were mostly informed by current and emerging issues that could potentially affect the financial services industry. He believed that when the Commission was armed with ample and adequate information, it could transform many things in a positive way for the financial services industry and the Territory without having to grapple with difficulties that normally ensue with the imposition of rules and standards. It was the adoption of this approach that led to Mr Mac recommending the enactment of the:

- Proceeds of Criminal Conduct Act, to address money laundering and terrorist financing issues;
- Financial Services (International Cooperation) Act, to build and strengthen the Territory's international cooperation regime in relation to financial services business;
- Financial Investigation Agency Act, to address a key element in the FATF Recommendations thereby ensuring compliance with an established standard;
- Proliferation Financing (Prohibition) Act, to deal with issues surrounding the proliferation of weapons of mass destruction and thus avoid the imposition of an Order-in-Council on the Territory in that regard; and,
- Financing and Money Services Act, to regulate the business of providers of financing and money services to better protect consumers and the reputation of the Territory.

The enactment of these legislation and reform of relevant existing legislation served the Territory well in its assessments in 1999 and 2008 by the Caribbean Financial Action Task Force (CFATF) and by the IMF in 2004 and 2010. Indeed Mr Mac presided over the development of numerous financial services legislation that currently shape the conduct of financial services business in and from within the Virgin Islands.

In all of these, Mr Mac ensured that the Commission was represented at all key meetings, both locally and internationally, at which decisions were being taken in relation to financial services business. He required staff to report back on what they saw as threats or potential threats, to enable the Commission to devise policies to better protect the financial services industry. To this end, Mr Mac made it his primary responsibility for staff of the Commission to be well-trained by undertaking formal and informal training programmes offered at all levels, in the Virgin Islands and overseas.



In relation to the financial services industry, Mr Mac established many liaison groups with respect to the different sectors of the industry to review and advise on specific subject matters. These liaison groups comprised participants from the private and public sectors. Mr Mac would receive and read reports to determine how the Commission should proceed and, in appropriate cases, with the approval and advice of the Board. He had no difficulty taking decisions he considered to be in the best interest of the Commission, industry and or country, despite the risk that someone could be offended. His doors were always open to accommodate visiting private and public sector practitioners and officials.

One of the key challenges of the Commission was and will continue to be how best to balance the need for compliance with established international standards and what is in the best interest of the financial services industry and the Territory. Mr Mac recognised that this was never an easy matter to deal with. He was, however, always cognisant of the absolute need to protect the industry, but above all to protect the good reputation of the Territory. Under his sterling leadership, the Commission was always able to arrive at a generally reasonable position and, where appropriate, to advise the Government accordingly. Where the adoption of a particular measure to stave off damage to the Territory's reputation could potentially result in the loss of business, Mr. Mac's response was consistently: *"Flight from quality is better than a damaged reputation"*.

Mr Mac had excellent managerial skills. He presided over the affairs of the Commission not by micromanaging the institution, but simply by devolving power to his managers.

He placed confidence and trust in them, with the full understanding that they would be held to account for any shortcoming of the Divisions and Units they headed. This allowed him to concentrate on other key issues relating to the work of the Commission, while keeping an eagle eye on what was being carried out under his roof. He ensured the regular review of financial services legislation to bring them up-to-date and the periodic presentation of reports to the Board regarding the work of the Commission. He welcomed innovation so long as it had the objective of a tangible result.

One of the many attributes Mr Mac will always be remembered by at the Commission is his ability to listen carefully and render advice. Being a person who was always concerned about the wellbeing of his staff, Mr Mac's door was always open to staff who sought advice on non-Commission issues affecting and/or relating to their individual affairs. He was effectively a father figure to many and a professional adviser to some. He was also a good friend. In his view, being a true leader transcended the daily chores of remunerated employment. He felt that there is always a human side that aided an employee's performance and should never be neglected. He believed in that notion and championed it as far as he could.

On Mr Mac's retirement in 2020, he left behind a Commission that was well-equipped and resilient. This positioning holds strong even to today. He built, nurtured and developed it to what it is today. The current Managing Director and Chief Executive Officer, Mr Kenneth Baker, senior management, and entire staff of the Commission pay tribute to Mr Mac and thank him for his selfless service as leader of the Commission for 18 years. We also thank his wife, Mrs Prudence Mathavious, and daughter, Jady, for the patience they exercised during his long hours away from them, and the several trips abroad on official Commission and Territorial business. We will never forget the lessons he taught, the leadership he displayed, the excellence he demanded and the personal sacrifices he made. May he rest in eternal peace.



FSC REGULATORS AMONG PRESENTERS AT BVI IDEAS FESTIVAL 2025

Officials from the BVI Financial Services Commission will participate in the highly anticipated BVI Ideas Festival, scheduled for 11–12 November 2025 at Peter Island Resort.

During the Festival, Deputy Managing Director Mr Glenford Malone is expected to address emerging regulatory challenges in the virtual assets space, with a focus on mitigating financial crime risks such as money laundering, and strengthening investor protection frameworks.

As a Diamond Sponsor, the Commission will also play an active role in panel discussions and will host a dedicated booth at the event, showcasing its commitment to innovation, transparency, and regulatory excellence.



SUMMER 2025 MTR SERIES RECAP

The BVI Financial Services Commission, in collaboration with the Government of the Virgin Islands, successfully concluded its Summer 2025 Meet the Regulator (MTR) Forum series.

The sessions, held in June and July, focused on the Virgin Islands' policy and framework for access to beneficial ownership information. Industry partners in the Virgin Islands, Asia Pacific, the United Kingdom, and, for the first time, Latin America, engaged directly with Commission officials and government representatives, via this platform.

The sessions provided a deep dive into the policy on rights of access to beneficial ownership information, with officials explaining how the new regime would be implemented, and giving stakeholders a critical opportunity to engage face-to-face with regulators. Attendees received updates on consultation outcomes, the legal and technical framework for BO disclosures, confidentiality protections, and the practical use of the new filing and Registry system.

The series concluded in Panama City, marking the Commission's first MTR in the LATAM region. This opening into Latin America was praised as a significant milestone for the Commission, demonstrating the global reach of the Territory's regulatory outreach and highlighting new opportunities for dialogue with regional service providers and regulators.

Managing Director and CEO of the Commission, Mr Kenneth Baker led the delegation, which included senior Commission officials alongside partners from the Ministry of Financial Services, Economic Development and Digital Transformation, and BVI Finance.

The Commission extends its deep gratitude to all stakeholders for their active participation and thoughtful contributions, and to the various service providers for their warm hospitality during the Forums.



BVI FSC ANNOUNCES KEY LEADERSHIP APPOINTMENTS



Ms Kamika A. Forbes
Director, Operations Division

As part of its ongoing efforts to strengthen executive and staff capacity, the BVI Financial Services Commission has recently confirmed three high level appointments.

Ms Kamika Forbes was appointed Director of the Operations Division with effect from 1 April 2025. Throughout her nine year tenure with the Commission, Ms Forbes has worn several hats, including Senior Legal Counsel in the Legal Division, and Deputy Registrar in the Trade Marks, Patents and Copyright Unit in the Registry of Corporate Affairs. In her immediate prior capacity, she provided strategic support to the Deputy Managing Director for Operations, as Deputy Director for Operations.

As Director of Operations, Ms Forbes will play a more significant role in supporting the implementation of strategic and operational initiatives which fall within the Commission's Operations Division portfolio. This includes, providing leadership and oversight for subsidiary functional Units, overseeing the execution of core operational strategies and projects, supporting operation related outcomes across the Commission, and advancing priorities to enhance facility level output.



Ms M Alva Mc Call
Director, Compliance

Effective 1 January 2025, Ms M Alva Mc Call has been appointed Director of Compliance. She joined the Commission in November 2008 and has since held several key positions, including Senior Policy Research and Statistics Officer, Deputy Director of the Policy, Research and Statistics Division, and most recently, Deputy Director of the AML Unit.

In her new capacity, Ms Mc Call will be responsible for leading the execution of the Division's core mandate, which includes helping to strengthen the Commission's role and credibility as the main supervisor of financial services in the Territory. More specifically, Ms Mc Call will provide strategic oversight for the Compliance Inspections Unit, assess and monitor the Commission's compliance with AML/CFT/CPF standards,

inspections, overseeing adherence to AML/CFT/CPF standards, lead the strategic development and implementation of the Commission's AML/CFT/CPF strategy and policies, and develop programmes geared toward ensuring well-supervised compliance inspection and AML/CFT/CPF regimes. Further, she will play a significant role in enhancing overall compliance levels across the financial services sector, among other duties.

BVI FSC ANNOUNCES KEY LEADERSHIP APPOINTMENTS... CONT.



Ms Janay Waters

Ag Deputy Director, Enforcement

Ms Janay Waters has been appointed Acting Deputy Director of the Enforcement Unit with effect from 1 April 2025. She has served with the Commission since 2013 in various capacities, most recently, in the Enforcement Unit, contributing to enforcement strategy, oversight of complex investigations, sanctions liaison functions and staff mentorship. She has helped implement structured processes for enforcement case management and to enhance protocols that improve her Unit's efficiency.

In her new role, Ms Waters will oversee the day to day work of the Enforcement Unit and help to advance the Commission's enforcement mandate.

Managing Director and CEO of the Commission, Mr Kenneth Baker, welcomed each of the leadership appointments stating, *"The Commission remains committed to strategic staff placement based on experience, qualifications and demonstrated capacity to contribute to regulatory and operational excellence. All three of the appointees, Ms Mc Call, Ms Forbes, and Ms Waters, have consistently demonstrated the required depth of expertise, leadership and professional resilience, proving their capacity to proficiently guide their respective Divisions and Unit. I am confident they will continue to contribute meaningfully to the Commission's work."*

RETIREMENT OF MS SIMONE MARTIN



Ms Simone Martin

On 30 June 2025, the BVI Financial Services Commission bid farewell to Ms Simone Martin, Director of Special Projects and a respected leader since its founding in 2002. Over her distinguished career, she held key roles including Deputy Director of Banking and Fiduciary Services, Acting Director of Insurance, and Head of Enforcement. From 2019 to 2021, she also served via professional secondment as Deputy Director of the Anguilla Financial Services Commission.

At a farewell/retirement dinner, Managing Director/CEO Mr Kenneth Baker and colleagues praised Ms Martin's brilliance, passion, and unwavering commitment to excellence. Known for setting high standards, her legacy of integrity and expertise will continue to inspire.

TRIBUTE TO OUR COLLEAGUE AND FRIEND – MS TREVECCA HODGE



Ms Trevecca Hodge

With profound sorrow, the management and staff of the BVI Financial Services Commission remember our colleague and friend, Ms Trevecca Hodge, who passed away on 12 August 2025.

As an employee who gave over 20 years of unwavering professional service, Trevecca's legacy is woven into the fabric of the Commission. Since joining the Commission in 2002, Trevecca rose through the ranks with distinction, beginning as Regulator I and ultimately serving as Deputy Director of the Authorisation Unit, within the Authorisation and Supervision Division. Her previous roles included Deputy Director, Acting Director, and Senior Regulator in the Insurance Division, where she played a pivotal role in helping to shape the Commission's compliance, risk, and regulatory frameworks.

Trevecca was a pillar of integrity and professionalism, with staff and industry practitioners remembering her for her firm yet approachable demeanour. Her resolute insistence on licensee adherence to complying with their obligations became a hallmark of her leadership. In spite of her firmness, Trevecca was known for her responsiveness to industry queries and concerns, and her willingness to assist when it came to areas of her speciality. Those who worked closely with her recall her as a colleague who was always, humble, dependable, selfless, and deeply passionate about her work. She guided her teams with humility and vision, setting high standards and fostering a culture of accountability and excellence. Her contributions are remembered beyond the Commission, having earned the respect of regional regulatory colleagues. As a gatekeeper of the Commission's licensing regime, Trevecca played a critical role in safeguarding the jurisdiction's reputation and regulatory rigour.

Her passing is a profound loss to the Commission family, and we will continue to remember her young family, and those who were closest to her, hoping that they will find comfort in the enduring impact of her life and work. May her legacy of courage, compassion, and excellence continue to inspire us all and may she continue to rest in peace.



BVI BUSINESS COMPANIES AND LIMITED PARTNERSHIPS (BENEFICIAL OWNERSHIP) (AMENDMENT) REGULATIONS, 2025

The BVI beneficial ownership regime, which requires BVI Business Companies and Limited Partnerships to maintain beneficial ownership information with the Registry of Corporate Affairs through the VIRRGIN system, took effect on 2 January 2025.

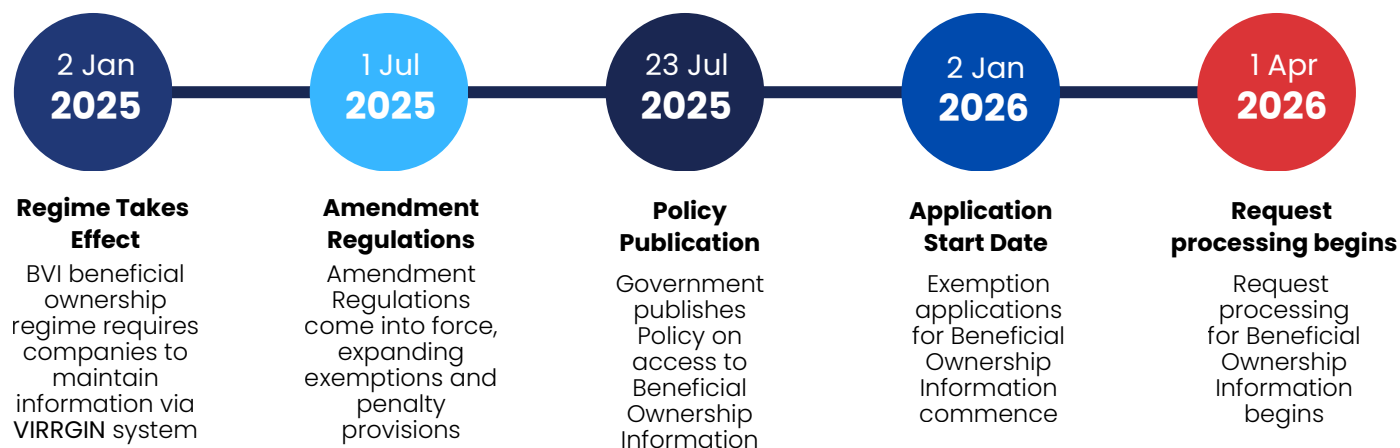
Subsequent to the Government's 23 July 2025 publication of its Policy on Access to Beneficial Ownership Information, amendments were effected to the BVI Business Companies and Limited Partnerships (Beneficial Ownership) Regulations ("the Amendment Regulations") to give effect to the Policy. The Amendment Regulations came into force on 1 July 2025. The Amendment Regulations effectively introduce the concept of 'legitimate interest' and define persons who may qualify as having legitimate interest in order to have access to the register of beneficial ownership. In addition, the Amendment Regulations expand the scope of exemptions within the beneficial ownership framework, introduce additional administrative penalty provisions for contravention of the Regulations, and make provision for placing restrictions on the beneficial interests of beneficial owners who fail to provide adequate, accurate and up-to-date beneficial ownership information.

Applications for exemption from providing beneficial ownership information may be made from 2 January, 2026. The receipt and processing of requests for beneficial ownership information from persons who are able to demonstrate legitimate interest commences on 1 April 2026.

Persons wishing to obtain full details of the reforms provided for under the Amendment Regulations may access a copy [here](#).

Timeline

Key Dates and Regulatory Changes



THE FIDUCIARY SERVICES BUSINESS ANNUAL RETURN IS GETTING A MAKEOVER!

Amendments have been made to the return, which has now been renamed the Trust and Corporate Services Provider Annual Return (the **Return**). The changes are designed to enhance the Financial Services Commission's ability to identify, analyse, assess and manage risks associated with Trust and Corporate Services Provider licensees and their clients, and to demonstrate a more comprehensive understanding of the associated risks of the sector.

Amendments to the Return will provide additional data to aid the Commission in enhancing its money laundering, terrorist financing and proliferation financing risk understanding of the TCSP sector, including the legal persons and legal arrangements it provides services to. Such increased understanding will allow for effective risk mitigation measures to be put into place. The changes will also enhance the Commission's prudential supervision.

Key changes have been made to the following sections:

- **Financial Soundness Indicators:** inclusion of liquidity and debt ratios;
- **Fitness and Propriety:** amended to better align with standard declaration throughout the Commission;
- **Board Governance:** enhanced reporting on Board responsibilities;
- **Record Keeping:** amended to capture data on key record-keeping requirements;
- **Business Activities:** business categories have been expanded to capture additional activities to better understand the true size, complexity and diversity of activities;
- **Managed Trust Companies:** expanded to encompass additional details in relation to the management of a managed trust company (specifically record keeping, staff allocation and separation of duties);
- **Portfolio Administered:** expanded to capture additional data on beneficial ownership of legal persons and legal arrangements by way of control;
- **Director, Senior Officer and Protector Appointments:** additional information will be required where these services are provided, including where employees serve in these capacities on behalf of the TCSP; and,
- **Client Base:** expanded to include jurisdictions and industries identified by FATF as high risk for money laundering/ terrorist financing/ proliferation financing, along with an expanded list of business activities.

The Return has also been amended to enhance its user friendliness and to allow for auto-calculation of required percentages and ratios.

Returns are due annually by 31 January and filings for the 2025 reporting period are to be completed using the amended Returns, which will be effected through an amendment to the *Financial Services (Prudential and Statistical Returns) Order*. Effective January 2026, the existing forms will no longer be accepted.

The Commission, therefore, expects that licensed TCSPs will take the necessary steps to collect and submit the required data in order to fulfil their filing requirements by the 31 January 2026 deadline.

GUIDE TO HOW AN EFFECTIVE ONGOING MONITORING SYSTEM AIDS IN PRODUCING QUALITY SUSPICIOUS ACTIVITY REPORTS (SARS)

Suspicious activities include acts that give rise to a misgiving that a person (i.e., legal person, legal arrangement or individual) is attempting to hide/disguise the true nature of their activities or carry out a questionable transaction, and may indicate potential abuse of the financial services regime.

A Suspicious Activity Report (**SAR**) is a tool used by Financial Institutions (FIs) and Designated Non-financial Businesses and Professionals (DNFBPs) to aid in detecting and reporting possible financial crimes.



Once reported, SARs are then analysed by financial intelligence units (the Financial Investigation Agency (**FIA**) in the case of the VI) to determine whether the suspicious activity reported warrants further investigation by law enforcement agencies, such as the Royal Virgin Islands Police Force (**RVIPF**). Financial institutions' assessment and filing of SARs are, therefore, integral elements in forestalling illicit activities.

The quality of the information provided in a SAR filed with the FIA is critical in ensuring that the FIA is able to properly analyse the information submitted and make informed decisions as to whether the reported activity warrants further investigation by the RVIPF and/or another local or foreign law enforcement agency.

To recognise suspicious activities, entities should, among other requirements under the VI's AML/CFT regime, ensure that they:

- conduct proper customer risk assessments in order to know their customers;
- monitor their customer's behaviour and transaction history; and
- ask appropriate questions when activities appear out of the ordinary.

Having robust ongoing monitoring processes and procedures in place is a critical component for entities in identifying business activities and transaction patterns that may be inconsistent with their customers' profiles, and which may signal potential suspicious activity. This is particularly important where the risk associated with the client relationship is already elevated. Ongoing monitoring also aids in identifying when a client's circumstance changes (e.g., becoming sanctioned or named in some criminal activity), which may require a SAR to be filed with the FIA or trigger the updating of the client's risk profile. Being able to identify such behaviour and properly document it, is another key component in producing a quality SAR.

Sufficient information on the activity or transaction should be collected to determine whether the activity/transaction can be explained. Where it cannot be explained, and it is determined that a SAR should be filed, as much detail as possible on the suspected activity/transaction should be included in the SAR. The FIA's Suspicious Activity/Suspicious Transaction Checklist and Instructions Regarding the Revised STR Form should be used as a guide to determine what information should be included in the SAR. These documents can be found [here](#) on the FIA's website.

GUIDE TO HOW AN EFFECTIVE ONGOING MONITORING SYSTEM AIDS IN PRODUCING QUALITY SUSPICIOUS ACTIVITY REPORTS (SARS)... CONT.



A quality SAR should include the 5Ws (Who, What, Where, When, Why) and 1H (How) and should thoroughly describe the suspicion being reported, along with the relevant factors that raised the suspicion. All SARs should include, inter alia:

- the name and contact details of the person filing the report;
- details of the person(s) involved of the suspicious activity/transaction, including source of funds and source of wealth;
- a detailed summary of the identified activity/transaction including, where applicable:
 - where and when the activity/transaction occurred and how it was detected,
 - names and background information of persons involved,
 - any patterns or behaviors observed over time to support suspicion,
 - description and value of assets/transactions involved (assets include but are not limited to real estate, investment accounts, shareholdings in other companies, sea vessels, and foreign or domestic bank accounts);
- rationale for the suspicion;
- whether the activity relates to money laundering or any of its predicate offences, terrorist financing, proliferation financing or other illicit activity;
- whether or not the SAR has been filed with any other jurisdiction and if so, the name(s) of the jurisdiction(s); and,
- any supporting documents that could help to support the suspicion (e.g. bank statements, invoices, receipts, etc.).

Relevant entities should also refer to the Commission's Guidance - An Effective Approach to Ongoing Monitoring, which includes warning signs and red flags that may emanate from transaction monitoring activities, for information on how to carry out proper monitoring.

Additional information on indicators that may identify suspicious activity can be found in the Explanatory Notes of section 21 of the AML Code of Practice.

Higher Risk Sectors: Examples of Information that can enhance the Quality of SARs

In relation to higher risk sectors such as the Trust and Corporate Services Providers (TCSPs), Virtual Asset Services Providers (VASPs) and Investment Business sectors, information that could enhance the quality of SARs filed may include:

VASPs	TCSPs	Investment Businesses
Accurate date and time of suspicious transaction, including accurate dates in ledger reports as this allows for effective correlation with blockchain data.	Information on ownership and control, which includes shareholder structure, persons who have the right to appoint or remove majority directors, de facto control, control via voting rights, and contractual agreements.	Details of the product or service offered to the customer – features of the product should include investment method (cash, cheque, wire, etc.), investment terms (tenure, interest rate, etc.)
Wallet addresses and Type – All wallet addresses involved should be disclosed, along with an indication of the wallet type (e.g., hot wallet, cold wallet, multi-signature wallet, or customer's personal wallet). This helps the FIA to gain a better understanding of the activity and to investigate it effectively	Information on networks concerning the subject(s) of the SAR, which includes whether the subject is or is not associated with a PEP, or any known criminal organisations, foreign or domestic.	Where funds are held in trust or for a third party, the KYC information for all such individuals should be included in the SAR, (e.g., full/registered name, date of birth, identification document type and number, address (residential and otherwise), nationality etc.).
Transaction hashes associated with the suspicious activity should be provided.	Information on any sanctioned BOs who may have attempted to make a change in the ownership structure of the company prior to designation.	Source of funds for each investment – if the funds for investment are provided by a third party, KYC documentation should be provided for that individual/entity, (e.g., full/registered name, date of birth, identification document type and number, address (residential or otherwise), nationality etc.). Source of wealth for the client including documentation/evidence.
Any external intelligence that supports the suspicion (e.g. OFSI designations and blockchain analytics reports and any reports which may link addresses to sanctioned or other high-risk entities/individual).	Any external intelligence that supports the suspicion (e.g., OFSI designations and any reports which may link to sanctioned or other high-risk entities/individual)	Any external intelligence that supports the suspicion (e.g. OFSI designations and any reports which may link to sanctioned or other high-risk entities/individual)
		Location of where invested funds are being held
		Information on expected and actual level of activity on the account

(Note: Where relevant, some identified issues are appropriate for all sectors.)

Regulated entities are encouraged to be diligent in the application of their AML/CFT/CPF measures, ensure staff are trained to effectively fulfil their monitoring obligations, and ensure they are able to properly document identified suspicious activity. This will aid in enhancing the quality of SARs filed with the FIA and further assist law enforcement in successfully investigating and prosecuting any identified criminal activity.

Both the FSC and the FIA will continue to actively engage entities, including through onsite inspections and desk-based reviews, to assess compliance with their SARs obligations, including assessment of the quality of SARs submitted. Regulated entities should therefore review their controls, policies and procedures and carry out an assessment of the quality of SARs submitted to ensure compliance with the requirement related to SARs.

UNPACKING ANTI-MONEY LAUNDERING, COUNTERING THE FINANCING OF TERRORISM AND COUNTERING PROLIFERATION FINANCING RISK: BVI BUSINESS COMPANIES

Understanding the risks associated with BVI Business Companies (**BVIBCs**) is critical for service providers and financial institutions who engage with these entities as their clients. While legal persons, particularly BVIBCs, offer significant opportunities for legitimate global commerce, they also present vulnerabilities that can be exploited for illicit purposes.

The Virgin Islands (VI) is deeply committed to combating money laundering (ML), terrorist financing (TF), proliferation financing (PF), and sanctions evasion. This commitment requires a clear understanding of the Territory's exposure to financial crime and the ways in which BVIBCs may be misused. By identifying and addressing these risks, stakeholders can help preserve the integrity of the jurisdiction, ensure compliance with international standards, and maintain global confidence in the VI's financial system.

What is a BVIBC?

BVIBCs are a type of legal person (LP) incorporated and registered under the BVI Business Companies Act (BVI BC Act). As a legal person, it has the power to carry on any legal business activity, may enter into any type of transaction and conduct financial transactions.

BVIBCs are popular among businesses and investors for several reasons, primarily stemming from the flexibility they bring to corporate structuring. The BVI is also a globally recognised International Financial Centre with a well-established legal framework and commitment to international standards. This contributes to the credibility and wide use of BVIBCs among global investors and financial institutions. Such advantages, however, have increased the inherent vulnerability of BVIBCs and heightened their risk for being misused for ML, TF, and PF.

Money Laundering Risk

The 2025 National Risk Assessment of Legal Persons and Legal Arrangements (LP/LA RA) identified BVIBCs as being at a "medium-high risk" for ML. This risk is the product of factors that make BVIBCs more vulnerable to being misused for the purposes of ML and the controls in place to offset these vulnerabilities. These include:

Vulnerability	Rationale
The global nature of BVIBCs, exposure to cross border activities and wide geographic dispersion of clientele	BVIBCs operate in major global economies including Asia, South America, Europe, North America, and to a lesser extent Africa
Sector size - the large number of BVIBCs on the company register	BVIBCs represent approximately 99% of all legal entities on the company register
Complex corporate/ownership structures and delivery channels	Enhances ability to be used to facilitate the movement of illicit funds and obscure identity of ultimate beneficial owner(s)(BOs) and controller(s) making it difficult to trace the source of funds.
Exposure to high-risk clients i.e. Politically Exposed Persons (PEPs) and high-risk jurisdictions	Risk assessment data reflects that across all types of BVIBCs, 53% have beneficial owners in high-risk jurisdictions for ML; and 4% of BVIBCs have BOs that are PEPs
TCSP reliance on introduced business when onboarding BVIBC clients	Allows for a higher degree of anonymity. A registered agent may unknowingly be used to facilitate the creation of a BVIBC or conduct other services for bad actors seeking to advance illicit activities
Ability to appoint corporate directors	Increases the potential for opacity and dissimulation of beneficial ownership and control

Additionally, data from the LP/LA RA shows that Suspicious Activity Reports (SARs) filed with the Financial Investigation Agency frequently involve BVIBCs in transactions related to fraud and money laundering (ML). This suggests that BVIBCs are vulnerable to being exploited for illicit transactions linked to ML and other predicate offenses.

Terrorist Financing Risk

The risk of BVIBCs being used to collect, receive and move funds for TF is recognised as “medium-high”. Similar factors which make BVIBCs vulnerable to ML (as detailed in the Table above) overlap with the vulnerabilities of BVIBCs relative to TF. On the basis of data reflected in the LP/LA RA, BVIBCs can potentially be exploited to obscure beneficial ownership and control and facilitate the movement of funds for terrorist purposes. This risk is amplified by the increasing use of BVIBCs as virtual asset service providers (VASPs) and VA platforms, as well as the potential for complex structures to disguise BOs and fund sources.

Proliferation Financing Risk

Similar to the level of ML and TF risk identified in the LP/LA RA, the PF risk associated with BVIBCs has been assessed as medium-high. The assessment of law enforcement data, including suspicious activity reports (SARs), investigations, mutual legal assistance requests and targeted financial sanctions revealed that between 2020 and 2024, there were 15 cases of alleged PF involving BVIBCs and the Democratic People's Republic of Korea (DPRK). Information from the Governor's Office and law enforcement agencies, as well as requests from the United Nations Panel of Experts confirm that BVIBCs are vulnerable to abuse within PF networks, with some cases alleging BVIBCs owned vessels used to illegally supply goods to the DPRK.

Mitigation and Ongoing Efforts

Notwithstanding the challenges, the VI continues to undertake comprehensive reforms to address the identified vulnerabilities and mitigate the risk of the misuse of BVIBCs for ML, TF and PF, by committing to a risk-based national AML/CFT/CPF framework, the ongoing conduct of robust national and sectoral risk assessments and risk-based regulatory oversight of TCSPs.

These measures further reinforce the VI's efforts to combat financial crime. Specifically, legislation introduced in January 2025 amended the BVI Business Companies Act, mandating the direct filing of beneficial ownership information and registers of members with the Registrar of Corporate Affairs, thereby enhancing BO transparency. Additionally, a new VASP Guide to the Prevention of ML, TF and PF outlines unique risk factors associated with BVIBCs operating as VASPs and the necessary mitigation measures, such as record keeping, transaction monitoring, enhanced due diligence, adherence to the VA travel rule, and targeted financial sanctions and screening.

Upholding the integrity of the VI financial services sector is a shared commitment and requires the collective efforts of Financial Institutions (FIs) and Designated Non-Financial Businesses and Professions (DNFBPs) to mitigate against ML, TF and PF. By incorporating the information identified in the various national and sectoral risk assessments into their operational frameworks, FIs and DNFBPs can strengthen their ability to reduce the ML, TF and PF risks associated with BVIBCs and other legal persons and arrangements.



THE FSC UPDATES ITS AML/CFT/CPF POLICY AND STRATEGY

In February 2025, the BVI Financial Services Commission published its 2025 AML/CFT/CPF Policy (the **Policy**) and 2025-2027 AML/CFT/CPF Strategy (the **Strategy**). The update builds on the FSC's 2020 AML/CFT Policy and 2020 – 2022 AML/CFT Strategy. The Policy and Strategy are also designed to align with the 2024 National AML/CFT/CPF Policy and 2024 – 2026 National AML/CFT/CPF Strategy and reflects the Commission's continued commitment to safeguarding the integrity of the Virgin Islands' financial services industry.

The 2025 Policy and Strategy are designed to address emerging ML, TF and PF threats and vulnerabilities that may impact the Commission's work as a regulatory authority, while aligning with the Territory's National AML/CFT/CPF framework.

The Policy provides rules and guiding principles outlining the Commission's commitment to preventing ML, TF and PF by strengthening the Commission's supervisory, enforcement and domestic cooperation regimes. It also establishes measures to mitigate against vulnerabilities in the Commission's AML/CFT/CPF framework that may impact its ability to effectively regulate the financial sector.

The Policy's primary objective is to establish a robust framework that safeguards the financial services sector from being exploited for ML, TF, PF and other related illicit activities. Additional Policy objectives include establishing a robust regulatory framework that effectively mitigates the risks associated with ML, TF and PF; promoting transparency and integrity within the financial sector; ensuring compliance with national and international standards and fostering cooperation between domestic and international partners in combatting ML, TF and PF activities.

The Strategy is a three-year road map that outlines how the Commission will implement the objectives identified in the Policy and defines the action items and approach to be taken to mitigate the ML, TF and PF to which the Commission is exposed. The Strategy's aim is to mitigate inherent ML, TF, and PF risks, prevent illicit activities, reduce systemic risks and promote confidence and stability within the financial services sector by enhancing the Commission's AML/CFT/CPF framework.

The updated Policy and Strategy both have separated the policies and strategies identified to address the Commission's ML, TF and PF risks. This separation allows for a more focused approach to mitigating the specific ML, TF and PF risks to which the Commission may be exposed.

The updated Policy outlines targeted objectives across four key areas:

- Supervision
- Enforcement
- Promotion of Cooperation
- Stakeholder Awareness and Outreach

Each key area objective within the Policy is supported by specific action items in the Strategy. These action items are intended to enhance the Commission's regulatory effectiveness and ensure compliance with international standards.

The Commission encourages all regulated entities and stakeholders to review the updated documents to better understand how the Commission intends to minimise its ML/TF/PF risk exposure, as many of the objectives and associated action items will have a direct impact on entities' AML/CFT/CPF frameworks. As such, entities are encouraged to also address the identified issues by incorporating mitigating measures into their institutional risk assessments and relevant internal policies and procedures and control mechanisms.

The updated [2025 AML/CFT/CPF Policy](#) and the [2025 -2027 AML/CFT/CPF Strategy](#) can be found on FSC's website by clicking the links above.

**REGISTRY CORNER****Filing BO Information – General Queries**

The Registrar of Corporate Affairs is requesting that queries related to the filing of beneficial ownership information or other questions related to beneficial ownership be sent by email to bo@bvifsc.vg.

**Annual Fee, Penalty and Strike-Off Dates**

Industry practitioners are reminded that when the annual fees, penalty, and strike-off dates fall on a public holiday or on a weekend, the date for the action required by law will take place on the next working day.

Requests to Have Submitted Transactions Rejected

When submitting a request for a transaction to be rejected, please email support@bvifsc.vg with a copy to cregistrars@bvifsc.vg.

Queries Related to Filing of Beneficial Ownership

The Registrar of Corporate Affairs is requesting that queries related to the filing of beneficial ownership information or other questions related to beneficial ownership be sent by email to bo@bvifsc.vg.

AUTHORISATION AND SUPERVISION DIVISION – CALENDAR OF UPCOMING FILING DEADLINES

DUE DATE: 10 October 2025

ENTITY/LICENCE TYPE	FILING/REQUIREMENT	SUBMISSION CHANNEL
<ul style="list-style-type: none"> Banks Class I and Class II trust licensees* Category A and Category D insurers Category 5 investment business licence 	A list of internal audit reports prepared during Q2 2025, with a summary of areas covered by each report.	<p>Banks and other entities under specialised supervision: specialisedsupervision@bvifsc.vg</p> <p>All other entities: prudentialsupervision@bvifsc.vg</p>

DUE DATE: 14 October 2025

ENTITY/LICENCE TYPE	FILING/REQUIREMENT	SUBMISSION CHANNEL
<ul style="list-style-type: none"> Authorised Representatives (SIBA) Authorised Representatives (VASPA) 	On a quarterly basis, submit the names of all funds and licensed entities for which it provided Authorised Representative services.	prudentialsupervision@bvifsc.vg
<ul style="list-style-type: none"> Insurance** 	Monthly Trustee Insurance Statement	prudentialsupervision@bvifsc.vg

DUE DATE: 15 October 2025

ENTITY/LICENCE TYPE	FILING/REQUIREMENT	SUBMISSION CHANNEL
<ul style="list-style-type: none"> Banks 	Prudential Returns for Q2 2025	specialisedsupervision@bvifsc.vg
<ul style="list-style-type: none"> Money Services Business licensees – Class A 	3.5% transaction levy, transaction levy report for Q2, 2025	<p>Check, wire transfer, etc. specialisedsupervision@bvifsc.vg</p>

DUE DATE: 14 October 2025

ENTITY/LICENCE TYPE	FILING/REQUIREMENT	SUBMISSION CHANNEL
<ul style="list-style-type: none"> Insurance** 	Monthly Trustee Insurance Statement	prudentialsupervision@bvifsc.vg

DUE DATE: 14 November 2025

<ul style="list-style-type: none"> Insurance** 	Monthly Trustee Insurance Statement	prudentialsupervision@bvifsc.vg
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DUE DATE: 14 September 2025

<ul style="list-style-type: none"> Insurance** 	Monthly Trustee Insurance Statement	prudentialsupervision@bvifsc.vg
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WITHIN SIX MONTHS OF THE FINANCIAL YEAR

<ul style="list-style-type: none"> All licensees and funds except where exempted 	Audited Financial Statements (must be accompanied by all relevant prescribed documents)	Banks and other entities under Specialised Supervision: specialisedsupervision@bvifsc.vg TCSPs: financialstatementsTCSP@bvifsc.vg Insurance: financialstatementsINS@bvifsc.vg Investment: financialstatements@bvifsc.vg Hard copy and/or electronic copy financialstatements@bvifsc.vg
Approved Funds ¹ Incubator Funds ² Approved Managers	Financial Statements (not required to be audited)	Hard copy and/or electronic copy via financialstatements@bvifsc.vg

*A Class I or Class II trust licensee that does not hold customer monies or has determined that due to its nature, size, and complexity, it does not require an internal audit function, and is not required to file a list of internal audit reports.

**Applicable only to a Trustee of a Domestic Business Trust for specified insurers.

Notes:

1. This schedule is provided as a courtesy; regulated entities are not absolved from submissions due to any errors or omissions herein.
2. If a due date falls on a holiday or weekend, the Commission will accept filings/reports due for submission on the next business day without enforcing any penalties.

AML/CFT/CPF MASTERCLASSES UNDERWAY

The H Lavity Stoutt Community College (HLSCC) Robert Mathavious Institute (RMI) for Financial Services, in collaboration with the BVI Financial Services Commission, has officially launched a series of two-day Anti-Money Laundering (AML), Counter-Terrorist Financing (CFT), Counter-Proliferation Financing (CPF) Masterclasses, focused on helping to better equip BVI financial services industry participants, particularly, Trust and Company Service Providers (TCSP), Virtual Asset Service Providers (VASP), and Investment Business sector participants, with information critical to their understanding, ongoing development and execution of regulatory obligations.

The first Masterclass in the series, *'Compliance Obligations: Customer Due Diligence'*, was held 25 -26 September 2025, with a substantial registrant engagement of over 300 persons (100 of whom attended in person). During these sessions, facilitator T'sa James-Hodge, CMgr, MCMI, PICA, CCI – a senior compliance professional, guided attendees through their responsibilities in implementing customer due diligence (CDD); the Financial Action Task Force (FATF) Risk-Based Approach with regard to CDD; regulatory expectations for initial and continuous collection and maintenance of due diligence information; the legislative framework; risks associated with the use of artificial intelligence and employing of adverse media screening; and an overview of the mechanisms which the Commission may employ to enforcement providers' compliance with CDD information collection obligations.

The remaining Masterclasses – *'Compliance Obligations: Suspicious Activity Reporting'* and *'Misuse of Legal Persons and Legal Arrangements for Money Laundering, Terrorist Financing and Proliferation Financing'* will take place on 2 - 3 October and 7 - 8 October, respectively.

At the end of each Masterclass, participants will be assessed and are expected to attain a minimum pass mark before being issued HLSCC RMI Certificates of Completion.



PUBLIC STATEMENTS

The BVI Financial Services Commission considered it necessary to issue the following Public Statements during the second quarter of 2025 to protect customers, creditors, or persons who may have been solicited to conduct business with purported financial services entities.

The public is advised to exercise caution when conducting business with the following:

All Commission-issued Public Statements can be accessed via the Commission website - [HERE](#).

ENTITY	DATE
SLIMANE BOUASBANA DJAMAL	18 July 2025
LucidGains	18 July 2025
ELITE FOUND LTD	21 July 2025
Everstone Trading Capital	14 August 2025
David Wilson	10 September 2025

BVI & HONG KONG THIRD-QUARTER, 2025 HOLIDAYS AFFECTING OPERATIONS

The public is asked to note the following upcoming BVI public holidays, during which time Commission offices will be closed for business:

A complete list of holidays and closures can be found [HERE](#).

Virgin Islands Holidays	
20 October 2025	Heroes and Foreparents Day
24 November 2025	The Commemoration of the Great March of 1949 and the Restoration of the Legislative Council
25 December 2025	Christmas Day
26 December 2025	Boxing Day
Hong Kong Holidays	
1 October 2025	National Day
7 October 2025	The day following the Chinese Mid-Autumn Festival
29 October 2025	Chung Yeung Festival
25 December 2025	Christmas Day
26 December 2025	The first weekday after Christmas Day

This FSC Newsletter edition is dedicated

In Loving
Memory
of

Founding Managing Director and CEO,
Dr Robert Anderson Mathavious, OBE

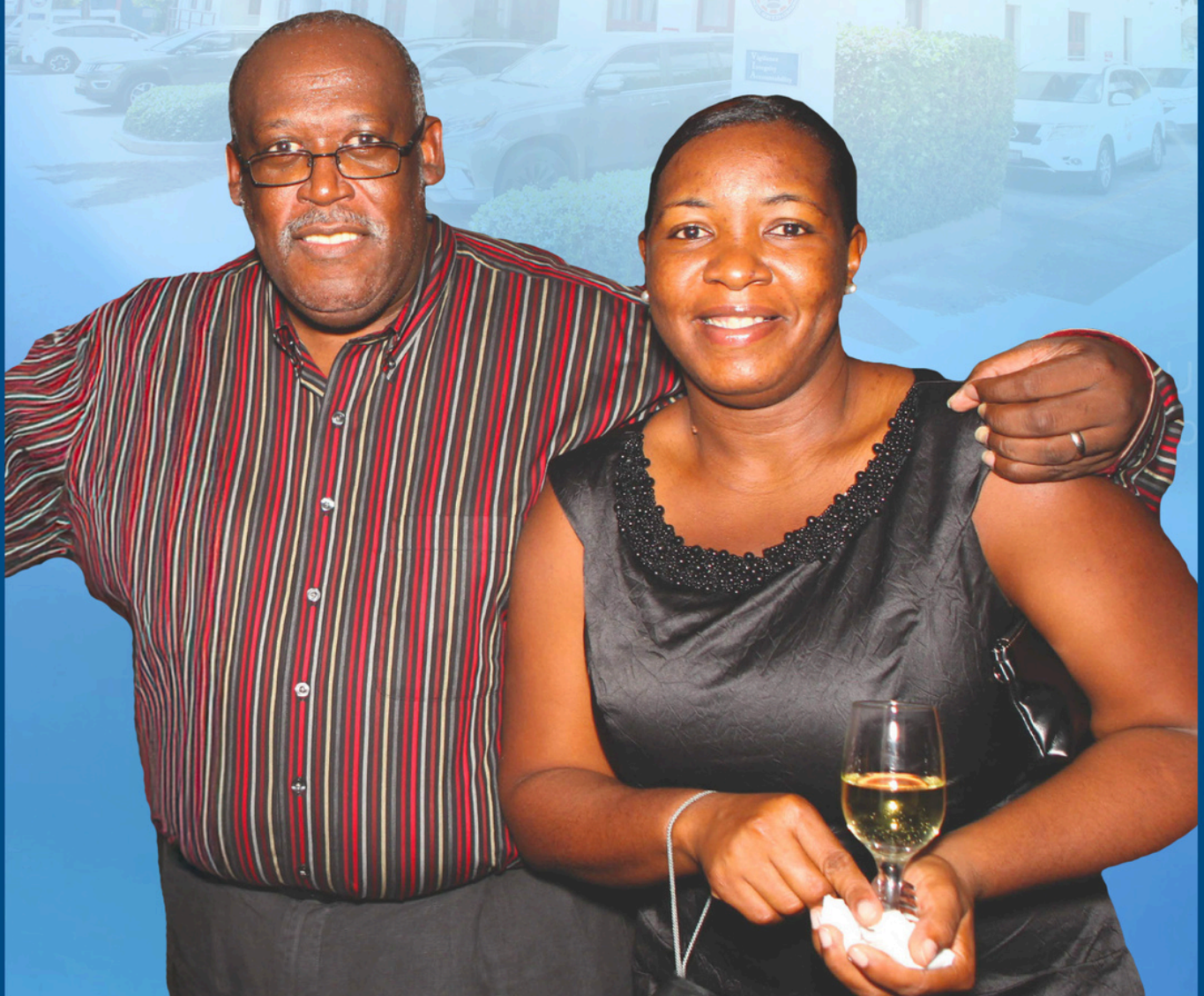
(1 September 1952 – 14 September 2025)

&

Deputy Director, Authorisation Unit

Ms Trevecca Hodge

(24 June 1974 – 12 August 2025)





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