



## **BVI FINANCIAL SERVICES COMMISSION HONOURS FIRST AND FORMER CEO/MANAGING DIRECTOR AT ANNUAL MEET THE REGULATOR FORUM**

On Tuesday, 16<sup>th</sup> November 2021, the BVI Financial Services Commission (the "Commission") hosted its annual Meet The Regulator forum at the Eileen L. Parson Auditorium. This year's forum specially themed ***Celebrating The House That Mathavious Built***, paid homage to Dr. Robert A. Mathavious' dedication and commitment to leading the Commission and building the financial services industry. The event featured remarks from special friends and former colleagues of Dr. Mathavious such as Mrs. V. Inez Archibald, CBE, Mr. Richard Peters and several industry association representatives.

In his farewell remarks, Dr. Mathavious stated, [as former CEO and Managing Director] "It was a responsibility that I cherished and executed with commitment, diligence, determination, and passion. Recognising that I did not possess all the answers to the myriad of challenges that confronted us, I sought as far as possible to involve industry stakeholders in the decision-making process, along with relevant government officials and civic-minded individuals".

In being the architect of The House, he humbly remarked "I consider myself the luckiest man on the face of the earth. To be recognised and honoured for the work that I was specifically trained for, paid for, lived for and passionately enjoyed. It simply does not get better than this. But you do not get to a position like this alone. Many, many people in both the public and private sectors have contributed to any success I may have been credited for. I will forever be indebted to them."

Remarks and highlights of the event can be viewed [here](#).



ROBERT  
MATHAVIOUS  
INSTITUTE



## **FINANCIAL SERVICES INSTITUTE TO BE RENAMED IN HONOUR OF DR. ROBERT A. MATHAVIOUS**

At the Forum, 'Celebrating the House that Mathavious Built', it was announced that the Financial Services Institute ("FSI") will be renamed in Dr. Robert A. Mathavious' honour. In making his special presentation on behalf of the FSI, Dr. Richard W. Georges, President of the H. Lavity Stoutt Community College (HLSCC) remarked: ["this year, the HLSCC Board unanimously approved the renaming of the FSI to the Robert Mathavious Institute, and I hope that this display of gratitude to Mr. Mac does him justice and monumentalises him"](#).



## **BVI FINANCIAL SERVICES COMMISSION'S AML UNIT HIGHLIGHTS THE COUNTER-TERRORISM ACT, 2021**

This month we take a look at another recently enacted piece of AML/CFT related legislation - **the Counter-Terrorism Act, 2021** (the "CT Act"), which came into force on 13 August 2021.

The CT Act modernises the jurisdiction's legislative framework and gives effect to several International Conventions and Resolutions for the countering of terrorism and terrorist financing (TF). It criminalises terrorism and TF, and provides for the detection, prevention, prosecution and conviction of terrorist activities within the Virgin Islands.

The CT Act provides for terrorist offences, including:

- dealing with property of, or derived from a designated terrorist entity;
- making property or financial related services available to designated terrorist entities;
- recruitment of persons for terrorist purposes;
- providing, attending or receiving training to commit a terrorist act; and
- the importation, acquisition and development of nuclear, radiological and biological materials and weapons.

The CT Act outlines the penalties associated with these offences, and provides for travel bans, reporting of suspicious information and arms embargoes. It also outlines the duty of persons to report suspicious activities, transactions and other suspicions relating to property linked to entities involved in terrorist activities.

The CT Act authorises forfeiture, restraint and confiscation orders, and provides for account monitoring orders. The CT Act also gives the Royal Virgin Islands Police Force counter-terrorism powers to arrest without a warrant and search premises where they suspect a person to be a terrorist.

Licensees are advised to familiarise themselves with the CT Act and all other recent legislative enactments. Licensees are also encouraged to take account of relevant enactments and sectorial risk assessments when updating their policies and procedures, and ensure training is conducted accordingly. This should include how these changes impact both client and institutional risk assessments. The Commission will undertake regular evaluations of such implementation through its onsite and desk-based supervisory models.

The Commission will continue to highlight amendments to AML/CFT related legislation in future articles. For questions or queries on AML/ CFT matters, please email [aml@bvifsc.vg](mailto:aml@bvifsc.vg).



## **PUBLIC STATEMENTS**

Under Section 37(a) of the Financial Services Commission Act, 2001, the Commission considers it necessary to issue Public Statements to protect the 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 persons:

<b>DESCRIPTION</b>	<b>DATE</b>
<a href="#">AMC CO PTY</a>	09 November 2021
<a href="#">AUDINA EQUALIA TRUST SERVICES (B.V.I.) LIMITED</a>	09 November 2021
<a href="#">DERIVLIVETRADING.COM</a>	29 November 2021

All public statements can be found here on our [website](#).



## **FINDINGS FROM RECENTLY PUBLISHED ML AND TF RISK ASSESSMENT REPORT FOR THE MONEY SERVICES SECTOR**

The month's focus is this Money Services sector, as we continue to highlight the results of our Money Laundering (ML) and Terrorist Financing (TF) risk assessments within each financial sector. This article aims to guide the money services sector in understanding their ML and TF risks, as well as make the public aware of the ML and TF threats facing the Territory.

### **ML Risk Findings: Threats, Vulnerabilities, Risk Factors, and Overall Ratings**

ML risk factors identified in the Money Services sector include:

- the cash intensive nature of the sector;
- a wide geographic dispersion of clientele;
- large volumes of cross-border transactions; and
- exposure to high-risk jurisdictions.

As a result, the ML risk assessment identified the Money Services sector as **Medium-High for ML**.

Vulnerabilities identified in the ML risk assessment included a potential for a higher level of risk associated with the verification of BO information because of the one-off nature of MSB transactions, as well as a higher level of activity within the sector potentially being related to ML as identified by the number of suspicious activity reports (SARs) filed by Money Services Businesses (MSB). It was also found that AML deficiencies identified during the inspection process indicated weaknesses in relation to the proper conduct of risk assessments on clients, and the execution of ECDD measures.

### **TF Risk Findings: Threats, Vulnerabilities, Risk Factors, and Overall Ratings**

The TF risk factors identified within the Money Services sector were similar to those found in the ML risk assessment and included:

- the cash intensive nature of the sector;
- a wide geographic dispersion of clientele;
- large volumes of cross-border transactions ;and
- exposure to high-risk jurisdictions.

The sector rating however, was rated as **Medium-Low**.

Vulnerabilities identified in the TF risk assessment for the Money Services sector appeared to be fairly well mitigated. The assessment identified a pool of high-risk jurisdictions to determine the Territory's potential level of exposure to these countries based on both domestic and cross-border activities. These jurisdictions were classified as either being Tier 1 or Tier 2, with Tier 1 jurisdictions posing a higher risk than their Tier 2 counterparts. It was found that although funds generated in the Virgin Islands were transmitted to some Tier 1 and Tier 2 jurisdictions, the level of outbound remittances was commensurate with the current demographic composition of the local labour force, and there was no evidence that any of those funds were used to support or finance foreign terrorist activities. Since most MSB transactions are outbound, the verification issue did not appear to elevate the risk of any possible TF threat. In addition, while the confirmation of BO information on transactions rests with the local sending party, there was no evidence of radicalisation.

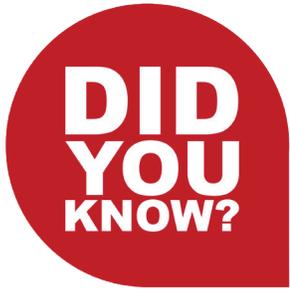
### **What should be Done Going Forward?**

Money Service sector participants should take account of all identified national threats and vulnerabilities made in both reports and should ensure the recommendations made are fully implemented into their own risk assessments and those of their clients/customers. The Commission will undertake regular evaluations of such implementation through its onsite and desk-based supervisory models.

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All recommendations can be found in the Virgin Islands Financial Services Sector [Money Laundering Risk Assessment Report](#) and [Terrorist Financing Risk Assessment Report](#).

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Section 208(1) of the [BVI Business Companies Act \(Revised 2005\)](#) states that a voluntary liquidator shall, upon completion of a voluntary liquidation, file a statement that the liquidation has been completed. The Registry will not accept correspondence that does not comply with the legislation.