



## **BVI FSC LAUNCHES REGULATORY SANDBOX REGIME (THE “REGULATORY SANDBOX”)**



The establishment of a Regulatory Sandbox is aimed at encouraging business development and growth within the Virgin Islands. The Financial Services Commission (the “Commission”) remains committed to the development of supervisory frameworks that are proportionate and relevant. The Regulatory Sandbox allows the Commission to accept participants into a live and contained environment, to test innovative financial services solutions. Among other things, the Regulatory Sandbox will provide regulatory clarity on whether a new financial product or service complies with legal and regulatory requirements; and provide the Commission with an opportunity to engage with and to understand various innovative products and services to determine the appropriate regulatory approach.

The regulations which establish the regime, the Financial Services (Regulatory Sandbox) Regulations, 2020 (the “Regulations”) came into force on 31 August 2020. In July of this year, members of the Commission participated in a webinar which was hosted by BVI Finance on the Topic: “Playing in the Sandbox”. This was an opportunity for the Commission to engage with the industry on some of the frequently asked questions around the establishment of the Regulatory Sandbox. Deputy Director, Investment Business, Mrs. Kishelle Blaize-Cameron and Director, Enforcement, Mr. Brodrick Penn delivered a presentation which detailed the FinTech Sandbox Life Cycle, eligibility, criteria and fees.

The information presented at the webinar and more is available on our website’s [FinTech space](#).

Contact us with your questions or queries about our Regulatory Sandbox at [sandbox@bvifsc.vg](mailto:sandbox@bvifsc.vg).



## THE INDUSTRY PRACTITIONER'S ROLE IN THE UPCOMING CFATF MUTUAL EVALUATION

The Territory has taken significant effort to strengthen compliance through legislative reform and changes to policies, procedures and practices to ensure not only its technical compliance with the recommendations of the Financial Action Task Force ("FATF") but also effectiveness. Preparations for the BVI's Mutual Evaluation by the Caribbean Financial Action Task Force ("CFATF") remain ongoing. The Territory's Competent Authorities will execute most of the effort required for the assessment, however there is a vital role for Industry Practitioners.

Compliance with the AML/CFT legislation as well as guidance issued by the FATF is key. The Commission continues to encourage Industry Practitioners to comply with the existing AML/CFT framework.

### Industry Practitioners should:

- Comply with all requests for information from the relevant Competent Authorities;
- Encourage clients to comply with all requests for information;
- Maintain beneficial ownership information as required by legislation;
- Become familiar with the guidance issued by the FATF and CFATF related to their specific area(s) of business; and
- Ensure clients are familiar with the current AML/CFT obligations in place within the BVI.

The CFATF recently issued an article entitled "The Money Laundering (ML) Offence". The purpose of the paper is to keep jurisdictions abreast on matters relating to offences surrounding ML. Some of the key points were:

- Countries should apply the crime of money laundering to all serious offences, to include the widest range of predicate offences;
- Countries should ensure the widest range of mutual legal assistance and other forms of international cooperation are provided by Competent Authorities in relation to ML and associated predicate offences; and
- Countries should provide international cooperation concerning beneficial ownership information on legal persons and arrangements.

For more information, visit the [CFATF](#) and [FATF](#) websites.

## **FINANCIAL SANCTIONS NOTICES**



Financial Sanctions Notices (“FSNs”) are now posted on the Commission’s website in compliance with recommendations issued by CFATF. These Notices are posted in addition to Sanction Orders (Overseas Territories Orders extended to the Virgin Islands by the UK Government to implement UN, EU or UK sanctions) which are regularly updated on the website.

FSNs are issued by the Her Majesty’s Treasury’s Office of Financial Sanctions Implementation and are designed to:

Disclose to Industry Practitioners the names of designated targets (i.e. purported legal persons, individuals, entities or organisation) which are subject to imposed restrictions and financial sanctions; and

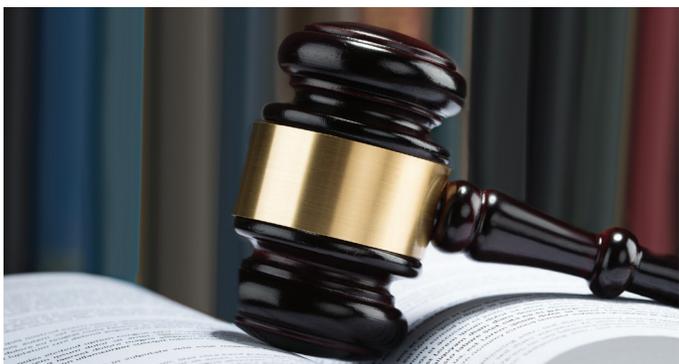
Enable the swift implementation of appropriate actions as prescribed in each FSN.

Sanctions are restrictive measures which are effected and determined by the decision of the United Nations (UN) Security Council, European Union (EU) Council, the United Kingdom (UK) to achieve specific foreign policy or national security objective; as well as maintaining international peace and security. As such, Financial Sanctions Notices are disseminated by the Commission as often as several times a week or month.

The Governor of the Virgin Islands is the competent authority responsible for the implementation of financial sanctions measures. Under each Overseas Territories Order the Governor’s responsibilities and duties include, (among others) the power to grant licences, vary and revoke licences. The grant of a licence by the Governor, permit the conduct of specified activities otherwise not permitted under the relevant Sanctions Order.

Industry Practitioners should take note of both the Sanction Orders and FSNs. Please report any suspect violations and findings; relative to Sanction Orders or FSNs; enquiries and license applications to the:

The Office of the Governor  
Waterfront Drive  
Road Town, Tortola VG1110  
[Govoffice.Tortola@fco.gov.uk](mailto:Govoffice.Tortola@fco.gov.uk)



## **ALL COURT DOCUMENTS TO BE SERVED ON THE COMMISSION ELECTRONICALLY**

Legal Practitioners and other persons wishing to serve documents on the Commission are advised to do so via email at [legalservice@bvifsc.vg](mailto:legalservice@bvifsc.vg), until further notice. The Commission will not accept physical service of documents in light of recent COVID-19 health and safety precautions.

This notice is issued in accordance with paragraph 4.3(a) of the Eastern Caribbean Supreme Court Practice Direction No. 5 of 2020 COVID-19 Emergency Measures (3rd Re-issue).

The Commission continues to issue guidance to the industry, as we continue working together to decrease the spread of COVID-19. All other correspondence should be sent via email using your established contact's email address or the relevant divisions using our [email contact list](#). Please continue to monitor our website for other essential updates to our operations and delivery of services.



## **BVI FSC PUBLIC STATEMENT ALERTS**

The British Virgin Islands Financial Services Commission (the “Commission”) considers it necessary to issue Public Statements against:

| <b>Name</b>                          | <b>Date Published</b> |
|--------------------------------------|-----------------------|
| HUBXTRADE INVESTMENT TEAM            | 27 JULY 2020          |
| WOZUR INTERNATIONAL LTD.             | 12 AUGUST 2020        |
| RBS CONSOLIDATED INVESTMENTS LTD.    | 12 AUGUST 2020        |
| MAXFOREX TRADE & FINANCE GROUP, INC. | 12 AUGUST 2020        |
| AESON CAPITAL PARTNERS               | 21 AUGUST 2020        |

to protect the customers, creditors, or persons who may have been solicited to conduct business with purported financial services entities. Industry Practitioners are advised to exercise caution.

See all [Public Statements](#) here.



## **PUBLIC STATEMENT ON THE OPERATION OF UNLICENSED MONEY SERVICES BUSINESS IN THE BVI**

Operating a Money Service Business (“MSB”) in the British Virgin Islands is a regulated activity that requires a licence.

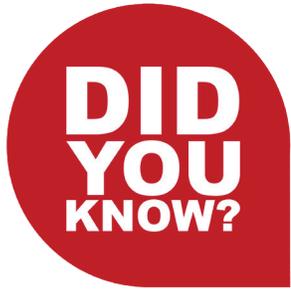
### **A Money Services operation includes:**

- Money transmission services (the business of moving money between bank accounts or from one person or organisation to another)
- Cheque cashing services;
- Currency exchange services;
- The issuance, sale or redemption of money orders or traveller’s cheques; or
- An agent or franchise holder of a person carrying on any business specified above.

If you or anyone you know is aware of persons carrying out unlicensed money services business, you should report it to any of the following:

- The Commission at [BankingandFiduciary@bvifsc.vg](mailto:BankingandFiduciary@bvifsc.vg)
- The Financial Crimes Unit of the Royal Virgin Islands Police Force at [rvipolice@gov.vg](mailto:rvipolice@gov.vg); or
- The Financial Investigation Agency at [info@fiabvi.vg](mailto:info@fiabvi.vg).

Persons may submit further queries on licensing a money services business to Mrs. Cindy George-Maduro, Regulator in Banking, Insolvency & Fiduciary Services at [george-maduroc@bvifsc.vg](mailto:george-maduroc@bvifsc.vg). See [penalties](#) here.



## **INSURANCE MARKET CONDUCT IS COVERED UNDER BVI LEGISLATION**

Insurers and Insurance Intermediaries i.e. Agents and Brokers are reminded to comply with the market conduct provisions, set out in Section 71(1) of the Insurance Act, 2008 and Section 8 of the Regulatory Code, 2009. Persons found in breach of Section 71(1) of the Insurance Act, 2008 may be subject to enforcement action by the Commission.