



MEET THE REGULATOR FORUM

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Legislative Reforms in the Pipeline

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AGENDA

1. **Legislative Reform relating to FATF Recommendations**
 - Reform following Mutual Evaluation
 - Reform relating to changes in FATF Standards (Recommendations 24 and 25)
2. **Separation of Banks and Trust Companies Act**
 - Development of Banking Act and Banking Code
 - Development of Trust and Company Service Providers Act



FATF Standards

Ongoing Mutual Evaluation

- Assesses the Virgin Islands level of Technical Compliance with FATF 40 Recommendations.
- Implement amendments in accordance with Action Plan developed following finalisation of Mutual Evaluation Report.



FATF Standards

Change in Standards relating to:

- **Recommendation 24**: Transparency and beneficial ownership of Legal Persons
- **Legislation to be affected:**
 - BVI Business Companies Act
 - Limited Partnership Act
 - Partnership Act



FATF Standards

Key changes in Recommendation 24

- **Shareholder Information**

- Public authorities to maintain information on shareholders of companies.

- **Nominee Shareholders and Directors**

- Nominee shareholder status and name of nominator to be included on Register of Members;
- Nominee director status and name of nominator to be included on Register of Directors;
- Nominee shareholders and directors to be licensed for their nominee status and identity of nominator to be obtained, held or recorded by public authorities **OR** alternative mechanism to ensure competent authorities have efficient and timely access to information on nominee and nominator.



FATF Standards

Key changes in Recommendation 24 (cont'd)

- Beneficial Ownership Information
 - Companies required to hold adequate, accurate and up-to-date beneficial ownership information;
 - Public authorities hold adequate, accurate and up-to-date beneficial ownership information OR implement alternative mechanism to ensure public authorities have efficient and timely access to adequate, accurate, up-to-date beneficial ownership information;
 - Additional supplementary measures to obtain beneficial ownership information via CDD measures.



FATF Standards

Other amendments to consider under Recommendation 24

- Implementation of effective, proportionate and dissuasive sanctions;
 - where companies or limited partnerships fail to make required filings or fail to make filings within the required timeframes;
 - where nominee shareholders and directors fail to make required disclosures.



FATF Standards

Change in Standards Relating to:

- **Recommendation 25**: Transparency and beneficial ownership of legal arrangements (i.e. Trusts)
- **Legislation to be reformed**
 - Trustee Act
 - AMLTF Code of Practice



FATF Standards

Key changes in Recommendation 25

- Beneficial Ownership Information
 - Public authorities required to hold adequate, accurate and up-to-date beneficial ownership information on trusts;
 - Competent authorities to hold or obtain information on trusts and trustees;
 - Other agents or service providers to hold information on trusts and trustees.



Banks and Trust Companies Act

Separation of Banks and Trust Companies Act

- Banking Act
- Trust and Company Services Providers Act



Banking Act

- Focus exclusively on banking issues.
- Consistency across all regulatory legislation.
- Address matters for implementation of Basel II standards
 - Pillar 1: Minimum Capital Requirements
 - Pillar 2: Supervisory Review Process
 - Pillar 3: Market Discipline



Banking Code

- Emanates from the Commission's powers to implement consumer protection measures that facilitate:
 - Protection against discrimination;
 - Consumers' right to be informed;
 - Consumers' right to a defined or definable contractual obligation; and
 - Protection of rights and interests of consumers.
- Expands on specific high-level principles under which a licensee should conduct business (section 8 of Reg. Code), including:
 - Integrity;
 - Customers' Interests; and
 - Transparency.



Trust and Company Service Providers Act

- Solely focuses on licensing and supervision of Trust and Company Service Providers;
- Consistency across all regulatory legislation;
- Enhances level of compliance with GIFCS standards;
- Consequential amendments to Regulatory Code.



Consultations

- **Participate in Consultations on Legislative Reforms**
 - Provides advanced knowledge of upcoming requirements to be implemented;
 - Gives relevant stakeholders the opportunity to inform FSC on the impact of proposed legislation that may not have been previously considered;
 - Promotes open dialogue between the FSC and industry participants.



THANK YOU!!



A hand in a suit sleeve holds a pen, poised to sign a document. The background is a collage of images: a blue-tinted cityscape on the left, a red-tinted hillside with buildings on the right, and a modern glass skyscraper at the bottom. Blue and red geometric shapes, including triangles and chevrons, are overlaid on the image.

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