



**ANGUILLA FINANCIAL
SERVICES COMMISSION**
ANNUAL REPORT
2018

GOVERNOR'S REPORT

My predecessor noted in her 2017 report the destruction brought about by Hurricane Irma. She went on to praise the resilience and steadfastness of the Anguillian public in spite of one of the most devastating natural disasters to hit the region. I am pleased to write now that she was right to do so. Overall, Anguilla had a good 2018. The economy picked up, buoyed by the impetus provided from construction after Irma and augmented by a strong recovery in tourism providing much needed employment. Visitor numbers returned to pre-Irma seasonal norms, with all of the major hotels beginning to reopen.



The Anguilla Financial Services Commission (AFSC) also had a good year. I am grateful to its Board, Chair and entire team for their commitment and hard work to ensure that the AFSC diligently met its regulatory responsibility for our financial services industry. I'd like to take this opportunity to draw attention to some important examples.

On the legislative side, in May 2018, the Anguilla Utility Token Act (AUTO) Act was enacted along with its regulations in August 2018. This legislation established the world's first registration process for an offering of utility tokens and was a significant step to providing clearly defined rules and safety surrounding the regulation of utility tokens. This work demonstrated that Anguilla can be an international leader in the regulation and promotion of these new technologies.

Work was also completed to ensure that there were also amendments to the Anti-Money Laundering and Countering Terrorist Financing (AML/CFT) Regulations to include service providers involved in virtual assets business. The Commission, along with several other regulatory authorities in the Eastern Caribbean Currency Union, signed a MOU with the Eastern Caribbean Central Bank for collaboration on matters relating to AML/CFT for financial institutions licensed under the Banking Act. The MOU was an important step to ensure that there is collaboration between the two supervisors on AML/CFT matters.

The AFSC continued its efforts in the preparation of the National Risk Assessment (NRA) for the Caribbean Financial Action Task Force's (CFATF) fourth round Mutual Evaluation Review. Consultants visited in December 2018 and held a week long workshop with members of the Working Group tasked with carrying out the NRA. The AFSC were central to the effort to bring together the key stakeholders, including the AFSC itself, and colleagues from the Financial Intelligence and Investigation Unit, HM Customs, the Royal Anguilla Police Force, Immigration Department, Attorney General's Chambers, the Commercial Registry, Ministry of Finance, Inland Revenue and my office. This is important work and will remain an area of significant focus.

The AFSC was also a key member of the working group that ensured that Anguilla made the necessary legislative reforms to comply with the economic substance requirements as set out by the European Union Code of Conduct Group. The Government of Anguilla committed to implementing legislative measures to ensure that entities registered and tax resident in Anguilla have sufficient economic substance in the jurisdiction through the imposition of substance requirements and additional reporting requirements.

Finally, I'd like to thank the AFSC and all its staff once again for their hard work. I look forward to continuing to work closely with them.