

COMMENTS AND RESPONSES,

Financial Service (Prudential and Statistical Returns) Regulation, 2020



SECTIONS	COMMENTS/RECOMMENDATIONS	RESPONSES
Section 4	It is noted that 4 returns are proposed annually – a full prudential and statistical return for the half year (filed within 21 days following 30 June and 31 December) and, within 1 calendar month after each quarter, an abbreviated such report relative to the licensee’s data security, professional indemnity insurance and internal controls disclosures. The requirement for Quarterly filings of Prudential and Statistical Returns is oppressive, time consuming and costly. Accordingly, these will increase the costs of doing business or result in less time being devoted to clients	THIS IS A NORMAL REQUIREMENT FOR REGULATED ENTITIES IN THIS AREA. THE AFSC RESPECTFULLY DISAGREES WITH THIS SENTIMENT.
Section 4 (2)	The requirement for Quarterly filings of Prudential and Statistical Returns is oppressive, time consuming and costly	THIS IS A NORMAL REQUIREMENT FOR REGULATED ENTITIES IN THIS AREA. THE AFSC RESPECTFULLY DISAGREES WITH THIS SENTIMENT.
Section 4 (2)(b)	This section presupposes the imposition of an obligation for EVERY licensee to maintain Professional Indemnity Insurance regardless of its size, complexity and volume of business.	THIS IS A NORMAL REQUIREMENT FOR REGULATED ENTITIES IN THIS AREA. THE AFSC RESPECTFULLY DISAGREES WITH THIS SENTIMENT.
Section 5(2)(a)	The Commission shall not grant an extension on filing such a return if it is due to the absence of a particular officer from the office, or due to a vacancy or staff shortage. The use of “shall” in combination with these events could be construed as being unrealistic or draconian.	THIS IS A REASONABLE TIMEFRAME INVOLVED IN THIS REQUIREMENT FOR REGULATED ENTITIES IN THIS AREA. THE AFSC RESPECTFULLY DISAGREES WITH THIS SENTIMENT.
Section 6(1)	The Commission shall not grant an extension on filing such a return if it is due to the absence of a particular officer from the office, or due to a vacancy or	THIS IS A REASONABLE TIMEFRAME INVOLVED IN THIS REQUIREMENT FOR REGULATED

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	staff shortage. The use of “shall” in combination with these events could be construed as being unrealistic or draconian.	ENTITIES IN THIS AREA. THE AFSC RESPECTFULLY DISAGREES WITH THIS SENTIMENT.
Section 6(2)	The Commission shall not grant an extension on filing such a return if it is due to the absence of a particular officer from the office, or due to a vacancy or staff shortage. The use of “shall” in combination with these events could be construed as being unrealistic or draconian.	THIS IS A REASONABLE TIMEFRAME INVOLVED IN THIS REQUIREMENT FOR REGULATED ENTITIES IN THIS AREA. THE AFSC RESPECTFULLY DISAGREES WITH THIS SENTIMENT.
Section 7(1)	This says that the licensee may file a return in electronic form. Would this then be an amended version of the current “Reporting Forms”? And what options are implied by the word “may”?	YES, THE FORM WILL BE AMENDED. THE COMMISSION INTENDS TO INCLUDE AND PROVIDE A SPECIFIC FORMAT FOR ITS SYSTEM IN THE FUTURE. IN THE EVENT ONE IS UNABLE TO ACCESS THIS THEN OTHER ELECTRONIC FORMATS WILL BE ACCEPTABLE.
Schedule Section 3.3	This section refers to which areas were tested towards the security and integrity of the Licensee’s data, if conducted, during the reporting period. The areas for which responses are required are Penetration testing, Compliance testing, Data Integrity testing, User testing, and Other. Can the FSC demonstrate that they are sufficiently aware of these requirements to enable them to give a detailed explanation of what is entailed, what protocols need to be implemented, and what the cost would be? We are told that this is a very specialized niche area – it is quite possible that nobody in Anguilla could provide it. We are also told that there has been an instance of Penetration testing being done as part of a	IN CONSIDERATION OF NOT SO PAST EVENTS (I.E. WELL PUBLICISED MATTER INVOLVING MOSAC FONSECA) THESE ARE NECESSARY REQUIREMENTS IN OUR DAY AND AGE. THIS IS A BASIC AND NORMAL REQUIREMENT FOR THIS INDUSTRY. NOTWITHSTANDING THIS, THE AFSC IS ALREADY LOOKING INTO HOSTING EITHER A VIRTUAL CONFERENCE/CLINIC

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	network audit in Anguilla and it cost ~US\$45,000. Should licensees have to budget for that, plus the costs of having outside IT people who can do a report (effectively an audit) for the other parts of 3.3?	THAT WILL COVER THIS AND OTHER AREAS.
Schedule section 6.11	The question is “Has the Licensee commenced, and concluded the Audit process during the reporting period?” Is this referring to a financial audit or an AML/CFT Audit or some other kind of audit?	THIS REFERS TO THE INTERNAL CONTROL DISCLOSURES AND WOULD INCLUDE THE ENTIRE BUSINESS OPERATIONS (AML, FINANCIAL, ETC). THE ENTIRE COMPANY WOULD BE AUDITED.
Schedule section 8.4	The question is “Please confirm whether agreement between the Licensee and all third parties have been ratified” This implies that there could be agreements that are not ratified. Is this the intent of the question?	THE INTENT IS TO ENSURE THAT AGREEMENTS ARE RATIFIED.
Schedule section 12	Asks for the fax number (and email address) of the person completing the form. Who uses faxes these days?	NOTED - THIS HAS BEEN AMENDED.