



FINANCIAL SERVICES (PRUDENTIAL AND STATISTICAL RETURNS) (AMENDMENT) ORDER, 2021 IN EFFECT, 15 FEBRUARY 2021



The Financial Services (Prudential and Statistical Returns) (Amendment) Order, 2021 ("the Order") came into effect on 15 February 2021.

New Returns

The Order introduces new returns for the collection of pertinent industry data for analysis. The following new returns must be filed with the BVI Financial Services Commission ("the Commission") for the 2020 annual reporting period, on or before 15 May 2021:

RETURNS	FILING EMAIL ADDRESS
Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) Return	amlreturns@bvifsc.vg
Captive Insurance Business, Domestic Insurance Business, Insurance Intermediaries, Insurance Manager Annual Returns	insurancereturns@bvifsc.
Investment Business Annual Return	investmentreturns@bvifsc.vg

These [new returns](#) and [relevant guidance](#) can be found on the Commission's website.

Filing Deadline for Banks

The Order also amended the filing deadlines for Prudential Return for Banks. Filing deadlines for quarterly 2021 reporting periods are as follows:

CALENDAR QUARTER (2021)	FILING DEADLINE
QUARTER 1	15 April 2021
QUARTER 2	15 July 2021
QUARTER 3	15 October 2021
QUARTER 4	15 January 2022

The [Order](#) is readily available on the Commission's website for viewing.

See the related [Press release](#).



COMPLIANCE UNIT PREPARES THE INDUSTRY FOR 2021 THEMATIC INSPECTIONS

The Compliance Inspection Unit (CIU) of the Commission will be undertaking a series of thematic compliance inspections for 2021. These thematic inspections will focus on and deal with specific issues relevant to risks identified within the financial services industry or an individual sector. Selecting the particular focus of each thematic inspection program included, amongst other things, an analysis of each of the following:

- The Commission's ongoing desk-based supervision and risk assessment program;
- Findings of previous inspections conducted;
- New legislative requirements;
- Results of the Virgin Islands Financial Services Sector Money Laundering Risk Assessment Report.

The CIU will also perform the full scope and follow up inspections on selected Licensees deemed to be of higher risk across the Fiduciary, Banking and Investment Business Sectors.

At the end of the inspection cycle, an aggregate report will be produced and shared with the industry for each theme, outlining general findings and potential recommended actions. Selected Licensees will be notified at least three weeks in advance in keeping with the Onsite Inspection Procedures.

In January, the CIU collaborated with the AML/CFT Unit at the Commission and produced [detailed recordings](#) relating to the Onsite Inspection process and the content and format of the Inspection Report.

See more information [here](#) about the sector-specific compliance inspection programs planned for 2021.



BVI FSC UNDERTAKING Q1 CONSULTATIONS ON PROPOSED REFORMS TO THE BVI BUSINESS COMPANIES ACT, 2004

The Commission, working together with the Company Law Review Advisory Committee (established under the BVI Business Companies Act, 2004), announces its intention to enhance the BVI Business Companies regime via reforms to the BVI Business Companies Act, 2004. The proposed reforms will ensure ongoing compliance with international standards established by the Global Forum on Transparency and Exchange of Information for Tax Purposes (Global Forum) and the Financial Action Task Force (FATF). Compliance with these international standards plays a crucial role in maintaining the jurisdiction's standing as a reputable international financial centre. The proposed amendments will centre on:

- Struck-off companies;
- Maintenance of Records and Underlying Documentation; and
- Issuance of Bearer Shares

Appreciating the varying stakeholders that play a role in the jurisdictions' financial services sector, the Commission will be inviting the public to share their views on the proposed reforms through a consultation process. The consultation will aim to solicit stakeholders' take on the perceived efficacy of the proposals and the strengthening of the BVI business companies' regime. The talks ensure continued compliance with international standards, the practicality of implementing the recommendations considering the potential impacts and any solutions that may mitigate negative consequences of implementing the proposed reforms.

This consultation process will be undertaken within this quarter. The Commission and the Company Law Review Advisory Committee would be pleased for your input during this forthcoming consultation process.



AML ONGOING WEBINAR SERIES 2021: FINANCIAL SERVICES SECTOR RISK ASSESSMENT REPORT

In our last issue, we announced the launch of the Commission's Webinar series on the Results of the 2020 Financial Services Sector Money Laundering Risk Assessment. This series kicked off on 11 February with a presentation to compliance officers that concludes on 18 March 2021. It has been attended by over 150 persons so far.

The series has been well received and has allowed industry professionals to ask questions and seek clarification on the report's findings. It has also provided participants with the opportunity to understand what will be expected of them to identify, understand, and mitigate their own ML risks.

The series continues on 4 March with a presentation to the Investment Business Sector. Future sessions include:

Investment Business Sector	4 March
Insurance Sector	11 March
Insolvency Service Sector	18 March

Persons are encouraged to take advantage of this opportunity to learn more about what their organisations can do to mitigate the risk of money laundering within their institution and wider sector by signing up for one of the remaining sessions.

View the full [Risk Assessment Report](#) on the Commission's website.

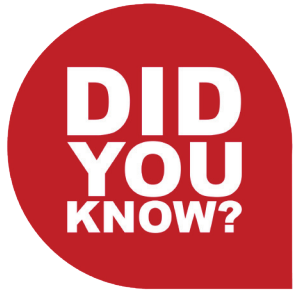


BVI FSC ISSUES PUBLIC STATEMENT ALERTS

The British Virgin Islands Financial Services Commission (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.

Industry Practitioners are advised to exercise caution with the following:

PUBLIC STATEMENT	DATE ISSUED
<u>GERCO CAPITALZ INVESTMENT</u>	19 January 2021
<u>CRYPTO.CENT LIVE</u>	25 January 2021
<u>BRITISH VIRGIN ISLANDS FINANCIAL REGULATOR</u>	25 January 2021
<u>GFC INVESTMENTS LIMITED</u>	29 January 2021
<u>VENDOR INVESTMENT GROUP</u>	17 February 2021
<u>HEROS INVESTMENT INC.</u>	17 February 2021
<u>NATIONAL BANK OF THE BRITISH VIRGIN ISLANDS</u>	17 February 2021



How to deliver cheque payments to us:

Payment of registry fees, including replenishing VIRRGIN and other registry prepaid accounts, are to be delivered to the Registry of Corporate Affairs. Cheques delivered between 9:00 a.m. and 4:00 p.m. to replenish accounts will be processed on the same day.

Payment of regulatory fees and other disbursements due to the Commission are to be delivered to the Administration Building and placed in the reception area's drop-box.

Please provide the courier/messenger with the correct location for the delivery of payments.

CFATF publishes ML and TF Cases 2020

The CFATF has published its Money Laundering and Terrorist Financing Cases Update 2020. The report features examples of real-life money laundering related cases identified in CFATF member jurisdictions, including the Virgin Islands. The cases cover various issues, including identity fraud, advance fee fraud, unusual large cash deposits, and COVID-19 related fraud cases.

This [report](#), along with other AML/CFT related content, can be found on the Commission's website.

FOR YOUR CALENDAR

The Commission has published these reminder dates within this publication as a courtesy to industry practitioners and other interested stakeholders. Licensees are encouraged to note their obligations as set out in the relevant financial services legislation.

28 FEB	31 MAR	
Submission of Annual licence fees <i>All Insurance Licensees</i>	Filing of Large Exposure Policies <i>Banks</i>	Submission of Annual Statistical Returns <i>Category B: Domestic Insurers</i>
	Filing of 2020 Compliance Officers Reports <i>Categories A & B (Domestic), C - F (Captive) Insurers, Insurance Intermediaries i.e. Insurance Agents and Insurance Brokers, Insurance Managers, Loss Adjusters</i>	Submission of Audit Exemption Applications For period 1 January – 31 December 2020 The relevant fee associated with this application is \$750.00 <i>Investment Business Licensees</i>



INVESTMENT BUSINESS DIVISION UPDATES

Fees for the Extensions/ Exemptions for the Submission of Financial Statements to the Investment Business Division of the Financial Services Commission are located on our website. See page 18 of the Fund Financials Guidelines.

FOR YOUR CALENDAR

The Investment Business Division is reminding all entities that were granted an extension of time to file 2019 Financial Statements (Private, Professional and Public mutual funds; Private Investment Funds; Licensees (i.e. Investment Business Licence Holders) and Approved Managers) that the extended deadline for submitting 2019 Financial Statements is 31 December, 2020.

Entities which fail to submit 2019 Financial Statements may be subject to a penalty.