

Prudential Returns for Fiduciary Services Business

Kenneth Baker

Deputy Managing Director – Regulation

HLSCC Auditorium

10 December, 2009



Background

- Enable the Commission to collect information
- Enable the Commission to respond to requests for information



Background

- Enable the Commission to discharge of its duties or exercise of its powers under the Financial Services

Commission Act

- Facilitate electronic filing of prudential and statistical returns



Legislation

- Financial Services Commission Act (Amendment), 2009
 - S.56A (Power to publish an Order to require a regulated person to prepare and submit a return)



Legislation

- Financial Services (Prudential and Statistical Returns) Order, 2009
 - Gazetted 12 November, 2009



Reporting Periods

- Fiduciary Services Business prudential returns are due semi-annually for the period up to:
 - June
 - December



Reporting Periods

- First prudential return for Fiduciary Services

Business due:

- 30 July, 2010 (for the half year up to June 2010)
- Electronic Filing (subject of another MTR)



Information to be Provided (1)

Company Background Information

- Company Information
- Mind and Management
- Approved Functionaries
- Contingent Liabilities
- Subsidiaries
- Other Issues

Staff

- Employees
- AML/CFT Training
- Investigation of Senior Officers or Shareholders
- Compliance Officer



Information to be Provided (2)

- Client Services
- Geographic Location of Client Base
- Companies Managed
- Trust Administered or Managed
- Bearer Shares
- Directorships, Trusteeships and Protectorships
- Professional Indemnity Insurance



Filing Returns

- Every regulated person who is licensed under the Banks and Trust Companies Act or Company Management Act shall file a Fiduciary Services Business Prudential Return



Filing Returns

- The Commission will not consider a return properly filed

if:

- Not fully completed with all relevant information
- Contains information materially inaccurate or misleading
- It is rejected by the Commission within seven days of

filing



Extension for filing returns

- Commission may grant an extension for filing a return for up to 30 days upon written request
- Commission shall not grant an extension unless:
 - Request received 7 days prior to expiry date;



Extension for filing returns

(may not be granted) if:

- Any return remains outstanding;
- Any penalty imposed or applicable remains outstanding;
- There is an absence, vacancy or shortage of staff; and
- The Commission considers reason not appropriate



Considerations for granting extension

- Act of nature
- Adversely affected by fire or flood on its premises
- Records have been stolen or severely interfered with
- Audited financial statements are required but not available
- Compliance culture



Schedules

- Schedule 4
 - Part I
 - ★ Notification by regulated person to rectify return
 - Part II
 - ★ Notification by the Financial Services Commission to rectify return
- Schedule 5
 - Administrative Penalties



Administrative Penalties

Contravention

- Failure to file return as required
- Failure to file return within extension period
- Failure to ensure information is accurate
- Failure to notify Commission of knowledge of inaccurate information
- Failure to provide accurate information within the time period to correct inaccurate information

Maximum Penalty

- \$400/ 1st 30 days, \$100/ + month
- \$600, and \$100 for each additional month
- \$300
- \$700
- \$700



Questions

- Kenneth Baker
- Deputy Managing Director – Regulation
- Tel: 494 – 4190 (ext: 4012)
- Email: bakerk@bvifsc.vg

