



# TURKS AND CAICOS ISLANDS FINANCIAL SERVICES COMMISSION

*Regulating with Honesty, Integrity and Transparency*

17<sup>th</sup> May 2022

## REGULATORY ADVISORY NO. 2 OF 2022

### CHANGE IN ENFORCEMENT REPORTING REGIME

#### 1.0 PURPOSE

To provide the industry with notice of the pending change in the Commission's Enforcement Reporting Regime, which will come into effect from 1<sup>st</sup> July 2022. Under the new reporting regime, enforcement reports will be published quarterly<sup>1</sup> on the Commission's website.

#### 2.0 BACKGROUND

The Commission currently publishes on its website statistical data on enforcement actions. This limited reporting is not very useful and not consistent with enhanced transparency, CFATF recommendations, or international best practices.

An examination of the enforcement material published by other British Overseas Territories<sup>2</sup> revealed that the Commission was the only financial service regulator that published data in this manner (purely statistical). Further it was revealed that sister regulators published significantly more detailed information showing the enforcement action, the breach, (inclusive of any amount payable), and the name of the licensed/supervised person or entity. All reports were based on the concluded enforcement proceedings.

The Commission will commence generating and publishing reports similar to other British Overseas Territories regulators.

#### 3.0 NEW ENFORCEMENT REPORTING REGIME

Commencing 1 July 2022, the Commission will produce and publish quarterly enforcement action summaries and statistical reports of enforcement actions concluded in the previous quarter. The report shall include inter alia:

1. The name of the Licensee/Supervisee,
2. A summary of the grounds for enforcement (breaches of law etc.),

<sup>1</sup> On or before 15<sup>th</sup> April, 15<sup>th</sup> July, 15<sup>th</sup> October and 15<sup>th</sup> January of each year.

<sup>2</sup> Authorities' enforcement publications reviewed include Cayman Islands Monetary Authority, Bermuda Monetary Authority, BVI Financial Services Commission, Isle of Man Financial Services Authority.



3. The enforcement action taken,
4. The date of issue of the enforcement action (i.e., the date the penalty or directive was issued), and
5. Statistical summary of the number of actions per sector.

The statistical report will include statistics for three preceding quarters and will be restricted to matters which have been fully determined and completed; therefore, notices of intention to take action and similar actions will no longer form part of the statistics captured. The statistical report will not break down the types of offence and licensee but will show total enforcement action for the quarter for each sector. On commencement, the statistical report will show statistics for the first and second quarters of 2022; by the end of the first quarter 2023 the table should be completely populated, always showing statistics for the current reporting period and the previous three periods.

These summaries of enforcement action and statistical reports shall remain on the Commission's website for at least seven years.

#### 4.0 ENFORCEMENT SUMMARY REPORT

The following is an example of the Enforcement Summary Report to be published:-

##### **ABC Insurance Co Ltd**

**Summary of Action:** Penalty Issued pursuant to Section 33(1)(a)(i) of the Financial Services Commission Ordinance for contravention of a financial services ordinance, namely the Insurance Ordinance, for the licensee's -

- Failure to obtain the Commission's prior approval for the appointment of a Director (Regulation 14)

##### **Enforcement Action:**

**Penalty:** US\$1,000.00

**Directive:** To remove the appointed Director, forthwith, until approval from the Commission is obtained

**Date Issued:** 20<sup>th</sup> May 2022



## 5.0 ENFORCEMENT STATISTICAL REPORTS

The following is an example of the Enforcement Statistical Report to be published:-

Sector	Quarter Ending			
	June 2022 <small>(Current Reporting Period)</small>	March 2022	December 2021	September 2021
Insurance				
Banking				
Investment				
Money Transfer Business				
Trust				
Corporate Service Providers				

## 6.0 EFFECTIVE DATE

This new Enforcement Reporting Regime will commence on 1<sup>st</sup> July 2022 for the period 1<sup>st</sup> April 2022 to 30 June 2022. The summaries and reports for the period will be published on or before 15<sup>th</sup> July 2022.

Please be guided accordingly

**Turks and Caicos Islands  
Financial Services Commission**

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