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MINUTES OF A SPECIAL MEETING OF THE TWELFTH ANGUILLA
EXECUTIVE COUNCIL HELD ON MONDAY 14th FEBRUARY 2022 AT 9.30 AM

- PRESENT: Her Excellency the Governor, Ms Dileeni Daniel-Selvaratnam
- The Honourable Premier and Minister for Finance and Health,
Dr Ellis Webster
- The Honourable Deputy Governor, Mr Perin Bradley
- The Honourable Minister for Home Affairs, Immigration, Labour,
Human Rights, Constitutional Affairs, Information and Broadcasting,
Lands and Physical Planning, Mr Kenneth Hodge
- The Honourable Minister for Infrastructure, Communications,
Utilities, Housing and Tourism, Mr Haydn Hughes
- The Honourable Attorney General, Mr Dwight Horsford
- Clerk to Executive Council, Mrs Angela Hughes
- IN ATTENDANCE: Hon Special Ministerial Assistant to the Hon Minister for Social
Development/Education, Mr Merrick Richardson
Financial Specialist, Mr Stephen Turnbull
PAS, Finance, Ms Marisa Harding-Hodge
Registrar of Commercial Registry, Mr Lanston Connor
Deputy Registrar of Commercial Registry (Ag), Ms Mishline Leader
Director FSC, Ms Tina Bryan
FSC Legal Counsel, Ms Fiona Murphy
- ABSENT: The Honourable Minister for Social Development, Cultural Affairs,
Youth Affairs, Gender Affairs, Education and Library Services,
Ms Dee-Ann Kentish-Rogers
Hon Parliamentary Secretary for Economic Development,
Mrs Quincia Gumbs-Marie

EX MIN 22/60

EX MEM 22/39 APPROVAL OF THE ANGUILLA BUSINESS COMPANIES BILL & REGULATIONS FOR ENACTMENT

Hon Special Ministerial Assistant to the Hon Minister for Social Development/ Education and Financial Specialist remained.

The PAS, Finance briefed Council. Both the Companies Act, R.S.A. c. C65 ("Companies Act") and International Business Companies Act, R.S.A. c. I20 ("IBC Act") were introduced over 20 years ago as a framework for corporate structures. The legislation has not remained competitive with other financial services centres and modernisation is required to create a framework that can withstand the scrutiny of external assessment.

The Companies Act initially served as the corporate structure for businesses operating within the domestic economy. The IBC Act was targeted towards international clientele, as the Act specifically prohibited IBCs from doing business in Anguilla. However, as part of Anguilla's commitments to the EU this prohibition was repealed. In light of changes to global standards over the years, the Acts are obsolete.

The Anguilla Business Companies Bill & Regulations modernise the legislation and Anguilla's Financial Services product. This Bill has essentially removed the differences between the two Acts. Companies Registry fees have been increased and this creates the potential for generating further revenue. The Anguilla Business Companies Bill will serve as the core legal framework for regulating the incorporation and operation of several company types.

Council:

- 1) noted that in order for the jurisdiction to comply with international standards and receive favourable ratings in its peer reviews (OECD, FATF) the draft legislation is necessary. The Anguilla Business Companies legislation directly affects the OECD peer review process;
- 2) noted that a comparative exercise with leading jurisdictions was undertaken in order to develop robust legislation tailored for Anguilla. The draft legislation is the foundation for other legislation which will follow and therefore offers enhanced

opportunities for growth in the sector. A marketing structure for promoting Anguilla's financial services is required;

- 3) discussed and noted, given not sufficiently covered in Ex Memo 22/39, the financial and legal implications surrounding the draft legislation;
- 4) approved the draft legislation for the Anguilla Business Companies Act, Business Companies Regulations and Business Companies (Economic Substance) Regulations;
- 5) instructed the Attorney General's Chambers to prepare the draft legislation for tabling at the next session of the House of Assembly; and
- 6) instructed Ministers in signing off papers to ensure that the Executive Council papers fully articulate the legal and financial implications of the substantive matters.

Council authorized the issue of the Action Sheet before confirmation of the Minutes.

Action: PS, FIN; PERM, SECS; PAS, FIN; HON, PREM;
MINS OF GOV'T

EX MIN 22/61

EX MEM 22/40 COMMERCIAL REGISTRY AND BENEFICIAL OWNERSHIP REGISTRATION SYSTEM ("CRBORS") BILL AND REGULATIONS

Hon Special Ministerial Assistant to the Hon Minister for Social Development/ Education and Financial Specialist remained.

The PAS, Finance briefed Council. In April 2016, the Government of Anguilla entered into an agreement with the UK Government committing to the provision of beneficial ownership information based on requests from law enforcement and tax authorities. Also around 2017, the Government of Anguilla recognized the need to upgrade the Anguilla Company Online Registration Network (ACORN) which is the current incorporation system for legal entities. Further, in light of the requirement to meet international standards for record keeping with a large number of service providers located overseas, the

concept of the customer due diligence (“CDD”) register was developed by the Anguilla Financial Services Commission (“AFSC”).

As a result, the Commercial Registry and Beneficial Ownership Registration System (“the System”) was developed. The System consists of three parts:

- a) an online beneficial ownership register;
- b) a register of companies which would in effect replace the aging ACORN system; and
- c) a CDD register to store certain CDD documentation in relation to persons listed in the beneficial ownership register in (a) above.

In October 2018, Government published a consultation paper on the creation of the System. Most of the feedback at that time surrounded security concerns relating to the beneficial ownership register. Accordingly, the AFSC therefore proposed amendment to the CRBORS Bill and Regulations. The amendment removes the provision pertaining to the verification of records, which required the upload and storage of any documentation used to verify the identity of a beneficial owner. However, the remaining components of the CDD register remain. The System will go live once the draft Anguilla Business Companies Bill and Regulations and the draft CRBORS Bill and Regulations are enacted in 2022.

The amendment to the Anti-Money Laundering and Terrorist Financing (Amendment) Regulations, updates the definition of beneficial owner in line with the CRBORS Bill and Financial Action Task Force standards.

Council:

- 1) noted that following the final round of consultations there was commentary from one service provider which was supported by several industry associations. The proposed response to these concerns is noted in the draft response to the Select Consultation Comments;
- 2) noted that information is required to be stored in Anguilla. The legislation narrows the lacuna to reduce the likelihood of a data breach occurring. Noted that beneficiaries of a trust are

required to register beneficial ownership information. There is a CFATF evaluation in 2023 and the legislation is necessary to ensure that the required standards are met;

- 3) discussed and noted, given not sufficiently covered in Ex Memo 22/40, the financial and legal implications surrounding the draft legislation;
- 4) approved the draft legislation for for the Commercial Registry and Beneficial Ownership Registration System Act, the Commercial Registry and Beneficial Ownership Registration System Regulations and Anti-Money Laundering and Terrorist Financing (Amendment) Regulations;
- 5) instructed the Attorney General's Chambers to prepare the draft legislation for tabling at the next session of the House of Assembly; and
- 6) instructed Ministers in signing off papers to ensure that the Executive Council papers fully articulate the legal and financial implications of the substantive matters.

Council authorized the issue of the Action Sheet before confirmation of the Minutes.

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