



CIRCULAR

Coronavirus (COVID-19) – Impact & Response

The Financial Services Commission (Commission) is cognisant of the developments related to COVID-19, the national response to the pandemic, and the potential impact on the non-bank financial sector and its customers. This circular provides information on the Commission's response in respect of its operations and that of regulated entities.

The Commission will be focusing on:

- Facilitating its continued operations, including engagement with stakeholders
- Business continuity plans of regulated entities and monitoring the risks facing entities as a result of this event
- Regulatory relief and guidance that may be needed

The Commission's Operations

The Commission is focused on the health and safety of both its internal and external stakeholders; therefore, changes to its operations have been made with that in mind. These include immediately suspending all face-to-face meetings and implementing changes in document handling. All communication with stakeholders, including one-on-one and industry meetings; circulars, bulletins and other correspondence, will be done electronically wherever possible.

March 20, 2020

Persons are asked to contact the head of the respective regulatory division, regulatory representative, or CEO's office as appropriate, in order to schedule conference calls.

Onsite Prudential Examinations

On-site prudential examinations will be impacted by the COVID-19 disruption.

Adjustments may include undertaking such reviews through electronic and conferencing facilities where possible.

AML/CFT Onsite Inspections

The Commission's precautionary measures may impact scheduled on-site visits. Certain aspects of the onsite inspection will be conducted remotely via video conferencing (Skype and Zoom) including interviews, sampling where possible and remote walk-throughs of procedures.

As the situation evolves, updates will be provided.

Electronic Submission of Applications, Filings and other documents

Effective immediately, entities are required to submit all applications and submissions by email. Hard copies of documents are not required. Documents that should be submitted by email include applications for registration or a licence accompanied by all supporting information; statutory and regulatory filings, such as audited and unaudited financial statements, returns, general applications and requests; updates; reports (including AML/CFT related submissions); complaints/tips, disclosures and other forms notifications.

Table 1 of **Appendix 1** sets out the addresses to which mail should be forwarded. It is strongly recommended that the email addresses in Table 2 be used as the primary means of ensuring that the submission is acknowledged as received by the Commission.

To assist in the efficient processing of electronic submissions, entities are asked to use a document naming convention, which briefly describes the submission and provides the name of the entity. Table 2 of **Appendix 1** provides additional guidance.

Contact persons

In making an electronic submission please include the contact information for the specific person(s) to whom queries may be directed.

Fees

Where the submission of an application, request or filing must be accompanied by a fee, such fees must be submitted either by wire transfer or by deposit to the Commission's account.

The efficient processing of fees and return of a receipt is dependent on the submission of information to enable identification of the payer and the entities for which the payment is being made. Entities are, therefore, strongly encouraged to utilise a fee confirmation form to evidence the payment of fees. Applications will be processed and receipts issued where there is confirmation of fee payment. Wire transfer details and payment related information are outlined in **Appendix 2**.

Hard copies

The Commission acknowledges that certain externally originating documents may need to be processed as hard copies. Where this is the case, persons should contact the office in order to arrange for drop-off and pick-up of the documents on completion.

Collection of Certificates/Licences/other documents

Where an application or submission process culminates in the issuance or return of a certificate, licence or other document in hard copy from the Commission, soft copies of

these documents will be released in the first instance and arrangements will be made for collection of the hard copies from the office during prescribed times.

Business Continuity and Monitoring of risks

The Commission will be engaging regulated entities regarding their business continuity plans and disclosure of any foreseeable material changes that may arise as a result of the COVID-19 disruption. The information provided will be used in the consideration of any requests made for regulatory relief in light of the impact of COVID-19, and plans implemented to address same.

Entities should develop policies to facilitate prompt notification to the Commission of any material changes to their circumstances as a result of this or other event.

Regulatory Relief and Guidance

The Commission is aware that following their assessment of the impact of COVID-19, some entities may require specific forms of relief from certain regulatory obligations, e.g. filing and other deadlines, in respect of circumstances that are beyond their control. Proactive, timely outreach and engagement with the Commission is encouraged. Requests will generally be considered on a case-by-case basis and should be accompanied by information to support that the relief required is related to COVID-19.

The Commission is prepared to provide further guidance to regulated entities facing operational and reporting challenges as a result of COVID-19.

Economic Substance – Insurance and Securities Sectors

Regulated entities that are subject to economic substance requirements are referred to the guidance provided in **Appendix 3**.

Queries regarding this circular

Queries regarding the contents of this circular should be directed to the Chief Executive Officer at info@fsc.gov.bb.

APPENDIX 1

Contact Information

Table 1: FSC Email addresses

Division	Email
Credit Unions	creditunions@fsc.gov.bb
Insurance	insurance@fsc.gov.bb
Pensions	pensions@fsc.gov.bb
Securities	securities@fsc.gov.bb
AML/CFT	cbenskin-murray@fsc.gov.bb
Complaints	complainttips@fsc.gov.bb
FSC general email address	info@fsc.gov.bb

Document naming convention

Table 2: Document naming convention – examples

Matter type	Convention examples
Application for a licence/registration	[Licence/Registration] application-ABCcompany
General applications, e.g. extensions to deadlines; wind-up/liquidation; voluntary cessation of business; bylaw/rules/articles/ pension plan amendments	<ul style="list-style-type: none">• Extension2020Q2unauditedfinancials-ABCcompany• Pensionplanamendments-ABCpensionplan
Filings of audited financial statements, quarterly financials and other returns	2020auditedfinancials-ABCcompany 2020Q2financials-ABCcompany

APPENDIX 2

Fee payment information – wire transfers and deposits

Company Name: Financial Services Commission
Address: Suites 301 & 302, Building 4, Harbour Industrial Park, Bridgetown,
Barbados
Bank: Republic Bank (Barbados) Limited
Bank Address: Independence Square, Bridgetown, Barbados
Account#: 018021512002
Swift Code: BNB ABBBB

If the transfer is being made in US dollars, the bank's conversion rate is US\$1.00 = BDS\$1.99375. (e.g. USD\$12,542 = BDS\$25,000 and USD\$20,066 = BDS\$40,000)
In addition, BDS\$2.60 must be incorporated to cover bank charges.

Kindly note that BDS\$2.60 does not apply to local cheques, bank drafts and wire transfers.

Note: Payment confirmation details must be provided to the Commission so that the bank records may be reconciled with the payments submitted.

APPENDIX 3

Coronavirus (COVID-19) & Economic Substance Test (EST)

The Financial Services Commission has been made aware of concerns regarding the ability of some entities to comply with the EST in light of restrictions on travel and voluntary and mandatory social distancing in response to COVID-19.

Licensees are hereby advised that:

where there are, or will be, adjustments to operations as a result of the restrictions, for example, by hosting virtual meetings or conference calls where persons who would normally travel to Barbados to be physically present for board meetings and who are avoiding travel, or are self-isolating

such adjusted practices would not automatically be regarded as failing to meet the EST.

Licensees that have adjusted their operating procedures in response to COVID-19 should clearly record in their books and records, and particularly in board minutes for meetings, when directors have not been physically present due to implementation of such measures.

Further, licensees are required to notify the Financial Services Commission and the Director of International Business, in writing, whenever circumstances arise as outlined above.