



STRATEGIC PLAN

2022-2025

MESSAGE FROM OUR CHAIRMAN

It is with pleasure that I present the Financial Services Regulatory Authority Strategic Plan for the period 2022-2025.

The process leading to the development of this updated Strategic Plan entailed numerous consultations and surveys with our Board of Directors, management, staff and stakeholders. In 2019, the current Board of Directors assessed the performance of the FSRA and the short to medium term challenges. It was determined that the 2013 Strategic Plan, which was developed to guide the operations and performance of the FSRA, was out of date and should be revised to reflect the changes in the economic and financial landscape. This assessment coincided with the enactment of the Public Finance Management Act in December 2020, which requires all Statutory Bodies to formulate and submit a three-year Strategic Plan to their respective Ministers. It was fortuitous that the FSRA has begun this process that is now mandatory for statutory corporations and can now satisfy this requirement in a timely manner.



The Board of Directors is confident that the Strategic Plan will provide a solid platform for the FSRA to effectively deliver its mandate of maintaining public confidence in the financial system, promoting sound corporate governance principles and international best practices in the area of financial management, whilst securing the appropriate level of protection for financial services consumers.

In the next three years, the Board looks forward to working with, and supporting, the management team and staff to effectively deliver on the core values that have been formulated, and to make the necessary adjustments and updates that may be required during the implementation phase of the plan.

VINCENT HIPPOLYTE
CHAIRMAN

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SUMMARY

MESSAGE FROM OUR EXECUTIVE DIRECTOR

As we reflect on the tumultuous and challenging period posed by the covid 19 pandemic, I want to share the broad outlines of the Financial Services Regulatory Authority' new strategic plan. Our strategic plan is the culmination of a process which began in 2020. After thought-provoking work sessions based on an assessment of current initiatives and previous goals, we completed the strategic plan with a new mission and vision for our work as a financial regulator. Our new mission not only reiterates our primary objective to maintain the integrity of the financial system operating in Saint Lucia, but also serves to remind us, that we must effectively administer the laws governing the operation of all players within the financial industry.

Our new strategic plan allowed us to focus on our core values which enabled the establishment of priorities along with the performance indicators and initiatives. The context under which the 3-year plan was created was extraordinary and matches its level of aspiration.



Indeed, we recognized that our work happens in a rapidly changing environment, and our strategic direction must allow room for change while upholding the values as the foundational principles for our endeavors.

This is also a living document that will be updated annually to reflect progress made and to incorporate new work streams as they become necessary. I hope you will take some time to review the plan with all of its objectives in mind.

My thanks again to everyone who engaged in this strategic planning process, I look forward to working with every stakeholder in turning this exciting vision and mission into a reality.

NATHALIE DUSAUZAY
EXECUTIVE DIRECTOR



OUR MANDATE

The Financial Services Regulatory Authority Act was established in 2011. The FSRA's principal mandate is to license, supervise and regulate the operations of international banks and the non-bank financial sector. The FSRA is required by the Act to supervise and enforce several pieces of legislation which are:

- Cooperatives Societies Act, Cap. 12.06 (with regard to credit unions only)
- Insurance Act
- International Banks Act, Cap.12.17
- International Insurance Act, Cap.12.15
- International Mutual Funds Act, 2006, No. 22
- Money Services Business Act
- Registered Agent and Trustees Act, Cap. 12.12
- Saint Lucia Development Bank Act No. 12 of 2008
- Pension Funds: Part 9 (sections 142 to 153) of the Insurance Act refers.

OUR OBJECTIVES

In accordance with the FSRA Act 2011, the principal objectives of the Authority include:

- the maintaining of public confidence in the financial system operating in Saint Lucia.
- the promoting of public understanding and awareness of the financial system operating in Saint Lucia including the awareness of the benefits and risks associated with different kinds of investments or other financial dealings and the provision of appropriate information and advice;
- the securing of the appropriate degree of protection for consumers having regard to-
- the differing degrees of risk involved in different kinds of regulated services.
- the differing degrees of experience and expertise that different consumers may have in relation to different kinds of regulated services.
- the needs that consumers may have for advice and accurate information; and
- the general principle that consumers should take responsibility for their decisions.



OUR GUIDING PRINCIPLES

To achieve its objectives, the FSRA subscribes to the following principles:

- the reduction of the risk to the public of financial loss due to dishonesty, incompetence or malpractice by or through the imprudence of persons carrying on the business of financial services in or from within Saint Lucia.
- the protection and enhancement of the reputation and integrity of Saint Lucia in financial matters.
- the economic and social interest of Saint Lucia.
- the need to counter financial crime both in Saint Lucia and elsewhere.
- the protection and fair treatment for consumers.
- the stable and secure financial markets.
- the competitive and innovative financial markets (including a choice of organizational options);
- proportionate, risk-based regulations.
- prudential supervision and enforcement.
- management responsibilities (including the maintenance of adequate financial and managerial resources); and
- the application of ethical conduct at all levels of the regulated entity.

Both the objectives and the core principles have implications for the development of the strategic plan. Some potential priority areas include financial intelligence, risk management, policy development, public education, compliance enforcement, consumer engagement, consumer protection, to name a few.

OUR STRATEGIC FRAMEWORK



The strategic framework used to develop our strategic plan is made up of seven (7) key pillars. The overarching strategy and business model defines the strategic intent of FSRA and the core aspects of its business that drives the strategic intent.

The vision provides the organization with its legacy focus while the mission provides the core purpose for existing. The value proposition recognizes that different market segments have different needs and as such it is imperative to align FSRA's value proposition with the needs of its clients.

Values and beliefs establish the behavioral norms that will drive the ethos of the organization. The values and beliefs must be consistent with the mandate, purpose and vision of FSRA in order for it to be successful.

The strategic priorities will articulate where the FSRA will invest time, energy, and resources over the next three years in order to achieve its purpose. The enabling priorities ensure the critical success factors in support of the strategic priorities are in place.

Finally, it is important to identify the risks associated with the plan. Identifying the risks allows FSRA to develop risk mitigation strategies that will clear the path towards achieving success.

OUR MISSION, VISION & VALUES

OUR VISION

To be a regulator of excellence promoting the growth and development of the financial services sector of Saint Lucia

OUR MISSION

To maintain the integrity and stability of Saint Lucia's financial sector through the efficient and effective administration of the laws and regulations and the application of international best practices and standards

OUR VALUES



OUR VALUE PROPOSITION

FINANCIAL INSTITUTIONS

- Fair compliance enforcement
- Effective prudential supervision
- Strategic sector information
- Skills development training and support
- Stakeholder consultation and collaboration on legislative enhancements,
- General communication and outreach
- Ease of doing business
- Fast and efficient service
- Stable and fair jurisdiction
- Effective, progressive forward-looking regulation

STAKEHOLDERS & CONSUMERS

- Consumer protection
- Protection of financial services sector
- Stable and fair jurisdiction
- Compliance facilitation
- Stakeholder Engagement

We value our clients and our stakeholders. Our value proposition articulates our promise and commitment to creating meeting their expectations. It is how we be seen as a successful regulator.

OUR BUSINESS MODEL



POLICY & REGULATION DEVELOPMENT

Focuses on the need to ensure that financial regulation is fair, efficient, up to date, forward-looking, relevant, and promoting a balance between the need for consumer protection and the need for sufficient flexibility for businesses to thrive. This area also focuses on the issuance of regulations and guidelines and participation in preparations for financial market legislation

CONSUMER EDUCATION

Focuses on evaluation of the financial condition of regulated entities and ensuring compliance with the financial laws of Saint Lucia. Prudential supervision requires examinations/inspections and evaluation of institutions' practices in accordance with ECCB and other relevant international guidelines.

FINANCIAL SUPERVISION

Focuses on ensuring consumers have the critical knowledge needed to engage with financial institutions in a manner that protects their interests

REGULATION ENFORCEMENT

Implies the actions necessary to ensure compliance with the rules and regulation and the actions taken when the regulations are contravened/violated.

RESEARCH & DATA ANALYTICS

Is required to assess the effectiveness of regulation, identify and assess risks inherent in the financial system, provide information about the sector for use by potential investor.



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OUR STRATEGIC THEMES



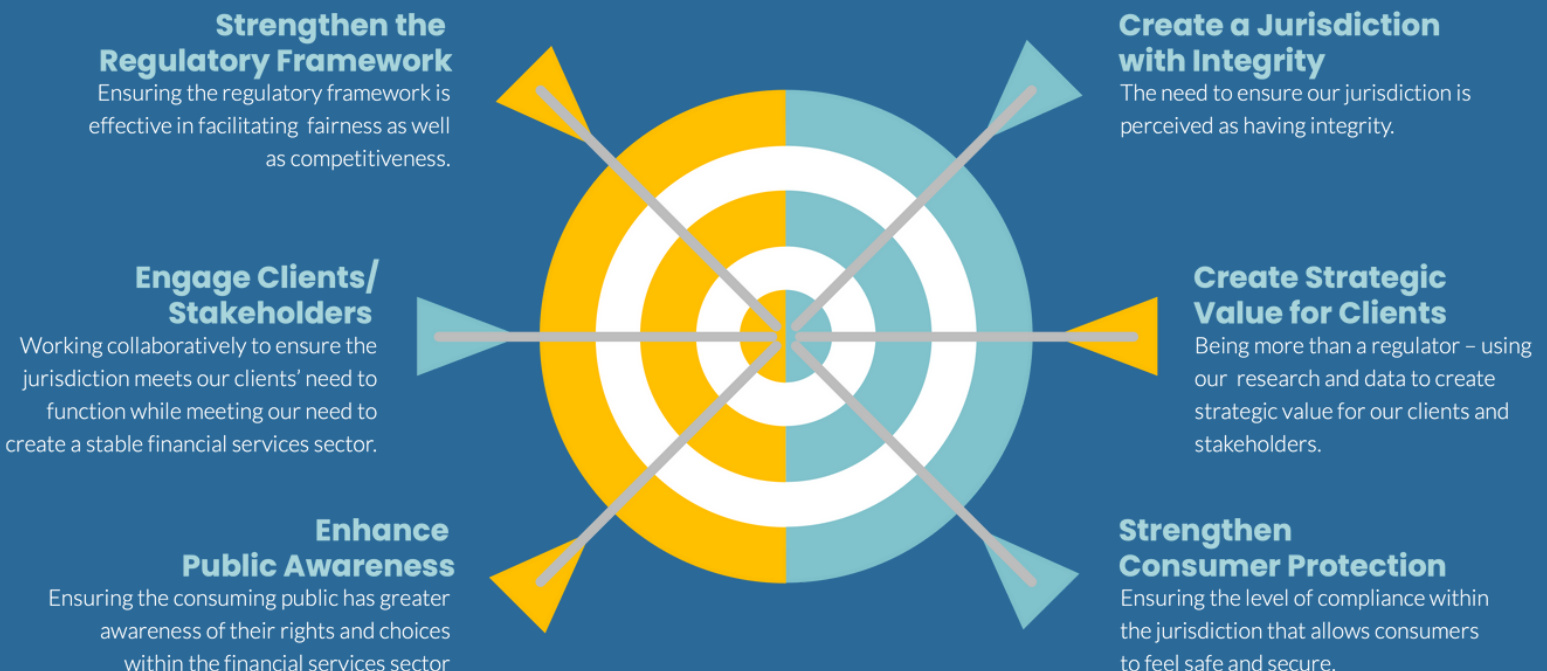
OUR STRATEGY MAP



A VIBRANT JURISDICTION

To be successful, we must facilitate outcomes that benefit our regulated entities while addressing the interests of our key stakeholders, including the government of Saint Lucia, the people of Saint Lucia, the East Caribbean Central Bank (ECCB), and other organizations with an interest in a stable and effectively functioning financial services sector.

We will focus on six outcomes which include strengthening the regulatory framework, engaging our clients and stakeholders in our efforts to improve the sector, building a jurisdiction that is perceived to have integrity with little financial crime and corruption, enhancing consumer protection by increasing their awareness of both the FSRA and their rights, and through our research and analysis of the sector, provide information to the regulated entities that will enable them to strategically positioning their operations.



OPERATIONAL ALIGNMENT



Technological advancements, the impact of Covid-19 on business operations worldwide, and the pace of innovation in the financial services industry, have all highlighted the need for the FSRA to be responsive to the business environment in an agile and efficient way. We must find ways to work that minimizes operational strain on our small organization, that make it easy for our clients to be served, and that enhance compliance with financial regulations. We will focus on optimizing and aligning our processes in synch with our emphasis on risk-based supervision.



STRATEGIC COMPETENCE

In order to achieve the desired results for our clients and stakeholders as well as achieve the operational alignment for ease of doing business, risk-based supervision and effective compliance and enforcement, we must undertake the human capital investments that will create the strategic competence needed.

Enhance Competence of Regulators

Ensuring the competence of regulators to meet the needs of an ever-changing sector.

Improve Leadership Practice

Creating the leadership culture that empowers staff in the pursuit of excellence



Enhance Work Experience

Creating the conditions that foster employee job satisfaction and loyalty.

Improve Culture

Aligning and strengthening FSRA's organizational culture to support the strategic plan

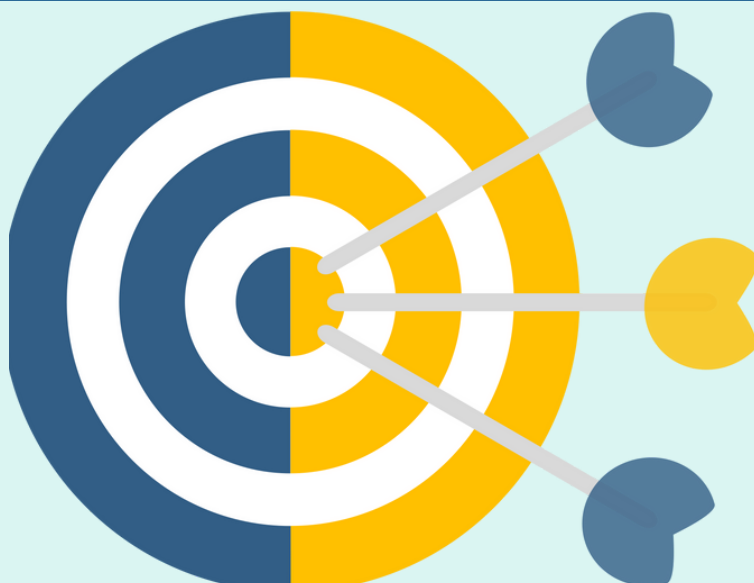
Strengthen Strategic Management

Creating the organizational discipline that supports strategic management practice.

STEWARDSHIP & SUSTAINABILITY



A major threat to our operations is the inadequacy of financial subventions from the public purse. While the financial jurisdiction cannot function without a regulator, the regulator requires adequate financial resources in order to sustain its operations and fulfil its mandate. Given the current state of the Saint Lucian economy, it is unlikely that there will be a significant growth in the level of funding for the FSRA over the next couple of years. Consequently, we must find ways to generate revenues, minimize revenue loses from the non-payment of fees, and find ways to lower the cost of operations.



Strengthen Financial Independence

Minimizing the impact dwindling public financial resources on the FSRA by searching for revenue opportunities

Improve Revenue Collection

Ensuring outstanding fees are collected in a timely manner in order to fund our operations.

Reduce Operating Costs

Identifying opportunities to reduce operating costs, thereby making it easier to financially operate the FSRA.

SUMMARY

The Financial Services Regulatory Authority Act was established in 2011. The FSRA's principal mandate is to license, supervise and regulate the operations of the non-bank financial sector. To support the establishment of the Authority, a strategic plan was developed in 2013. While strategic plan had structural weaknesses, its principal focus was on establishing the infrastructure to allow the Authority to become functional. Most of the deliverables in the 2013 strategic plan were accomplished.

The year 2021 is a very different time from 2013. Looking forward, the FSRA felt it needed an evidence-based strategic plan to see it through the next three years of operations. The environment has changed, technology has introduced a new suite of financial institutions as well as products and services that require supervision via new legislation. Technology has also made it possible to deploy effective tools for inspections and evaluations. Further, with the growth of the jurisdiction over time, there has been an increasing trend of risk-based supervision. Hence a new strategic plan was needed to take into consideration the bevy of changes in the financial services industry.

The strategic plan presented in this document was developed using data collected from staff, management, the Board, clients and stakeholders. Research examining trends in financial regulation was also taken into consideration.

Finally, the development of the plan involved the engagement of the staff, management and Board, thereby increasing the chances of buy-in and ownership by the organization.

The Balanced Scorecard framework of Kaplan and Norton¹ was used to summarize the strategic and enabling priorities along with the performance indicators and initiatives.

Our strategic plan is an ambitious undertaking recognizing the need for a significant change in how the FSRA functions. We are committed to building the capacity, commandeering the resources, and nurturing the necessary organizational discipline to successfully implement our plan.

