



Empowering Investors

Building our ECSM

ANNUAL REPORT 2024

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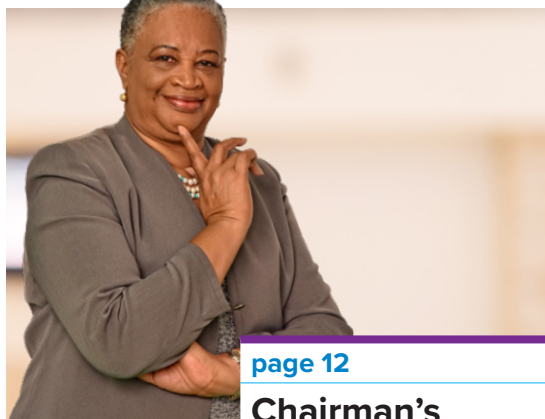
The core mandate of the ECSRC is to regulate the Eastern Caribbean Securities Market. The ECSRC is also responsible for the growth and development of the ECSM and to accomplish this, the Commission engages with key stakeholders and the general public in the ECCU member countries to foster greater participation in the ECSM. As investor participation increases, this also promotes market development and provides investors with greater opportunities to build wealth and to grow the ECSM.

ECSRC
EASTERN CARIBBEAN
SECURITIES
REGULATORY COMMISSION



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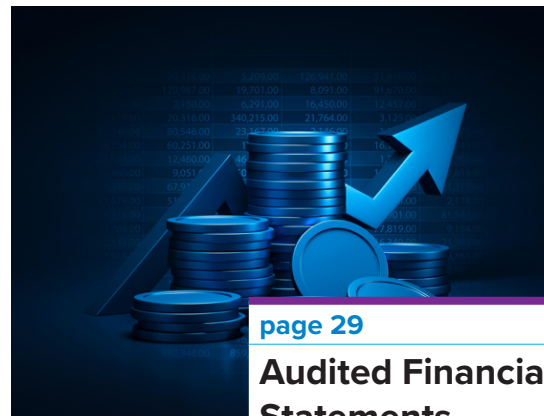
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Looking to stay ahead in the regional securities market? Visit ecsrc.com to learn more about the Eastern Caribbean Securities Regulatory Commission (ECSRC). Discover how we're shaping a transparent and secure investment environment—and register today to be part of it!

About the ECSRC

On 24 November 2000, after the signing of the ECSRC Agreement 2000 by the Participating Governments, the ECSRC was established as an independent and autonomous regional regulatory body.

The ECSRC commenced operations on 19 October 2001 with the formal launch of the regional securities market for the ECCU member countries.

The ECCB Monetary Council is the highest decision-making body of the ECSRC. The ECCB Monetary Council appoints five Commissioners to oversee the operations of the Commission. In accordance with Article 12(2) of the revised ECSRC Agreement persons appointed to serve on the Commission are:

- a) two persons nominated by the Participating Governments of the ECCU Member Territories;
- b) two persons nominated by the Chambers of Industry and Commerce, the Institutes of Chartered Accountants and the Bar Associations or from such other relevant professional bodies of the ECCU Member Territories; and
- c) one person nominated by the ECCB.

Council designates two of the five Commissioners to sit as Chairman and Deputy Chairman of the Commission for a five-year period.

Each Commissioner is appointed for a three-year term and may be reappointed by the Monetary Council.



VISION

To be a competent and proactive regulator of a vibrant and competitive Eastern Caribbean Securities Market.



MISSION

To ensure integrity, probity, efficiency and transparency in the operations of the Eastern Caribbean Securities Market and its participants, to protect investors and facilitate market development.



CORE VALUES

Integrity: We are committed to demonstrating the highest ethical standards to inspire confidence and trust.

Professionalism and Commitment:

We shall perform our duties with the highest level of professionalism and commitment to the needs and expectations of the investing public and all other participants on the ECSM.

Excellence and Innovation: We are dedicated to maintaining the highest standards of excellence and shall continually pursue knowledge and learning.

Client-oriented: We shall meet and exceed the needs of all our stakeholders, fairly and in accordance with the law.

Collaboration and Teamwork:

We shall work together within the Commission and in collaboration with our stakeholders in the provision of our services.

Chairman and Commissioners of the ECSRC



MRS LUCIA LIVINGSTON-ANDALL
CHAIRMAN

Mrs Lucia Livingston–Andall, a citizen of Grenada, is a Management Professional who has held senior management positions for over 32 years. In addition to line managerial positions, she has also been involved in initiating and executing projects at the national and regional levels.

She retired from her most recent position as Chief Executive Officer of Ariza Credit Union in Grenada on 30 September 2022. During her tenure, she was instrumental in leading her teams in modernizing the credit union’s operations and transforming and rebranding it to be one of the region’s largest and fastest growing credit unions.

Mrs Livingston-Andall holds the following academic qualifications:

- Certified Professional Accountant with CGA (Canada)
- MBA from the Memorial University of Newfoundland
- BSc Management for the University of the West Indies
- Certified Financial Planner

Mrs Livingston-Andall is an Accredited Director from the Institute of Chartered Secretaries and Administrators of Canada and Projects Management Professional from the Projects Management Institute in August 2011.

Commissioner Livingston-Andall was first appointed to the Commission on 5 March 2010 and appointed as Chairman effective 23 January 2023.

Chairman and Commissioners of the ECSRC



MR VINCENT RICHARDS PhD
DEPUTY CHAIRMAN

Mr Vincent Richards PhD is a citizen of Antigua and Barbuda. His academic and professional background is in Economics and Accounting.

Commissioner Richards holds a PhD and MA both in Economics from Cornell University, New York. He also earned an MA in Economics and BA in Economics and History from Carleton University, Ottawa, Canada. He is a Practising Member of the Institute of Chartered Accountants of the Eastern Caribbean.

He was the recipient of the Inter-American Foundation Post-Doctoral Fellowship in Social Change and has served as an Assistant Professor at the School of Business, Indiana University, Bloomington, Indiana.

Commissioner Richards was appointed as Deputy Chairman with effect from 23 January 2023.



MR ISAAC ANTHONY
COMMISSIONER

Mr Isaac Anthony, a citizen of Saint Lucia, is the Chief Executive Officer of CCRIF SPC (formerly Caribbean Catastrophe Risk Insurance Facility) and a former Permanent Secretary in the Ministry of Economic Planning and National Development in the Government of Saint Lucia.

Commissioner Anthony holds an MBA from the Centre for Management Development, University of the West Indies, Barbados and a Bachelor of Science Degree in Economics and Accounting (Hons) from the University of the West Indies, Cave Hill Campus in Barbados.

Commissioner Anthony was reappointed for a term of three years commencing on 1 November 2023.

Chairman and Commissioners of the ECSRC



MR JOHN VENNER
COMMISSIONER

Mr John Venner, is an illustrious public servant and a retiree of the ECCB. Mr Venner is a qualified Economist, who has over the last 35 years, amassed a wealth of experience by serving in various positions within the ECCB. The most significant of these (approximately 15 years) being in the area of capital market development, with specific responsibility for the development of the Regional Government Securities Market (RGSM).

Mr Venner holds a Master's degree in Economics from the University of Illinois, Urbana-Champaign and a first degree in Economics from the University of the West Indies, Mona, Jamaica.

Commissioner Venner was re-appointed for a three-year term with effect from 1 August 2023.



MRS LINDA DOLLAND
COMMISSIONER

Mrs Linda Dolland is a citizen of Grenada, and an Attorney-at-Law practising in every facet of civil law for over fourteen (14) years, with a particular focus on corporate and commercial advisory services, transactions and litigation.

Commissioner Dolland holds a Master's degree in International Financial and Commercial Law from King's College, London. She also earned a Bachelor of Law from the University of Southampton, England, and a BVC Postgraduate Diploma in Professional Legal Skills from The City University, London, England.

Mrs Dolland is called to the Bars of Grenada, Saint Christopher (St Kitts) and Nevis, and England and Wales.

Commissioner Dolland was first appointed to the Commission for a three-year term effective 1 August 2023.

30 April 2025

Dear Sir/Madam

In accordance with Article 29(1) of the revised ECSRC Agreement 2000, I have the honour to transmit herewith the ECSRC Annual Report on its activities for the year ended 31 March 2024.

Yours faithfully



Lucia Livingston-Andall
Chairman

Honourable Cora Richardson-Hodge
Premier
ANGUILLA

Honourable Reuben Meade
Premier
MONTSERRAT

Honourable Gaston Browne
Prime Minister
ANTIGUA AND BARBUDA

Honourable Dr Terrence M Drew
Prime Minister
ST KITTS AND NEVIS

Honourable Dr Irving McIntyre
Minister for Finance
COMMONWEALTH OF DOMINICA

Honourable Philip J Pierre
Prime Minister
SAINT LUCIA

Honourable Dennis Cornwall
Minister for Finance
GRENADA

Honourable Camillo M Gonsalves
Minister for Finance
ST VINCENT AND THE GRENADINES



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Chairman's Message



LUCIA LIVINGSTON-ANDALL
CHAIRMAN



The ECSRC has and will continue to advocate for a more prominent role for the ECCU capital markets in enhancing the lives of our ordinary citizens in the ECCU member countries. When our capital markets thrive, our economies and countries will also thrive.



During the financial year ended 31 March 2024, the ECSM continued to play a vital role in promoting the economic growth of the ECCU member countries by channelling resources from savers to users of capital in an efficient, transparent and fair marketplace. In so doing, the interests of market participants are aligned through the provision of opportunities for investors to create wealth and at the same time, providing for the financing of corporations.

Although the level of market activity on the ECSM continued to be marginal, the market can be characterised as stable, due to the prudent regulation and supervision of the ECSRC. While the ECCU region has been spared from incidents and allegations of fraud, as occurred in a few other Caribbean countries, these have placed the entire Caribbean region and our securities markets, under sharp international focus. Caribbean securities regulators are also under increased scrutiny, as a result of the advent and expansion of digital assets, decentralized finance and block chain technology. The Commission is cognizant of the need to embrace technology as well as to revisit the fundamentals of capital market development, with the objective of promoting the growth and development of our money and capital markets and thereby foster the economic growth of our ECCU member countries. When our capital markets thrive, our economies and countries will also thrive.

Therefore, the ECSRC has and will continue to advocate for a more prominent role for the ECCU capital markets in enhancing the lives of our ordinary citizens in the ECCU member countries. An important consideration will be the implementation of strategies to increase financial literacy and investor education of the population in the ECCU member countries. Issues of financial inclusion and bridging the financing gap for micro, small and medium-sized enterprises (MSMEs) are some other critical considerations.

Mindful of the role of MSMEs in economic development, the issue of financing for MSMEs is a significant one, and the Commission intends to continue its collaborative efforts to introduce relevant policies and support mechanisms for MSME development in the ECCU member countries.

There are signs that the tide is turning for the ECSM and the Commission intends to redouble and refocus its work during the upcoming financial year to maximise and maintain this momentum. In the 2024/2025 financial year, the Commission will embark on a strategic planning process beginning with stakeholder consultations, after which, the Commission will meet to plan and strategize, to develop appropriate policy and other responses to address the key issues faced by market participants and an implementation roadmap to accomplish these strategic initiatives.

In conclusion, I wish to express my profound gratitude and appreciation to the Commissioners and staff for their continued dedication and commitment to the work of the ECSRC. Let me also take this opportunity to formally welcome our newest member, Mrs Linda Dolland who began her term on the Commission during the 2024/2025 financial year. We also congratulate Commissioner John Venner and Commissioner Isaac Anthony on being reappointed to the Commission effective 1 August 2023 and 1 November 2023, respectively.

Finally, to the members of the ECCB Monetary Council and the ECCB we express our thanks for your ongoing support. The Commission looks forward to our continued collaboration in the upcoming year as we seek to expand the visibility of the ECSRC and the ECSM to build and enhance the lives of the population in the ECCU member countries and our economies.

Lucia Livingston-Andall
Chairman



ECSM In Brief

As at 31 March 2024, there were 147 listed securities on the ECSE; 14 equities and 133 sovereign debt instruments. The total market capitalization of the fourteen listed equities was approximately \$2.3 billion while the 133 sovereign debt instruments were valued at EC\$2.6 billion.

Securities Listed on the ECSE as at 31 March 2024

As at	Listed Equities		Sovereign Bonds		Corporate Bonds	
	Number	Market Cap.	Number	Total Value	Number	Total Value
31-Mar-24	14	\$2,305,146,875	133	\$2,595,130,023	-	-
31-Mar-23	14	\$2,290,592,996	155	\$2,856,271,854	7	\$231,042,000.00
31-Mar-22	13	\$1,962,140,958	135	\$2,603,921,541	16	\$275,200,000.00
31-Mar-21	13	\$1,971,147,415	141	\$2,943,474,754	11	\$313,289,700.00
31-Mar-20	13	\$1,843,118,528	136	\$3,051,847,602	6	\$167,608,000.00

Most of the activity on the securities market is concentrated on the Regional Government Securities Market, while the level of activity on the ECSM continued to be low. This may be attributed to a combination of factors including, the unavailability of investment products, the ‘buy and hold’ culture among investors, insufficient awareness of the ECSM and its functions coupled with low levels of investor education among the populace in the ECCU member countries.

Over the review period, securities business on the ECSM continued to be focused around two asset classes, namely equities and debt securities. The mix of products offered on the market lacked diversity and commercial banks continued to dominate the provision of securities market services in the ECSM. In this regard, the Commission took certain policy decisions aimed at attracting a greater number and variety of market intermediaries in the ECSM. Over the last two years, the Commission approved two investment adviser licences, two collective investment scheme licences and one limited service broker licence. It is anticipated that as the licensed intermediaries operating on the market expands, this would provide some of the impetus needed to drive the needed growth in retail investor participation.

[†]The licensed firms consist of commercial bank holding companies, divisions and bank affiliated subsidiaries.

Chief Executive Officer's Report



Over the financial year ended 31 March 2024, the Commission focused on enhancing the regulation and supervision of the securities market and promoting the growth and development of the ECSM. Accordingly, our initiatives and tasks were mainly geared towards creating an environment that would foster greater investor participation in the market.

ADMINISTRATION AND GOVERNANCE

The ECSRC is governed by five Commissioners who are appointed by the ECCB Monetary Council, the highest decision-making body of the Commission. These five Commissioners are responsible for the general oversight of the work of the Commission which is carried out through the office of the ECSRC Secretariat.

Article 18(1) of the revised Eastern Caribbean Securities Regulatory Commission Agreement, mandates –

“Meetings of the Commission shall be held as often as may be necessary for the performance of its duties and in any event at least once every quarter, and such meetings shall be held at such places, times and days as the Commission may determine;”

During the 2023/2024 financial year, the Secretariat facilitated four meetings of the Commission on 5 April 2023, 30 June 2023, 27 October 2023 and 26 January 2024. Table 1 reflects Commissioners' attendance record during the year. At her request, the Chairman of the Commission was approved for a six-month leave of absence for family reasons. This leave of absence was effective from 1 June 2023 to 31 December 2023.

Commissioner	Term of Appointment	Term Expiry	Total Remuneration for F/Y 31 Mar 2024	Meeting Attendance Record
Lucia Livingston-Andall Chairman	5 years	23 Jan 2028	\$15,000	2/4
Vincent Richards Deputy Chairman	5 years	23 Jan 2028	\$24,000	4/4
Isaac Anthony	3 years	1 Nov 2026	\$24,000	4/4
John Venner	3 years	1 Aug 2026	\$24,000	4/4
Linda Dolland	3 years	1 Aug 2026	\$16,000	3/4

During the year, the Commission deliberated and agreed on several policy and operational matters including the approval of the budget and work programme of the Commission, approval of prospectuses for offers of securities in the ECSM, approval of the grant and revocation of licences for market participants and consideration of various policies and guidelines to govern the operations of the ECSM.

REGULATORY AND SUPERVISORY DEVELOPMENTS

Legislative update

An effective and well-regulated securities market is predicated on the establishment of the appropriate regulations, rules and policies to guide the operations of the market and its participants. In 2020, the ECSRC proposed a suite of new securities laws for the ECSM. The new Securities Bill and Investment Funds Bill are a significant improvement on the current 2001 legislation. These new laws are expected to, among other things, enhance the authority and enforcement powers of the Commission, facilitate access to new investment opportunities for residents of the ECCU member countries and provide the impetus to facilitate greater participation by citizens and residents not only as investors but also as market participants, for example, through the provision of investment advisory and other types of market intermediation services. The increase in the number and types of market intermediaries and products would serve to increase interest in the market by individuals and businesses in the ECCU member countries as well as in the wider CARICOM region and in so doing, create increased avenues for investment and wealth creation for ECCU investors.

Notwithstanding these advantages, the new Securities Bill is outstanding for enactment in Anguilla, the Commonwealth of Dominica and Saint Lucia and the Investment Funds Bill has not been passed in four member countries; Anguilla, Commonwealth of Dominica, Saint Christopher (St Kitts) and Nevis and Saint Lucia.

The regulations to support the new Bills were completed in 2024 and shared with the ECCU member countries for comments. The Commission will continue to collaborate with the ECCU member countries to advance the passage of the new securities laws during the 2025/2026 financial year.

IOSCO Membership Project

In 2014, the ECCB Monetary Council approved a recommendation from the Commission to apply for IOSCO membership. However, full Ordinary membership in IOSCO is contingent on the enactment of the new Securities laws in all the ECCU member countries. Efforts to achieve full Ordinary membership have been protracted as a result of the delayed enactment of the new securities laws.

In 2022, the ECSRC received Associate membership in IOSCO and the Commission intends to submit its application for full Ordinary membership immediately following the passage of the new securities laws in all the ECCU member countries.

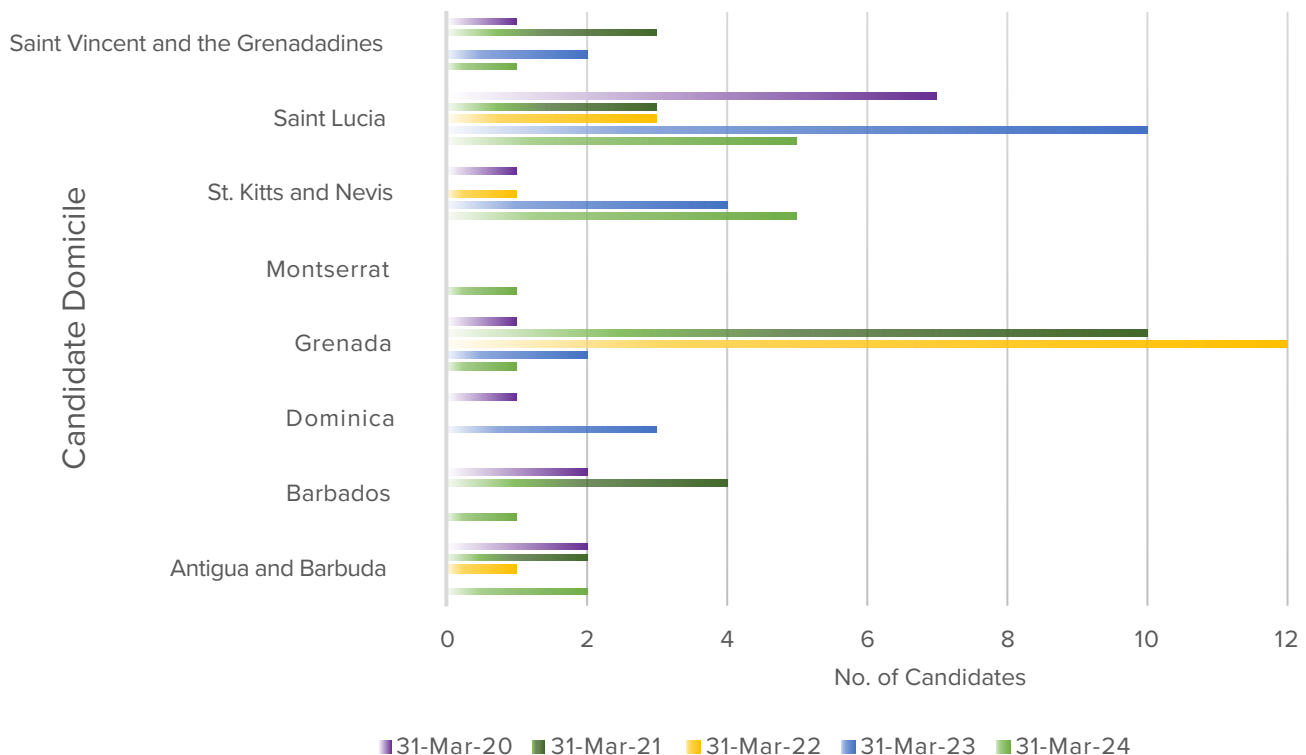
Certification and Licensing of Market Participants

International standards require that regulation must set minimum entry standards for market intermediaries. Consequently, the Securities Act in the ECSM requires that market intermediaries must be licensed by the Commission and stipulates a number of fit and proper standards that applicants for a licence must comply with and adhere to, on an ongoing basis.

One of the components of the ECSM licensing regime is the certification of proposed licensees. The Commission in collaboration with the ECSE, administers a structured training and examination programme, the ECSM Certification Programme and Examination (ECPE) for prospective licensees. The ECPE is a training programme comprising a theory component which focuses on the requirements of the Securities Act and Regulations and a practical component which involves introductory training on certain aspects of the ECSE trading platform and the depository and registry functions. At the conclusion of the training, candidates are required to sit examinations at the conclusion of each part of the training. Successful candidates are eligible to apply for a licence as a principal, representative or an (individual) investment adviser licence to operate in the ECSM.

The ECPE which was first introduced at the start of the ECSM in 2001 and is now offered entirely online; both training webinars and examinations. This allows greater accessibility to candidates from across the ECCU member countries from their place of residence, without the need to travel to St Kitts and Nevis. As a result, there has been increasing interest in the ECPE.

ECSM CERTIFICATION EXAM CANDIDATES PER TERRITORY



Over the five years to 31 March 2024, the ECSRC reported an increase in the number of candidates registering for ECSM Certification. In total, 100 persons registered for the ECPE; ranging from 15 in 2020 to 22 in 2021. In 2024, 16 candidates were registered, a marginal decline from the number of persons registering in 2023.

New Licences Issued over the period 31 Mar 2020 to 31 Mar 2024

Licence Type	New Licences Issued				
	31-Mar-24	31-Mar-23	31-Mar-22	31-Mar-21	31-Mar-20
Representative	5	11	4	2	2
Principal	6	3	1	1	1
Investment Adviser (individual/company)	2	1	-	1	-
Broker-dealer	1	1	-	-	-
Limited Service Broker	-	1	-	-	-
Securities Registry	-	-	-	-	1
Collective Investment Scheme (CIS)	1	1	-	-	-
CIS Management Company	1	1	-	-	-
CIS Custodian Licence	-	1	-	-	-
	16	20	5	4	4

An increase in the number of candidates certifying has led to a commensurate increase in the number of applicants for licences and new licences issued during this same period. Over the five-year period ended 31 March 2024, the Commission issued forty-nine new licences, including 2 collective investment scheme licences, one broker-dealer licence, one limited service broker licence, one individual investment adviser licence and one company investment adviser licence. However, the largest increase was recorded for licences for broker-dealer Representatives and Principals. These results also suggest that the Commission's licensing policy aimed at developing a cadre of qualified and certified candidates to participate on the ECSM, may be achieving its goal.

Monitoring Compliance and Enforcement

An effective compliance and enforcement regime must exist to ensure that securities business is conducted in a sound and reputable manner and individuals and entities that are licensed to conduct securities business are adhering to the regulatory and supervisory requirements. The securities market must also be satisfied that the securities laws will be enforced and that there is recourse to the court or that there is a mechanism for dispute resolution. Enforcement of securities laws is essential not only because international standards require it but it is also essential for promoting market integrity and maintaining investor confidence in the securities market.

Generally, the level of compliance by registrants and market participants in the ECSM is acceptable; however, there is room for improvement. Over the financial year, the Commission continued to work closely with registrants and licensees, using moral suasion, ongoing engagement and available legal enforcement mechanisms to ensure the timely submission of filings and returns and compliance with the securities legislation. For example, in October 2023, the Commission agreed to initiate legal action against a registered reporting issuer for continuing breach of the Securities laws, in relation to its continuing disclosure obligations.

The Commission will continue its endeavors to implement the necessary internal processes and procedures to foster greater compliance with the securities laws. This includes the development and documentation of a compliance and enforcement programme for the ECSM.

The ECSRC remains confident that ongoing engagement to increase awareness of compliance requirements among regulated entities and individuals will continue to generate a positive response that will result in continual improvement in overall market compliance.

REGIONAL AND INTERNATIONAL COOPERATION

Globalization and the increased use of technology in securities markets has resulted in a high level of interconnectedness among financial markets. Therefore, market instability can originate in other market sectors or jurisdictions, and for this reason, effective regulation depends on cooperation between and among international and domestic regulators. The timeliness of responding to queries between regulators and addressing concerns and or allegations of market abuse, are of critical importance. The ECSRC, through its Associate membership in IOSCO and membership in regional regulatory groups, such as the Caribbean Group of Securities Regulators (CGSR), Inter-America Regional Committee of the Council of Securities Regulators of the Americas and the ECCU Regulatory Oversight Committee (ROC) promotes and supports cooperation and collaboration in securities regulation.

Caribbean Group of Securities Regulators

In 2021, the ECSRC assumed the Chairmanship of the CGSR, for a two-year tenure. The CGSR comprises securities regulators from the CARICOM region. The Group's main objective is to foster cooperation and collaboration and capacity building for and among its membership.

As Chairman, the ECSRC hosted two virtual meetings of members and organized and hosted the Annual CGSR conference from 26 to 27 September 2023. The conference was held under the theme "Embracing new technologies and opportunities in Capital Markets to Promote Sustainable Economic Growth in the Caribbean" and featured speakers and subject-matter experts from several regional and international regulatory agencies and support organisations, including the IOSCO Secretariat, IMF, CARTAC, Australian Securities and Investments Commission, Toronto Centre, CARICOM Secretariat and the United Capital Development Fund.

In addition to the conduct of a training-needs survey, the ECSRC also spearheaded the development of a logo for the CGSR, and facilitated the approval of the application of Belize Financial Services Commission for CGSR membership.

Digital Assets Regulatory Framework

During the 2023/2024 financial year, the ECSRC led a working group of ECCU regulators from members of the ROC, to develop and document a framework for the supervision of digital asset business in the ECCU. This process involved the review of draft regulations to support the ECCU Virtual Asset Business Bill. Work will continue on the



digital assets supervisory framework during the 2025/2026 financial year as the ECCU member countries work to finalise and enact the Virtual Asset Business Bill and the supporting regulations.

INVESTOR AWARENESS AND EDUCATION

Although the Commission has an approved investor awareness and education programme, the primary challenge to its implementation has been the lack of resources.

The Commission engaged a marketing consultant to assist with implementing certain aspects of its investor awareness and education activities. This work was mainly focused on raising awareness of the Commission through its website and social media pages to educate and inform the ECCU population on its role and functions and to increase the Commission's overall visibility throughout the ECCU member countries.

TRAINING AND DEVELOPMENT

In recognition of the critical role of training to employee and organizational development, the staff members in the ECSRC Secretariat and Commissioners were exposed to several capacity building initiatives through their participation in local, regional and international conferences/workshops/training programs during the year.

OUTLOOK 2024/2025

Strategic Plan and Review

During the upcoming financial year 2025/2026, the Commission intends to undertake a strategic planning exercise to develop a three-year Strategic Plan to guide the delivery of the ECSRC's mandate.

Financial Technology

The Commission continues to prepare and seeks to adapt to technological advancements related to innovation in the market space, and to improve its readiness to address these and the potential digital financial instruments that may soon reach its market space. The Commission is also seeking to respond to and expand its focus on climate-related financial disclosures in alignment with global standards.

REGULATORY DEVELOPMENTS

Work will continue on finalising the new Securities Bill and associated regulations. Policy papers are expected to be developed to support market operations and to proactively respond to emerging market trends.

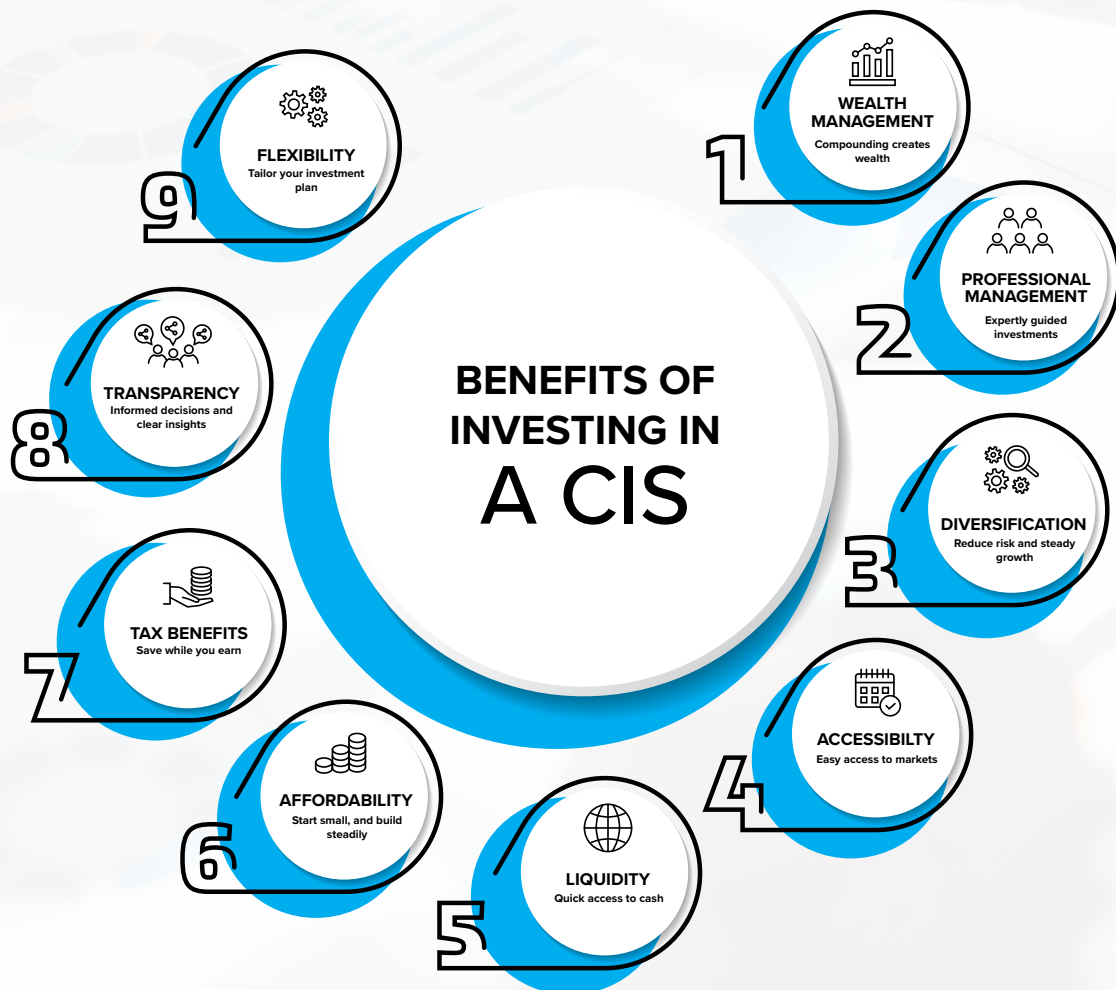
ALOUSIA FAISAL

Chief Executive Officer

Market Regulation and Surveillance

The Eastern Caribbean Securities Regulatory Commission plays a fundamental role in empowering investors by facilitating the creation of investment opportunities and ensuring the stability and integrity of the securities market. During the 2023/2024 reporting cycle, the ECSRC authorized two retail Collective Investment Schemes (CISs), as the first of their kind, to operate within the ECSM. This is a significant milestone and marks a pivotal moment as it not only diversifies the investment options available but also sets a precedent for future financial innovation in the ECCU.

A CIS allows multiple investors to pool their resources into a single fund, which is then managed by a professional fund manager. This provides access to a variety of securities without the need for investors to directly own individual stocks or bonds. Both retail CISs are open-end funds and as such, there is no limit on the number of shares that can be issued, providing flexibility and continuous growth potential while balancing the risk through portfolio diversification.



How We Regulate Collective Investment Schemes

The Securities Act and its accompanying Regulations provide a robust regulatory framework for the operation of CISs. The securities laws require that a CIS must appoint a Fund Manager and a Custodian which are independent entities that must be licensed by the Commission. All assets of the CIS are held by the Custodian. The Custodian is legislatively obligated to safeguard the assets of the CIS on behalf of CIS shareholders/investors.

Additionally, the CIS Fund Managers are required to submit periodic and ad hoc reports and filings which facilitates the ECSRC's ongoing monitoring of the business activities and financial performance of the Fund and to ensure their compliance with the legislative requirements. These reports include the following.

- CIS Particulars – this document provides detailed information about an investment offering to potential investors.
- Annual and Interim/half-year Report on the operations of the Fund
- Annual Audited Financial Statements for the Fund and the Fund Management Company
- Reports on other Material Changes in the operations of the Fund

By ensuring that the CIS operates within the ECSM regulated framework, the ECSRC creates a more secure, transparent, and efficient market that benefits all participants.

Licensed Market Participants

As at 31 March 2024, there were eighty-six (86) licensed entities and individuals operating within the ECSM; an 18% increase over the previous year (2022/2023).

The following extract from the ECSRC Register of Licensees lists the specific types of the licenses which the Commission is authorized to issue and the change in the number of licensees over the last four years.

LICENCE TYPE	31-Mar-24	31-Mar-23	31-Mar-22	31-Mar-21
Broker-dealer	11	10	9	9
Limited Service Broker	1	1	0	0
Securities Custodian	1	1	1	1
Collective Investment Schemes (CIS)	4	2	2	2
CIS Custodian	3	3	2	2
CIS Management Company	4	2	2	2
Securities Exchange	1	1	1	1
Clearing Agency	1	1	1	1
Securities Registry	1	1	1	1
Investment Advisors (company)	1	1	1	1
Representative	28	26	16	17
Principal	21	17	15	15
Representative (without accreditation)	4	4	3	3
Principal (without Accreditation)	3	2	1	1
Investment Advisors (individual)	2	1	1	1
TOTAL	86	73	56	57

Collective Investment Schemes – Retail

The two authorized retail CISs commenced business 2023/2024. However, by 31 March 2024, these Funds had accumulated net assets attributable to holders of redeemable shares of US\$8.3 million/EC\$22.4 million, demonstrating strong investor interest and confidence in these new investment vehicles. This rapid growth highlights the potential for further expansion and the positive impact that CISs can have on the ECSM.

Assets under Management (AUM) - Broker Dealers

Total AUM of retail and institutional investors over the four years to 31 December 2023 reflected a declining trend for both retail and institutional investors over the four-year period ended 31 December 2023. The value of AUM by retail investors declined marginally by 2 per cent from \$101 million in 2020 to \$99 million in 2021, by 8 per cent to \$91 million in 2022 and by a further 7 per cent to \$85 million in 2023.

The value of AUM per institutional investors declined by 11 per cent from \$359 million in 2020 to \$318 million in 2021, by 7 per cent to \$297 million as at 31 December 2022 and by 12 per cent to \$261 million in 2023. As a consequence, total AUM in the securities market declined by 9 per cent from \$460 million in 2020 to \$417 million in 2021, by 7 per cent, to \$389 million in 2022 and by 11 per cent to \$346 million in 2023. The declining investment trend may be attributed to a shift in the strategic direction of some licensees.

Securities Issued/Underwritten

From 31 December 2020 to 31 December 2023, there was a decline in EC Dollar denominated securities issued and underwritten. In 2020, the total value of EC Dollar denominated securities issued and underwritten was \$1.8 billion, representing a 6 per cent decrease to \$1.7 billion in 2021. In 2022, securities issued and underwritten decreased by 6 per cent to \$1.6 billion and decreased in 2023, by 6 per cent to \$1.5 billion.

Conversely, the value of US Dollar denominated securities issued and underwritten showed significant fluctuations over the review period. There was a 12 per cent decrease in 2020 to US\$56 million in 2021, this figure increased to US\$171 million at the end of 2022 and decreased by 47 per cent to \$90 million in 2023.

As a result, total securities issued and underwritten in the ECSM exhibited a similar pattern; initially declining from EC\$1.9 billion in 2020 to EC\$1.8 billion in 2021 (5 per cent), then increasing substantially by 17 per cent to \$2.1 billion in 2022 and declining by 16 per cent in 2023.

Securities Traded

The overall trend in securities traded reflected significant variability over the period from 31 December 2020 to 31 December 2023, with notable increases and decreases in both EC Dollar and US Dollar denominated securities over the period. In 2020, securities traded amounted to \$2.5 billion. This amount declined by 24 per cent to \$1.9 billion in 2021 and then increased by 21 per cent in 2022 to \$2.3 billion and decreased in 2023 by 4 per cent to \$2.2 billion.

There was an increasing trend with respect to US Dollar denominated securities over the three years ended 31 December 2023. In 2020, a total of US\$65 million was traded and this increased by 9 per cent in 2021 to US\$71 million and by a further 145 per cent in 2022 to US\$174 million. However, in 2023, securities traded decreased by 65 per cent to \$61 million.

Total securities traded in 2020 amounted to EC\$2.7 billion. This amount decreased by 22 per cent to EC\$2.1 billion in 2021 and increased by 33 per cent to \$2.8 billion in 2022 and declined by 18 per cent in 2023 to \$2.3 billion.

Corporate Finance

The Corporate Finance Division is responsible for the development and implementation of financial reporting and disclosure standards for issuers of securities in the ECSM. In executing its functions, the Division inter alia oversees the registration of new issuers; reviews prospectuses for offers of securities on the ECSM and financial reports, and other company disclosures for circulation to the public in the ECSM. The division also assists with reviews of prospectuses for issues of securities on the RGSM in collaboration with the fiscal agent, the ECCB.

Overall, the objective of the Corporate Finance Division is to ensure the availability of timely, accurate, and relevant information about Issuers and security offerings for investment decision-making. Ultimately, the Division supports the Commission's mandate of protecting investors, promoting market integrity and capital formation.

Collaboration with Stakeholders

- At the beginning of the financial year, the Commission collaborated with the Eastern Caribbean Securities Exchange and licensed broker-dealers to engage with existing and potential Issuers and other market participants. Information was provided on inter alia, the reporting issuer registration process and the applicable legislative requirements.
- During the year, the division worked alongside the Eastern Caribbean Central Bank and ECCU national regulators and a consulting firm, tasked with exploring and researching the climate change readiness and financial risk exposures in the financial ecosystem. This was instrumental in assisting the Commission in obtaining the facts and knowledge necessary to develop applicable disclosure policies for the ECSM.
- The division contributed to work



being done on a new Digital Assets Supervisory Framework for the ECCU member countries.

Operationalization of the Eastern Caribbean Securities Information Network (ECSIN)

- With the fast-paced growth of technology, the division champions the Commission's efforts to be a proactive regulator, and has supported the operationalization of its online filing platform. The ECSIN platform is a remarkable achievement with one of its main benefit being the ease of accessibility to information and disclosures about issuers of securities in the ECSM. This means that companies' disclosures and financial information are available to the public at any time when they visit the platform at www.ecsin.com. Work continues to ensure that the platform provides the best user experience and exceeds the expectation of all users.

Workshops and Training

- The division participated in a number of training workshops, which focused on Climate Change and related financial risks and regulatory approaches to emerging market trends. The efforts in this regard continues and are useful to the Commission in developing responses to emerging regulatory and market trends.
- ECSIN Workshop - As Reporting Issuers transition to filing their disclosures electronically via the ECSIN platform, the division provided further support by facilitating a training workshop facilitated by the platform developers.

Collective Investment Schemes Prospectus Review

- Two prospectuses were reviewed and approved as part of the authorization process for two new CISs: UTC Global Balanced Fund Ltd and the BOSL Global Investment Fund. This highlights the Commission's efforts in supporting market development.

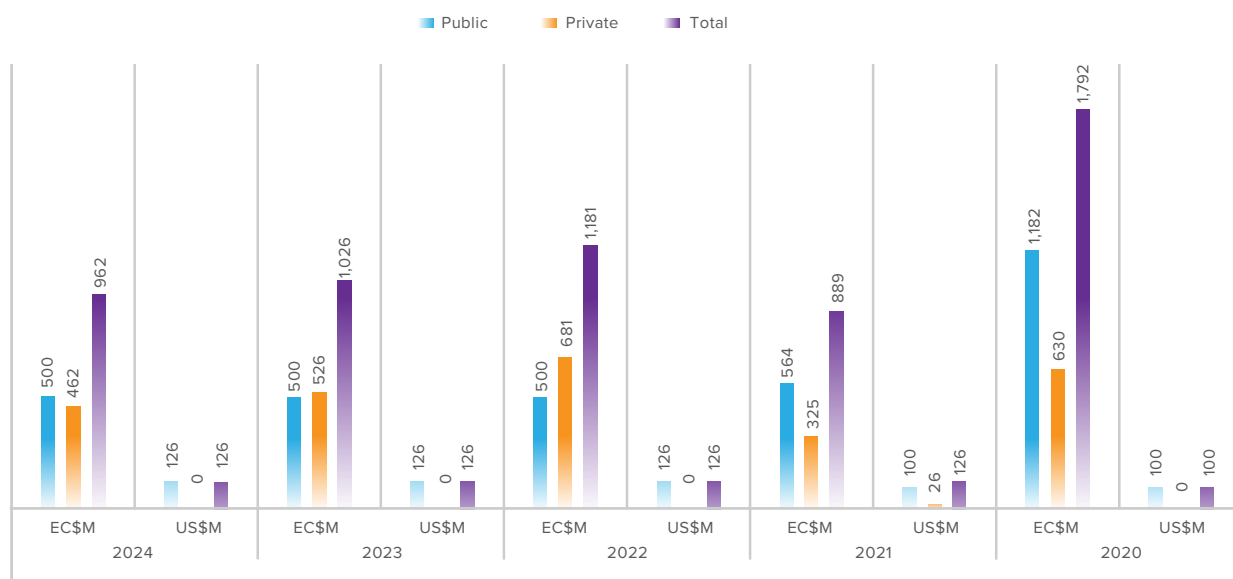
Securities Offerings on the ECSM

Every Issuer proposing to offer securities to the public on the ECSM must submit a prospectus to the Commission for prior approval. A prospectus approved by the Commission is valid for 12 months from the date of approval. During the financial year, the Commission approved/reviewed annual prospectuses for the following offers of securities in the ECSM:

- First Citizens Investment Services Ltd (FCIS): offer of Fixed Income Paper, up to a maximum of EC\$500 million and US\$100 million.
- NCB Capital Markets (Barbados) Ltd (NCB): offer of repurchase agreements totaling US\$25.6 million.
- Eastern Caribbean Home Mortgage Bank trading as ECHMB Capital: offer of Corporate Paper up to a maximum of EC\$462 million (with an oversubscription option of EC\$60 million on each tranche).

In financial year 2022/2023, FCIS, NCB and ECHMB were the only corporate Issuers on the market. There were no new equity issues during the reporting year.

TOTAL VALUE OF SECURITIES ISSUED ON THE ECSM OVER THE FINANCIAL YEARS ENDED 31 MAR 2020 TO 31 MAR 2024



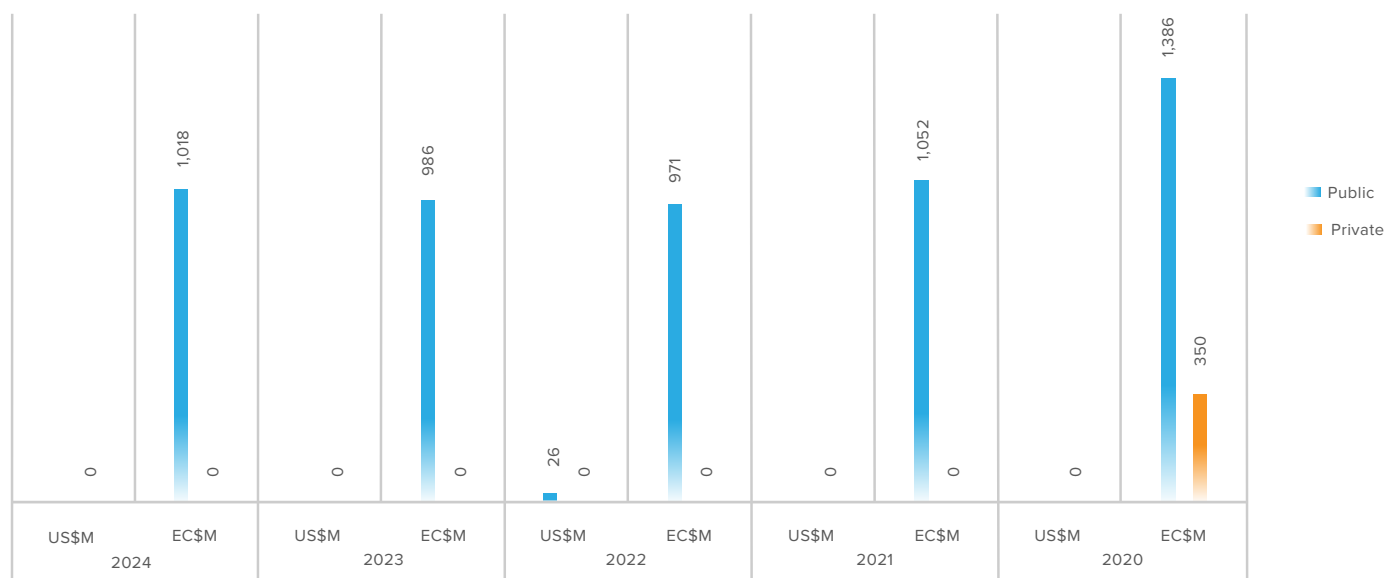
Overall, there were no new offers of securities on the ECSM during the reporting period except to refinance already issued securities. There was an observed downward trend in the value of total securities issued via private placements over the last three years, while the value of securities offered publicly remained flat. Notwithstanding, there is significant capacity in the market for capital generation for potential Issuers, which simultaneously offer additional investing opportunities. The ECSRC Regulatory Sandbox remains available for new and innovative investment products and services.

Government offers on the RGSM

Under an agreement with the Regional Debt Co-ordinating Committee, the ECSRC assists with the review of prospectuses for offers of securities on the RGSM.

Over the reporting period, the ECSRC reviewed prospectuses for offers of sovereign debt securities totaling EC\$1,018 million, an increase of 3% from the prior year's offering value of EC\$986 million. The main types of securities proposed for offer on the RGSM were primarily short-term (90 to 365 days) Treasury Bills and/or Treasury Notes (1 Year to 5 years). These offers were for five ECCU member governments; Antigua and Barbuda, Commonwealth of Dominica, Grenada, Saint Lucia and Saint Vincent and the Grenadines.

TOTAL VALUE OF PROSPECTUSES REVIEWED BY THE ECSRC FOR OFFERS OF SECURITIES ON THE RGSM DURING 2020 to 2023

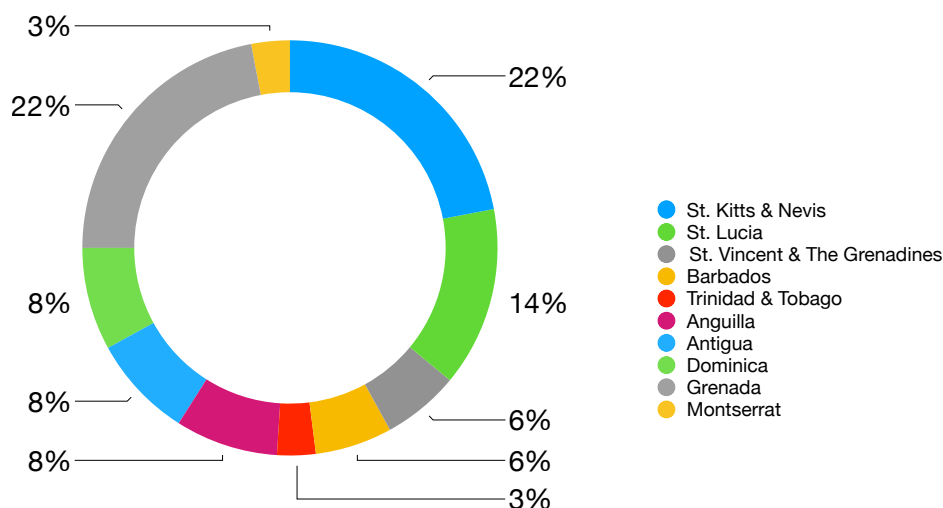


Registered Reporting Issuers

As at 31 March 2024, there were 36 reporting issuers registered with the Commission. Thirty-four of these companies were incorporated in the ECCU member countries with the remaining two incorporated in other CARICOM countries (Barbados and Trinidad and Tobago). The largest number of reporting issuers was domiciled in Saint Christopher (St Kitts) and Nevis and Grenada (8 each) and Saint Lucia (5).

Thirteen of these reporting issuers were listed on the ECSE with St Kitts and Nevis having the largest number (5) of listed companies. Twenty-three Reporting Issuers are unlisted, of these, 18 have issued stocks, 3 have issued debt and the remaining (2) are the ECSE and its subsidiary, the ECCSD.

REPORTING ISSUER BY LOCATION



The Commission will continue to explore various policy initiatives to encourage increased listings on the securities exchange.

Reporting Issuers - Industry Segments

As at 31 March 2024, thirty-six (36) registered Reporting Issuers operated in six (6) major industries. Nineteen operated in the Banking/financial and Professional Services sector, with the telecommunication/Internet services sector, and the oil and gas sector, both having one (1) each. There are seven (7) issuers in the Beverage and Bottling/Manufacturing Sector, four (4) each in the Retail/Commerce, and the Electricity/Energy Sector.

Continuing Disclosure Requirements

One of the key functions of securities markets is to reduce information costs associated with the assessment of the merits of an investment. The current Securities laws stipulate that every issuer of securities that are the subject of a public offer or which are publicly traded, must keep the Commission, members of the issuer, other holders of its securities and the general public informed of any information relating to the issuer and its subsidiaries in a timely manner, that-

- i. is necessary to enable them and the public to appraise the financial position of the issuer and of its subsidiaries;
- ii. is necessary to avoid the establishment of a false market in its securities; or
- iii. might reasonably be expected materially to affect the price of its securities.

The foregoing also includes the submission of periodic information on material changes that occur in the operations of the issuer. These must be submitted to the Commission as soon as practicable or no later than seven days after the change occurs. These rules also apply to securities issued via private placement. These disclosures by issuers are now available for public viewing on www.ecsin.com.

Compliance by Sector and Country

Reporting issuers have varying financial year-ends; however, the Securities laws mandate continuing reporting issuer disclosures within certain statutory timeframes.

The country with the best record for compliance is Grenada, followed by Saint Lucia. There is room for improvement as it relates to the timeliness of filing by reporting issuers in the remaining member countries. Reporting issuers in the Electricity Services sector are the most compliant and are commended for the thorough and detailed quality of disclosures made, which we recommend as a benchmark.

Overall Compliance

Despite a few serially delinquent companies, the overall level of compliance by reporting issuers during the financial year was generally satisfactory. The quality and level of details of the disclosures in the reports were also satisfactory. It must be noted though, for some Issuers, there is significant room for improvement as it relates to timeliness and disclosure quality of both annual and periodic filings with the Commission.

The Commission acknowledged the inevitable challenges faced by some issuers, that may significantly hinder the otherwise timely compliance, and thus approved requests for extensions of statutory deadlines to submit annual and/or quarterly, and other periodic filings. However, these extensions of time were approved on a case-by-case basis.

Notwithstanding, the Commission is concerned that in a small number of cases the filing of annual returns and audited financial statements are more than five months overdue with no definitive date for compliance. This situation is untenable particularly where these companies are serially delinquent and are listed on the ECSE. Non-compliance by these companies has the potential to negatively impact the fairness, efficiency and transparency in the operations of the market. The Commission anticipates that with the enactment of the new Securities laws, its enforcement powers would be greatly enhanced to better address this critical issue. The new laws would allow the Commission to take various actions, including the imposition of administrative fines and other penalties for non-compliance with the Securities laws.

Outlook

Looking ahead the Corporate Finance Division aims to contribute to the Commission's work in its efforts to support innovation, AI and data analytics, and other initiatives to promote increased participation in capital markets, as well as the promotion of the highest standards for the operations of a fair efficient and transparent securities market.

EASTERN CARIBBEAN SECURITIES REGULATORY COMMISSION

FINANCIAL STATEMENTS

March 31, 2024

(expressed in Eastern Caribbean dollars)



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INDEPENDENT AUDITOR'S REPORT

To the Participating Governments of Eastern Caribbean Securities Regulatory Commission

Opinion

We have audited the financial statements of **Eastern Caribbean Securities Regulatory Commission** (the "Commission") which comprise the statement of financial position as at March 31, 2024, and the statement of comprehensive income, statement of changes in reserve funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Commission as at March 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with the IFRS for SMEs Accounting Standard as issued by the International Accounting Standards Board (IFRS for SMEs Accounting Standard).

Other information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in the Eastern Caribbean, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the IFRS for SMEs Accounting Standard, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Commission or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Commission's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Commission to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



Auditor's Responsibilities for the Audit of the Financial Statements ...continued

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A stylized, handwritten-style signature of "Grant Thornton" in black ink.

Chartered Accountants

October 11, 2024

Basseterre, St. Kitts

Statement of Financial Position


As at March 31, 2024

(expressed in Eastern Caribbean dollars)

	Notes	2024 \$	2023 \$
Assets			
Current assets			
Cash	5	79,844	37,611
Receivables and other assets	6	55,084	66,597
Due from Eastern Caribbean Central Bank	14	230,646	—
Total current assets		365,574	104,208
Non-current assets			
Intangible assets	7	283	5,338
Total assets		365,857	109,546
Liabilities			
Current liabilities			
Accruals and other payables	8	94,033	39,500
Deferred income	9	100,300	86,475
Due to Eastern Caribbean Central Bank	14	—	36,024
Total liabilities		194,333	161,999
Accumulated fund			
Retained earnings/(accumulated deficit)		171,524	(52,453)
Total liabilities and accumulated fund		365,857	109,546

The accompanying notes are an integral part of these financial statements.

Approved for issue by the Commissioners on October 11, 2024.


Chairman


Deputy Chairman

Statement of Comprehensive Income

For the year ended March 31, 2024



(expressed in Eastern Caribbean dollars)

	Notes	2024 \$	2023 \$
Income			
Fee income	10	511,355	307,517
Other income	11	923,448	1,125,276
		<u>1,434,803</u>	<u>1,432,793</u>
Expenses			
Operating expenses	12	(1,194,639)	(1,376,142)
Administrative expenses	13	(16,187)	(17,768)
		<u>(1,210,826)</u>	<u>(1,393,910)</u>
Total comprehensive income for the year		<u>223,977</u>	<u>38,883</u>

The accompanying notes are an integral part of these financial statements.

Statement of Changes in Accumulated Fund

For the year ended March 31, 2024

(expressed in Eastern Caribbean dollars)

	\$
Balance at March 31, 2022	(91,336)
Comprehensive income for the year	<u>38,883</u>
Balance at March 31, 2023	(52,453)
Comprehensive income for the year	<u>223,977</u>
Balance at March 31, 2024	<u>171,524</u>

The accompanying notes are an integral part of these financial statements.

Statement of Cash Flows

For the year ended March 31, 2024



(expressed in Eastern Caribbean dollars)

	Notes	2024 \$	2023 \$
Cash flows from operating activities			
Comprehensive income for the year		223,977	38,883
Items not involving the movement of cash:			
Amortisation	7	5,055	5,475
Depreciation		–	1,088
Cash flows from operations before changes in operating assets and liabilities		229,032	45,446
Changes in operating assets and liabilities			
Change in receivables and prepayments		11,513	13,084
Change in accruals and other payables		54,533	31,481
Change in deferred income		13,825	(15,825)
Net cash from operating activities		308,903	74,186
Cash flows used in financing activity			
Change in due to/from Eastern Caribbean Central Bank		(266,670)	(44,083)
Net movement in cash on hand and cash at bank		42,233	30,103
Cash on hand and cash at bank at beginning of the year		37,611	7,508
Cash on hand and cash at bank at end of the year		79,844	37,611

The accompanying notes are an integral part of these financial statements.



(expressed in Eastern Caribbean dollars)

1 Nature of operations

The Eastern Caribbean Securities Regulatory Commission (“the Commission”) commenced activities on October 19, 2001.

The principal activities of the Commission are as follows:

- a) to licence any person engaged in securities business and to monitor and supervise the conduct of such business by a licensee;
- b) to promote investor protection through promotion of the highest standards of professional and other activities within the securities market;
- c) to maintain effective compliance and enforcement programmes supported by adequate statutory powers; and
- d) to promote the growth and development of the capital markets.

The Commission was established by an agreement made on November 24, 2000 among the Governments of Anguilla, Antigua and Barbuda, The Commonwealth of Dominica, Grenada, Montserrat, Saint Christopher and Nevis, Saint Lucia and Saint Vincent and the Grenadines (“the Participating Governments”). Pursuant to the Securities Act, the Commission is a legal body vested with all the powers and characteristics of a body corporate having perpetual succession and common seal.

2 Basis of preparation

The financial statements of the Commission have been prepared in accordance with the IFRS for SMEs Accounting Standard. The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with the IFRS for SMEs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Commission’s accounting policies. Areas involving a higher degree of judgment or complexity, or areas where assumptions and estimations are significant to the financial statements are disclosed in note 4.

3 Summary of significant accounting policies

The financial statements have been prepared using the significant accounting policies and measurement bases summarized below.

a) Cash

Cash include cash on hand and demand deposits held with financial institutions.



(expressed in Eastern Caribbean dollars)

3 Summary of significant accounting policies ...continued

b) Intangible assets

Intangible assets include purchased computer software and development costs incurred on consulting, training, start-up and general development of the Commission. Intangible assets are stated at cost less accumulated amortization and any accumulated impairment losses. Intangible assets are amortised over the estimated useful life of three (3) years using the straight-line method. If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new expectations. Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

Intangible assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amounts exceed its expected economic benefit.

c) Accruals and other payables

Accruals and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers on normal credit terms and do not bear interest. Accruals and other payables are classified as current liabilities if payment is due within one year or less or in the normal operating cycle of the business if longer. If not, they are presented as non-current liabilities.

Accruals and other payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

d) Accumulated fund

Accumulated fund represents the cumulative of current and prior year results of operations as reported in the statement of comprehensive income.

e) Revenue recognition

Revenue arises from rendering of services. It is measured at the fair value of consideration received or receivable. The Commission applies the revenue recognition criteria set out below to each separately identifiable component of income.

Fee income

Fee income comprise of amounts collected from companies licensed by the Commission, review of prospectuses, conduct of workshops and examinations and other services. Revenue is recognised when the fee income is due.

Other income

Revenue earned from non-routine services and miscellaneous transactions are categorised as other income and recognised on the accrual basis.

Notes to Financial Statements

March 31, 2024



(expressed in Eastern Caribbean dollars)

3 Summary of significant accounting policies...continued

f) Expenses

Expenses are recognised in the statement of comprehensive income upon utilisation of the service or as incurred.

g) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the Commission are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Commission's functional and presentation currency is Eastern Caribbean dollars.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency of the Commission, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign currency gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in the statement of comprehensive income.

4 Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Judgements, estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

At year end, there were no estimates and assumptions that had a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

5 Cash

	2024	2023
	\$	\$
Cash at bank	79,844	31,611
Cash on hand	—	6,000
	<u>79,844</u>	<u>37,611</u>

Cash at bank is held in an interest-free account at Eastern Caribbean Central Bank.

Notes to Financial Statements

March 31, 2024

(expressed in Eastern Caribbean dollars)

6 Receivables and other assets

	2024 \$	2023 \$
Accounts receivable	41,992	49,992
Less allowance for impairment	(41,963)	(41,963)
Total accounts receivable	29	8,029
Prepayments	55,055	58,568
Total receivables and other assets	55,084	66,597

Prepayments mainly comprise the International Organisation of Securities Commission (“IOSCO”) membership fees paid in advance.

7 Intangible assets

	Notes	Development costs \$	Computer software \$	Total \$
At April 1, 2022				
Cost		238,960	103,678	342,638
Accumulated amortisation		(238,960)	(92,865)	(331,825)
Closing net book amount		–	10,813	10,813
At March 31, 2023				
Opening net book amount		–	10,813	10,813
Amortisation charge	13	–	(5,475)	(5,475)
Closing net book amount		–	5,338	5,338
Year ended March 31, 2023				
Cost		238,960	103,678	342,638
Accumulated amortisation		(238,960)	(98,340)	(337,300)
Closing book amount		–	5,338	5,338
At March 31, 2024				
Opening net book amount		–	5,338	5,338
Amortisation charge	13	–	(5,055)	(5,055)
Closing net book amount		–	283	283
Year ended March 31, 2024				
Cost		238,960	103,678	342,638
Accumulated amortisation		(238,960)	(103,395)	(342,355)
Closing book amount		–	283	283

Notes to Financial Statements

March 31, 2024

(expressed in Eastern Caribbean dollars)

8 Accruals and other payables

	2024	2023
	\$	\$
Crowdfunding development fund	79,844	31,611
Accrued professional fees	7,700	7,700
Other payables	6,489	189
	94,033	39,500

The Crowdfunding development fund comprise the funds held at the Eastern Caribbean Central Bank in connection with the Caribbean Development Bank project to enhance the regulatory framework for non-traditional sources of finance for Eastern Caribbean Currency Union Countries.

9 Deferred income

Deferred income consists of licence fees for the succeeding financial year ending March 31, 2025 received by the Commission in advance during the current financial year.

10 Fee income

	2024	2023
	\$	\$
Prospectuses	325,555	137,917
Workshops and examinations	49,900	51,700
Broker licence fee	24,500	23,000
Representative licence fee	18,000	17,000
Custodian licence fee	16,000	13,000
Principal licence fee	14,000	9,500
Collective investment scheme	14,000	6,000
Collective investment scheme management	10,000	6,000
Investment adviser licence fee	10,000	5,500
Application fee	8,450	6,600
Self-regulatory organisation fee	8,000	8,000
Registry fee	4,000	8,000
Depository licence fee	4,000	4,000
Securities exchange licence fee	4,000	4,000
Advertising filing fee	950	50
Review fee	—	5,250
Proposed rule change fee	—	2,000
	511,355	307,517

Notes to Financial Statements

March 31, 2024

(expressed in Eastern Caribbean dollars)

11 Other income

Pursuant to Article 25 paragraph (d) of the Agreement establishing the Eastern Caribbean Securities Regulatory Commission, the Commission's salaries, pension and other staff benefit costs are met by a subvention that is paid by the ECCB on behalf of the Participating Governments in the amount of \$923,448 (2023: \$1,125,276) as disclosed in notes 12 and 14.

12 Operating expenses

	Notes	2024 \$	2023 \$
Salaries, pensions and other staff benefits	11	923,448	1,125,276
Commissioners' fees	14	103,000	116,500
IOSCO membership fee		76,684	68,324
Meetings, conferences and workshops		24,750	23,670
Repairs and maintenance		20,300	20,622
Miscellaneous		20,000	7,000
Services		15,100	85
Commissioners' meetings/seminars		7,500	13,000
Investor education		3,603	—
Training cost		219	1,630
Fees and Bank charges		35	35
		<u>1,194,639</u>	<u>1,376,142</u>

13 Administrative expenses

	Notes	2024 \$	2023 \$
Professional fees		11,132	11,205
Amortisation of intangible assets	7	5,055	5,475
Depreciation of computer and office equipment		—	1,088
		<u>16,187</u>	<u>17,768</u>

Notes to Financial Statements

March 31, 2024

(expressed in Eastern Caribbean dollars)

14 Related party balances and transactions

Related party relationship exists when one party has the ability to control directly or indirectly, through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between or among entities under common control, with the reporting enterprise and its key management personnel and commissioners.

Related party balances

The amounts due from and to the Eastern Caribbean Central Bank (ECCB) represent the cumulative amounts owed to or by the ECCB at the statement of financial position date in respect of operating and administrative expenses and costs paid as well as fees and other income collected by the ECCB on behalf of the Commission. This amount is interest-free, unsecured and has no fixed terms of repayment terms.

Related party transactions

The following transactions were carried out with related parties:

	Notes	2024 \$	2023 \$
Other income			
Subvention from the ECCB	11	923,448	1,125,276
Expenses paid			
Commissioners' fees	12	103,000	116,500

Administrative and operational services

The Commission entered into an agreement with the ECCB which took effect from October 19, 2001. This agreement was renewed on October 19, 2021 and subject to prior termination as provided by the letter of agreement shall continue for a period of five (5) years and is renewable upon the agreement of both parties for such period as they may determine. Under the terms of the letter of agreement, the ECCB has assumed the following responsibilities pursuant to Article 6 of the ECSRC Agreement 2000:

- provide the Commission with research and administrative facilities to perform its duties and functions;
- provide administrative services and Information Technology systems and services to facilitate the work of the Commission;
- make its facilities available to the Commission for hosting of the Commission's meetings; such services to include assistance with making travel arrangements, reserving venues for meetings and any other services necessary for the efficient conduct of such meetings;
- from time to time, provide legal and other advisory services to the Commission;
- maintain an account to fund the financial operations of the Commission, and provide to the Commission financial assistance in accordance with the budget approved by the Monetary Council for this purpose;
- prepare the accounts of the Commission as soon as practicable, or within three (3) months after the end of the financial year, in accordance with Article 28 (2) of the ECSRC Agreement;
- ensure that the Secretariat of the Commission is provided with the approved complement of suitably qualified staff to carry out the work of the Commission;
- consult with the Chairman of the Commission on matters related to the ECSRC Secretariat staff assignments and/or reassignments;



(expressed in Eastern Caribbean dollars)

14 Related party balances and transactions ...continued

Administrative and operational services ...continued

- i) in carrying out the services specified in the agreement, take into consideration the provisions of the Article 4 and 6 of the ECSRC Agreement; and
- j) perform such other functions as may be agreed between the ECCB and the Commission from time to time.

The transactions for the year and the related outstanding balance with the ECCB are shown above.

Office space

The Commission occupied its office space with ECCB at no cost to the Commission.

15 Taxation

In accordance with the Eastern Caribbean Securities Regulatory Commission (ECSRC) Agreement, 2000 Article 35 (9), the Commission is exempted from all taxation.



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