



**Financial Supervisory Commission
of the Cook Islands**

STATEMENT OF CORPORATE INTENT

2024 - 2025

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PROFILE

ENTITY	THE COOK ISLANDS FINANCIAL SUPERVISORY COMMISSION ("The Commission")
ADDRESS	BERMUDA HOUSE, PAREKURA ROAD, RAROTONGA , COOK ISLANDS +682 20798 www.fsc.gov.ck
THE MINISTER	Responsible: Minister of the Financial Supervisory Commission, Honourable Vaine Makiroa Mokoroa. Statutory body established under the Financial Supervisory Commission Act 2003 ("the Act").
THE BOARD	CHAIRPERSON Geoff Stoddart MEMBER Nooroa (Bim) Tou MEMBER Christina Newport MEMBER Dianne Gay Whitta MEMBER Martha Henry
EXECUTIVE MANAGEMENT	FINANCIAL SUPERVISORY COMMISSIONER: Cheryl McCarthy HEAD OF THE FINANCIAL INTELLIGENCE UNIT: Walter Henry



INTRODUCTION

The Financial Supervisory Commission exists to enable the financial wellbeing for all Cook Islanders, working to maintain the integrity and stability of the Cook Islands financial sector.

The economic conditions for the Cook Islands continue to be on a positive trend for 2023/2024, despite ongoing issues with airline capacity, high inflation and supply of goods, slight improvements in these issues were seen throughout 2023/2024.

Going forward the main supervisory focus for the Commission will be the imbedding of the risk-based supervision framework along with work relating to the alignment of the banking and insurance supervision framework with revised and new international standards. This will include an increasing focus on digitisation of financial services, cybercrime and data security risks, banking and payment system initiatives by government, the volume and complexity of financial crime and to better understand the risks emanating from climate change in the Cook Islands context.

The Commission continued to see a decline in registration numbers in 2023/2024, although this has lessened in comparison to previous years. The decline is attributed to various factors including more conservative risk appetites from industry, lack of investment by industry during the COVID-19 period in relation to marketing and promotion and the ongoing fallout from the tax reforms taking place over the last few years.

To address this, is the completion of the upgrade of the international registry, a major project that was undertaken in 2023/2024. This project is being supported by the Asian Development Bank via funding and technical assistance. 2024/2025 will see the shift from the current system onto the new registry platform. The implementation of the new system will give the Commission greater flexibility in terms of adding additional functionality to the system, including incorporating more compliance functions within it.

OUR VISION

To be a financial regulator that is committed to excellence and integrity, and that is supportive of growth and development of the Cook Islands financial services centre.



OUR MISSION STATEMENT

To oversee an effective and efficient prudential and investigative supervision regime applying risk-based, and intelligence-led, policies in line with internationally accepted best practice.

Additionally, we continue to invest in our people, processes and systems to meet these challenges and to ensure we are in line with international standards and best practice when it comes to financial regulation.

We will focus this year on a number of fronts to modernise our way of working, including legislative and regulatory changes, completion of information technology system upgrades

We intend to undertake a more active role in encouraging opportunities for Cook Islanders to participate in the financial sector at all levels (consumer, employee and entrepreneur) and to create greater awareness for all on the dynamic risks and special rules that apply to the financial sector.

For the FIU, the completion of the TAIPAN database will allow for the greater use of financial reporting being made by the Cook Islands financial institutions, to develop a range of intelligent products for law enforcement. Continued emphasis on building capacity within the FIU in terms of financial investigations and intel, is a key priority for 2024/2025. This year will also see the beginning of preparations for the next round of Mutual Evaluation for the Cook Islands, scheduled for 2030.

We encourage you to read this Statement of Corporate Intent to understand our goals and commitments to being transparent, and inclusive in our role as your financial regulator.





OUR GUIDANCE

This Statement of Corporate Intent is issued by the Financial Supervisory Commission (“Commission”) for the purposes of section 27 of the Financial Supervisory Commission Act 2003. It covers the year 1 July 2024 to 30 June 2025 and as required by section 27, insofar as is practicable, on the next financial year to 30 June 2025 and beyond.

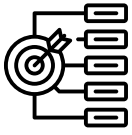
The Commission was established, by the Financial Supervisory Commission Act 2003, on 3 June 2003 by determination of the Queen’s Representative through Order in Executive Council. The Financial Intelligence Unit (“FIU”) forms an independent division of the Commission.

The Commission is the licensing and regulatory authority for the financial industry and administers the following enactments:

- Banking Act 2011
- Captive Insurance Act 2013
- Currency Declaration Act 2015/16
- Digital Registers Act 2011
- Financial Intelligence Unit Act 2015
- Financial Supervisory Commission Act 2003
- Financial Transactions Reporting Act 2017
- Foundations Act 2012
- Insurance Act 2008
- International Companies Act 1981/82
- International Partnerships Act 1984
- International Relationship Property Trusts 2021
- International Trusts Act 1984
- Limited Liability Companies Act 2008
- Money Changing and Remittance Businesses Act 2009
- Trustee Companies Act 2014

Government’s policy in relation to the Commission is to promote and support the Commission in its objectives and functions as an independent institution, free from Government direction in regards to performance of its statutory functions and duties.





OUR STRATEGIC OBJECTIVES

As reported in prior years, the Commission approved its four year strategic roadmap in 2021. Summarised below, the objectives explain how the Commission is prioritising its focus and resources as well as building capacity in line with its vision and mission.

- 1** Modernising our institutional regulatory framework
- 2** Embedding an effective risk focussed supervision approach
- 3** Facilitating development of financial products and services
- 4** Promoting public awareness and education of financial products and services
- 5** Strengthening our organizational resilience



1 Modernising our institutional regulatory framework

- To review our regulatory framework and make recommendations to the Minister of Finance for legislative, administrative or other changes to ensure the effectiveness of our supervision of licensed financial institutions^[1];
- To promote financial stability and sound business practices in the financial sector;
- To ensure legislative and regulatory review and reform is conducted on a proactive basis to better recognise evolving opportunities and risks developing in the global financial system

2 Embedding an effective risk focussed supervision approach

- To advance and administer a supervisory framework which complies with internationally accepted standards and promotes the adoption of policies and procedures designed to control, manage and mitigate risk;
- To supervise licensed financial institutions on a risk basis to ensure that they are in sound financial condition and are complying with their governing legislative and supervisory requirements;
- To promote good working relationships with licensed financial institutions and to provide feedback and lessons learned to improve compliance
- To assist FIU in detecting, disrupting and preventing financial misconduct through our supervisory activities

3 Facilitating development of financial products and services

- To engage with the financial industry to discuss development of financial products and services and to provide timely feedback and input
- To facilitate responsible financial industry development by reviewing regulatory rules and participating in initiatives where appropriate;
- To proactively support licensed financial institutions and prospective businesses in understanding our regulatory framework.

4 Promoting public awareness and education of financial products and services

- To engage with the Cook Islanders to raise awareness on issues relating to the financial industry;
- To improve access to information on everyday financial products and services for Cook Islanders from the Commission and from licensed financial institutions;
- To receive and consider complaints against licensed financial institutions;

5 Strengthening our organizational resilience

- To operate the Registries of International Companies, International Trusts, International Partnerships, Limited Liability Companies and Foundations to a professional standard;
- To remain a trusted advisor to Government and maintain good working relationship with government stakeholders;
- To manage our internal operational risk as an industry leader and to ensure our finances are managed in a prudent and sustainable manner;
- To develop and support the ongoing professional development of our staff to reflect the changes within our regulatory framework and to further build up leadership capabilities.

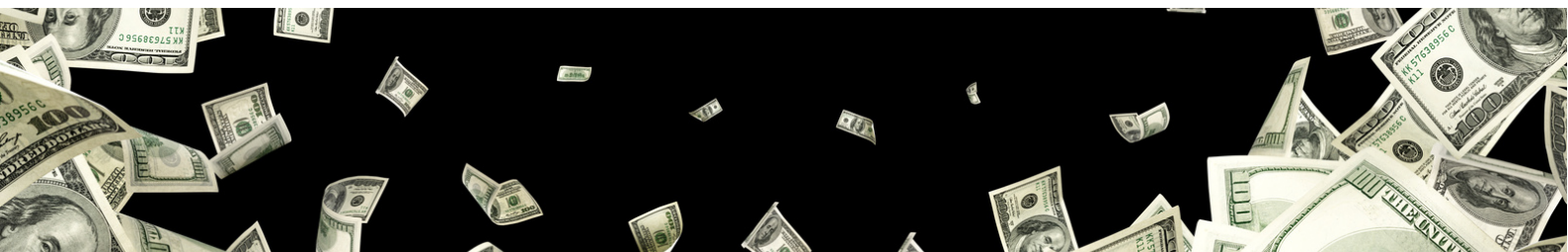
[1] Licensed financial institutions” include banks licensed pursuant to the Banking Act 2011, trustee companies licensed pursuant to the Trustee Companies Act 2014, insurers and insurance intermediaries licensed pursuant to the Insurance Act 2008, captive insurance entities licensed pursuant to the Captive Insurance Act 2013 and money changing and remittance businesses licensed pursuant to the Money Changing and Remittance Businesses Act 2009.



As an independent division of the Commission, the Financial Intelligence Unit will continue to actively administer the Financial Transactions Reporting Act 2017 (FTRA 2017) to combat financial misconduct and the commission of serious offences. Key objectives for the FIU include:

- To facilitate the prevention, detection, disruption, investigation and prosecution of money laundering, the financing of terrorism, proliferation of weapons of mass destruction, currency declaration and serious offences in the Cook Islands;
- To provide an environment in which the financial sector and law enforcement agencies can exchange and analyse information and intelligence to detect, prevent and disrupt financial misconduct and serious offences threats against the Cook Islands;
- To facilitate the collection, analysis and dissemination of financial intelligence relating to suspicious financial activity to the appropriate domestic and international authorities in a timely manner;
- To continue the ongoing assessment of threat and risks to the Cook Islands AML/CFT;
- To continue work with Crown partners to detect and identify cyber risks as well as prevent and disrupt identified cyber threats, and
- To work with Crown partners to support an effective law enforcement strategic and operational response against those seeking to engage in financial misconduct and serious offences.

These objectives apply for the year commencing 1 July 2021 and for the foreseeable years to follow.





NATURE & SCOPE OF ACTIVITIES

For the year commencing 1 July, 2024

The Commission will undertake all such activities in this section in a professional, and timely, manner.

a. Supervision and Regulation

Primary focus for supervision will be the imbedding of our risk based supervision for our licensees, in particular our licensed banks. This will include incorporating new prudential standards that align with Basel III principles for banking supervision, including risk based capital frameworks, cybersecurity and data security, and customer service.

The Commission will continue to place emphasis on comprehensive offsite supervision through the review of submitted data, annual audited financial statements and other accessible information. The expansion of the online prudential filing system as an offsite tool for all licensee types will be a priority. This tool will give the Commission the ability to undertake more analysis on risk indicators and trends, both at an institutional and industry level and to allow for that information to be provided to a broader audience. It will also provide for a more secure and formalised system for the receipt and submission of information from licensees.

Onsite inspections will still remain one of the primary supervisory tools for the Commission. As part of refining its risk based supervision framework, the Commission will utilise both annual or bi-annual targeted onsite inspections for the majority of licensees in the Cook Islands during the year to 30 June 2025 and beyond.

The Commission will continue to undertake thematic supervisory reviews to identify and assess risks and to evaluate licensed financial institutions controls and systems both in the prudential and AML/CFT supervisory work.

The Commission will also continue to actively participate in and provide input to the government's banking and payment projects to ensure any potential prudential matters are appropriately addressed.

Engagement with low risk financial institutions, and external licensees will continue primarily through submission of annual returns and questionnaires as well as prudential meetings.

The Supervision team of the Commission will continue to collaborate with the FIU in regards to the compliance reviews of higher risk financial institutions.

The Commission will continue to build upon relationships with home, and fellow host regulators and counterparts to better leverage off other external supervision measures in place for these licensees and to keep abreast of developments with financial supervision at a regional and international level will remain important.



b. Financial Intelligence Unit (FIU)



The Commission's staff will carry out the functions and responsibilities of the FIU upon delegation by the Head of the FIU. This includes:

To continue to perform and enhance its strategic and operational intelligence gathering function, and dissemination of that analysis to counterpart agencies, where appropriate, for the investigation of financial misconduct, terrorist financing and the proliferation of weapons of mass destruction.

To conduct risk based compliance monitoring and examination for all Reporting Institutions in the Cook Islands as required by the Financial Transactions Reporting Act 2017 with a focus on improving the effectiveness of the Cook Islands AML / CFT regime.

To continue the FIU's ongoing work with other Law Enforcement Agencies to improve intelligence gathering capabilities with the aim of improving overall effectiveness in the detection of serious and organised crime.

To investigate and prosecute offences committed under the Financial Intelligence Unit Act 2015, Currency Declaration Act 2015/16 and the Financial Transactions Reporting legislation.

To conduct and assist with parallel financial investigation and the pursuit and recovery of the proceeds of crime in acquisitive criminal cases.

To foster a stronger partnership with the private sector in order to increase the effectiveness of our collective response to financial misconduct and supervision.

To continue to improve the effectiveness of the FIU IT System to enhance the Units intelligence products and services.

The FIU will work proactively with other government stakeholders to address cybercrime threats and assist in the development of a cybercrime prevention programme.

To continue to improve the collection and collation of statistics and information to enable the conduct of effective strategic analysis to inform risk assessments.

The FIU will continue to coordinate with key national stakeholders in maintaining the national money laundering, terrorism and proliferation financing risk assessment for the Cook Islands.

To continue to actively participate in other National Committees including the AML/CFT Coordinating Committee, Combined Law Agency Group, Anti-Corruption Committee and the Cook Islands National Intelligence Taskforce.

To continue to implement as appropriate the recommendations of the 2018 Mutual Evaluation Report and to begin the preparations for the next round of the Mutual Evaluation (2030).

c. Registry of International Entities



A priority for the Commission this year is the shift from the current online registry to the new platform that has been developed with the assistance of the Asian Development Bank. Once both the registry staff and users are comfortable and familiar with the new system, we will begin to look at additional functionalities to the system. The Commission will undertake a fee review to ensure that fees and penalties are being appropriately charged and stabilise its revenue sources as registration numbers continue to trend downwards.

The Registrar will continue to administer effective systems of control to ensure every effort is made to identify any bona vacantia assets remaining in deregistered international companies which have vested with the Registrar. These assets will then be realised, as per the manner prescribed in the International Companies Act 1981/82, ensuring maximum return of funds to the Crown. This includes receiving and processing claims made to the Registrar relating to the Man Funds companies on behalf of the Crown.

d. International and Domestic Liaison

International Liaison



The Commission and the FIU will continue to actively participate and engage with regional and international forums meetings and pertinent workshops.

The valuable working relationships with other regulators throughout the Pacific continues to be a priority. The Commission will participate in the Association of Financial Supervisors of Pacific Countries (AFSPC). The AFSPC regional forum is overseen by PFTAC and comprises financial regulators from twelve jurisdictions across the Pacific.

The Commission will continue to liaise with the Australian Prudential Regulation Authority (APRA) and the Bank of Papua New Guinea (BPNG), as home regulators, of the Cook Islands branches of ANZ Banking Group Ltd (ANZ) and BSP Financial Group Ltd (BSP), respectively. The Commission will endeavour to partake in all ANZ and BSP Supervisory College conference calls and meetings which may be convened during 2024/25.

As in previous years, the Commission will continue to be an active member of the Group of International Finance Centre Supervisors (GIFCS) and the Group of International Insurance Supervisors Centre (GIICS) The Commission will utilise the Multilateral Memorandum of Understanding between members to maximise sharing with, and obtaining of, information from other member regulatory bodies.

The Commission will continue to leverage the networks and experience as a member of the Corporate Registers Forum in 2024/25.

Domestic Liaison



The Commission will continue to promote and maintain good working relationships with key crown departments, particularly the Ministry of Finance and Economic Management as part of the ongoing economic recovery and development for the Cook Islands. This includes actively participating in, and providing input for any economic reforms for the financial sector such as the national e-commerce project and the review of the domestic retail interbank payments, clearing and settlement project.





The Commission will continue to work with the Financial Services Development Authority (FSDA) and the industry, via the Trustee Companies Association and the Revenue Management Division (RMD), in respect to marketing and promotion issues for the international financial industry, including any ongoing work for international tax reforms. In addition, the Commission will liaise with the Financial Services Development Authority to continue to assist, where possible, with the development of the Cook Islands international financial centre. The Commission's Strategic Roadmap recognises the need to align, where possible, the long-term objectives of the Commission with the development of the financial industry.

The Commission will continue to consider any proposals for legislative change that may be put forward in promoting the financial industry in the Cook Islands, against the desire to ensure that there is no compromise of the continuing advancement in the standard of financial regulation.

The Commission continues to maintain an open-door policy to meeting with all licensees, and prospective licensees, throughout the year.



Technical Assistance and Capacity Building

Technical assistance will be sought from the Pacific Financial Technical Assistance Centre (PFTAC), the International Monetary Fund, and the Financial Stability Institute in revising our prudential framework to ensure we align appropriately with international standards for banking supervision.

This will be supplemented with specific technical assistance from fellow Regulators, via our GIFCS and GIICS network, to upskill in various emerging risks including cybercrime, climate change, data security and virtual assets in insurance, trustee and money remittance industries.

The Commission will participate from time to time in conferences and workshops deemed relevant to the objectives of the Commission and beneficial for the professional development of staff.



Financial Intelligence Unit

The FIU will continue to contribute and support the Egmont Group of FIUs and participate in key annual meetings. This participation will support the ongoing enhancement of the FIU ensuring that these developments are informed by international standards and best practice with regards to financial intelligence. As a member and participant of both the Egmont Asia-Pacific regional group and the Technical Assistance and Training Working Group, the FIU will continue to build and develop international relations and cooperation; to improve the effectiveness of the FIU.

In addition, the FIU will be represented at the Asia Pacific Group (APG) Annual Plenary Meeting and, where relevant, the APG Typologies Workshop.

The FIU will continue to contribute and support the Asset Recovery Inter-Agency Network – Asia Pacific (ARIN-AP) along with active participation in the Pacific Financial Intelligence Community and Financial Intelligence Consultative Group.

The FIU will proactively seek technical support and funding through the relevant and appropriate international organisations.

The FIU will continue to actively participant and lead in domestic and regional law enforcement forums to address specific financial crime issues and to support initiatives on organised crime, cybercrime and other offences.

e. Legislation



A key strategic priority under the Commission's four year Strategic Roadmap is the modernising of its regulatory framework. In 2024/25 the Commission will continue to prioritise the progression of its legislative programme. This will include work on the following:

- Fee Review for both licensees and the Registry
- Changes for Money Changers and Remittance Businesses legislation
- Commencement of the AML/CFT Supervision Reform Project

The Commission will continue to administer the legislation for which it is responsible, including the registration and renewal of international companies, international trusts, international partnerships, limited liability companies and foundations and the new trust product, the International Relationship Property Trusts Act 2021.

From the legislative programme the Commission will recommend to the Minister any legislative reforms and administrative actions to enhance the performance of the Commission and the achievement of its objectives set out in this Statement.

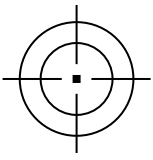
f. Miscellaneous



The Commission will continue to endeavour to improve its governance and internal procedures, and utilise opportunities to benchmark against other regional and international organisations recognising the importance of having an appropriate balance between regulation and economic growth in the context of the Cook Islands.

Continued focus will be given specifically to strengthening supervisory skills and capacity in respect to regulatory regimes addressing emerging risks. In addition, management and leadership training will be identified for the Commission Management team and where opportunities present, training will be provided to the Commission Board of Directors.





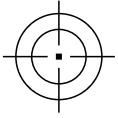
PERFORMANCE TARGETS

For the years commencing 1 July, 2024 and thereafter

The Commission will seek to achieve the following targets:

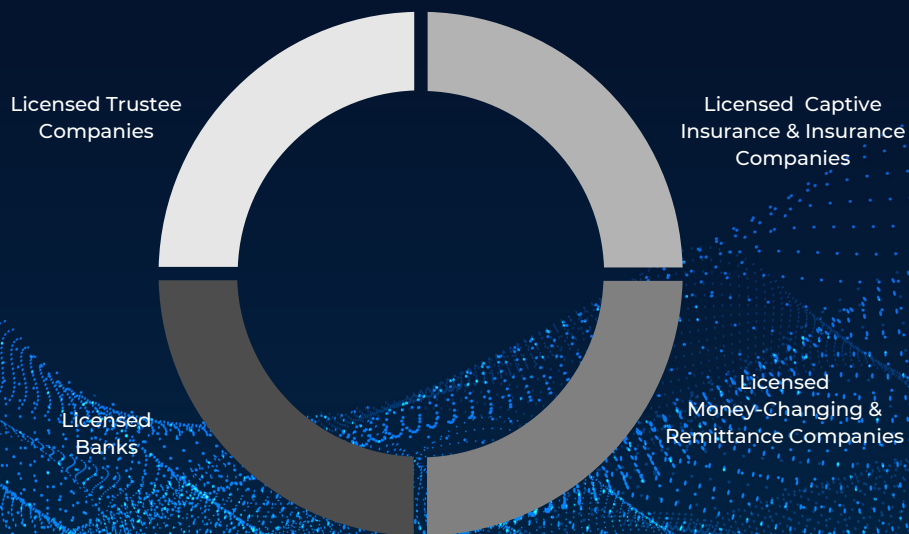
- 1 To conduct risk based onsite inspections for banks, insurers, money changing and remittance businesses and biennial onsite inspections for trustee companies, captive insurers and insurance intermediaries licensed to carry out business in the Cook Islands on a risk basis.
- 2 To undertake comprehensive offsite monitoring and reviews of all data supplied by licensed financial institutions on a regular basis.
- 3 To ensure the majority of licensed financial institutions are complying with their respective regulatory rules and have sound business practices.
- 4 To undertake remedial action for non-compliance as well as enforcement action for major non-compliance by licensed financial institutions.
- 5 To administer new applications for the licence of a financial institution on a timely basis with all applications being determined within the prescribed timeframe upon receipt of the completed application.
- 6 To continue to benchmark, where relevant, our regulatory framework against international standards to ensure appropriate enhancements are identified and implemented in a timely manner.
- 7 To have available to the wider public, information and avenues on everyday financial products, services and issues applicable here in the Cook Islands.
- 8 To administer registration and renewal of registration of international companies, international trusts, international partnerships, limited liability companies and foundations efficiently, accurately and without delay.
- 9 To keep under on-going review legislation administered by the Commission with a view to recommending amendments where the legislation needs to reflect changes in the global financial environment, including best international supervisory and regulatory practice.
- 10 To enhance and upgrade the Commission's IT systems to ensure they are fit for purpose and provide a range of tools necessary for meeting the Commission's objectives.





- 11 To maintain a structured programme for upskilling all staff of the Commission throughout the year and make use of technical training provided by the Pacific Financial Technical Assistance Centre, the International Monetary Fund, the Financial Stability Institute, the Egmont Group of FIUs, and other technical assistance programmes including short term training with the Reserve Bank of New Zealand, New Zealand Police, AUSTRAC and other appropriate regulators.
- 12 To continue to promote regular analysis of AML/CFT risk within the Cook Islands.
- 13 To review policies, procedures and guidelines to administering the Financial Transactions Reporting Act 2017; measuring this against international standards and focussed on the effectiveness of the regime.
- 14 To conduct, in each year, compliance reviews of licensed financial institutions and designated non-financial businesses and professions in respect of the financial transactions reporting regime.
- 15 To effectively administer and enforce the Financial Intelligence Unit Act 2015, and the Currency Declaration Act 2015/16.
- 16 To continue to coordinate the implementation of recommendations arising from the Cook Islands 2018 Mutual Evaluation Report.
- 17 To report to the Minister on its activities and the legislation administered by the Commission by 30 September each year.
- 18 To efficiently attend to all other obligations under the legislation which the Commission has responsibility to administer.

The Cook Islands Financial Services Industry consists of:

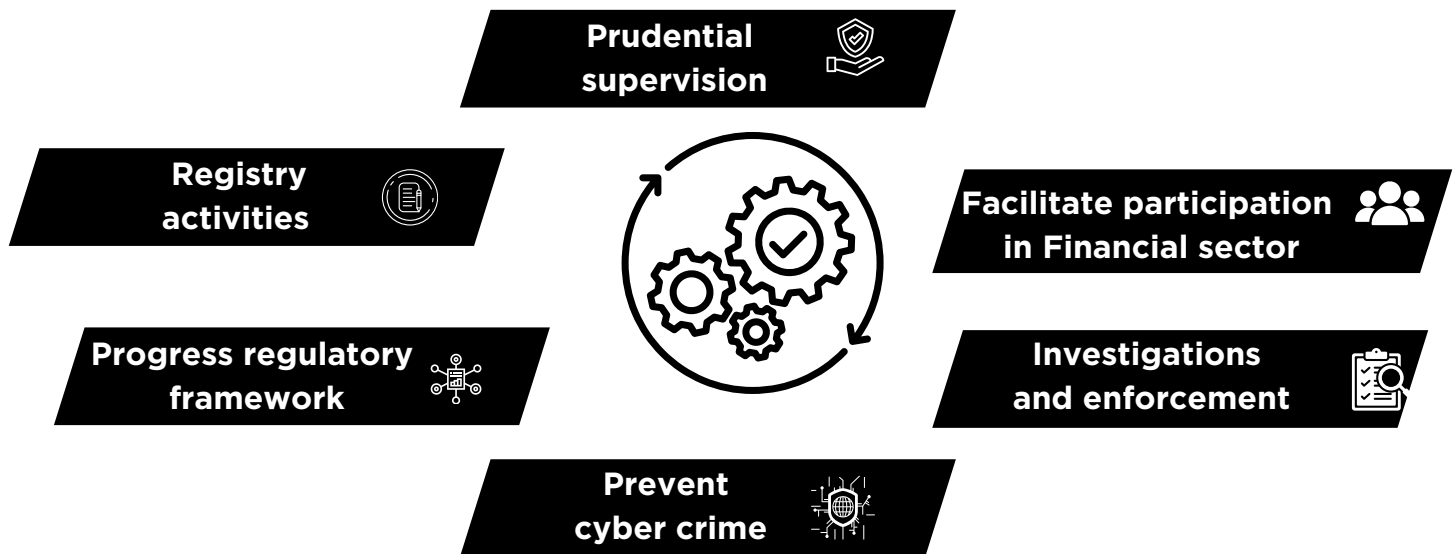


NATURE & SCOPE OF ACTIVITIES

For the year commencing 1 July, 2025

The Commission will continue to fulfil its duty to administer legislation for which it is responsible.

Responsibilities of the Commission have grown progressively and are expected to continue to grow, thus it is anticipated that the activities listed below will require continued focus in future years. In particular, but without limiting the extent of the Commission's duties to be performed in the coming years, the Commission will:



- a. Undertake the prudential supervision, on a risk basis, of the following
 - all banks holding banking licences to carry on banking business in the Cook Islands;
 - all insurers holding licences to conduct insurance business in the Cook Islands;
 - all insurance intermediaries licensed to conduct insurance business in the Cook Islands;
 - all money changing and remittance businesses licensed to conduct money changing and remittance business in the Cook Islands;
 - all trustee companies licensed to conduct trustee business in the Cook Islands;
 - all captive insurance businesses licensed to conduct captive insurance business in the Cook Islands;
- b. to promote licensed financial institutions to carry out sound practices in relation to prudential matters;
- c. to review and consider, in a timely manner, all completed applications submitted to the Commission for a licence, registration or authorisation pursuant to any enactment the Commission administers;



- d. to oversee the requirements for registration and renewal of registration of international companies, international trusts, international partnerships, limited liability companies, foundations and any new entities that may be added in future;
- e. to proactively seek to make improvements to the regulatory framework and procedures which apply to licensed financial institutions;
- f. to continue to progress the Commission's legislative programme and to identify reforms that may be needed to improve that legislation;
- g. to promote Cook Islander's participation in the financial sector through its supervisory activities and legislative reforms;
- h. to improve Cook Islander's access to information on financial products and services



- i. investigate and prosecute matters under the Financial Intelligence Unit Act 2015, the Currency Declaration Act 2015/16 and the Financial Transactions Reporting Act 2017;
- j. to facilitate operations at the airport, airfreight or seaport duties for the purpose of enforcing the Currency Declaration Act 2015/16;
- k. investigate and review the performance by licensed financial institutions and designated non-financial businesses and professions of their obligations pursuant to AML/CFT compliance;
- l. enhance the confiscation of the proceeds of crime, and assist with the implementation of an Asset Recovery strategy;
- m. assist in the management and mitigation of cybercrime and cyber enabled crime through the introduction of preventive measures, education, and where appropriate the investigation and prosecution of serious related criminal offences;
- n. undertake a targeted review of specific high-risk threats and vulnerabilities as part of the national risk assessment of the Cook Islands;
- o. evaluate the effectiveness of the implementation of the recommendations identified in the 2018 Cook Islands Mutual Evaluation Report;
- p. continue to provide opportunities for training and professional development for staff; and
- q. efficiently attend to any other matters brought before the Commission.



The Commission will continue to attend to any matters of government policy raised and that are not contrary to its objectives.





FINANCIAL RESOURCES REQUIRED

The Financial Resources required to achieve the Performance Targets.

As previously stated in this document, the revenue of the Commission has been detrimentally impacted by the decline of registrations and renewals on the international registry.

In addition to the ongoing tax reforms, the economic and operational climate within which this jurisdiction, like all small international financial centres, operations remain subject to ongoing pressure to enhance disclosures and increase reporting in line with international best practice. As compliance measures have become more burdensome, and competition in bigger jurisdictions have become more impactful, growth has reduced.

Accordingly, the estimates below are prudently based on the assumption that there will be a 0% growth in the industry during the 2024/25 financial year.



Expenditure

The estimated expenditure of the Commission for the year ended 30 June 2025 is as follows:

PERSONNELL		
Salaries (incl Superannuation)	\$ 722,000	\$
Staff Training, Travel and Expenses	23,000	
		<u>745,000</u>
BOARD		
Fees	82,250	
Expenses	4,000	
		<u>86,250</u>
COMMISSIONER		
Contractual Expenses	1,200	
Entertainment	1,000	
Travel	18,000	
		<u>20,200</u>
DEPUTY COMMISSIONER		
Contractual Expenses	0	
Travel	13,000	
		<u>13,000</u>
HEAD OF THE FIU		
Contractual Expenses	900	
Entertainment	600	
Travel	15,000	
		<u>16,500</u>

OPERATING EXPENSES	\$	\$
Audit Fee	3,000	
Advertising & Promotion	2,400	
Bank Fees	1,000	
Cleaning	5,600	
Communications	8,000	
Computer Costs	8,000	
Conference & Workshops	12,000	
Depreciation (Fixed Assets)	22,000	
Amortisation (Software)	57,000	
Electricity	14,000	
Expensed Equipment	4,000	
FIU-In-a-Box	20,000	
General Expenses	4,000	
Insurance	5,000	
Maintenance	4,000	
Motor Vehicle Expenses	4,000	
Office Supplies	4,000	
Online Prudential Operating Expenses	25,000	
Online Registry Operating Expenses	73,000	
Online Server	13,000	
Operation Costs	10,000	
Professional Service Fees	40,000	
Rental	36,000	
Subscriptions	42,000	
		417,000
TOTAL EXPENDITURE		\$1,297,950



Revenue

The financial resources available to the Commission to carry out its undertaking and to achieve its performance targets are:

(a) All licence, registration and miscellaneous fees payable under the following enactments:

- Banking Act 2011
- Captive Insurance Act 2013
- Foundations Act 2012
- Insurance Act 2008
- International Companies Act 1981/82
- International Relationship Property Trusts Act 2021
- International Partnerships Act 1984
- International Trusts Act 1984
- Limited Liability Companies Act 2008
- Money-changers and Remittance Businesses Act 2009
- Trustee Companies Act 2014





The estimated fees from these sources for the year 1 July 2024 to 30 June 2025 are \$1,333,048 (net of VAT).

Although all amounts are in New Zealand dollars, registry fees payable to the Commission are denominated in US dollars and income is therefore subject to currency exchange fluctuations. The rate of \$0.65 was used to prepare these figures.

These estimates are based on the number of registrations and renewals across the board remaining the same as per 2023/2024 figures. A conservative estimate has been made in relation to registration fees generated by the new trust product, the International Relationship Property Trusts Act 2021.

A further amount of miscellaneous operating revenue and interest totalling \$65,000 is also expected to be generated.

The estimated revenue is as follows:

REVENUE	\$
Bank Licences	55,391
<u>Insurance Licences</u>	<u>42,262</u>
Money Changers Licences	4,000
Trustee Company Licences	36,174
<u>Foundations</u>	<u>15,251</u>
International Companies	170,863
International Partnerships	441
<u>International Relationship Property Trusts</u>	<u>1,659</u>
International Trusts	831,090
Limited Liability Companies	130,917
<u>Miscellaneous Revenue</u>	<u>110,000</u>
TOTAL REVENUE	<u>\$1,398,048</u>

In accordance with section 24(2) of the Financial Supervisory Commission Act 2003, excess funds will be paid to the Cook Islands Government. It is anticipated that the Commission will return an excess to government of \$100,000 during the 2024/25 financial year.

For the year ended 30 June 2025 income and expenditure is projected as follows:

	\$	\$
REVENUE*		1,398,048
EXPENDITURE		
Personnel expenses including Board	806,350	
Operating expenses including depreciation	491,600	
		1,297,950
EXCESS		<u>100,098</u>

*The exchange rate used for this calculation is US\$0.65; NZ\$1.00





Accounting Policies

The General Accounting Policies of the Commission for the year ended 30 June 2025, and for the subsequent financial years, will be as follows:

Basis of Preparation of Accounts

(i) Reporting Entity

The financial statements are for the Financial Supervisory Commission, which is considered to be an agency of the Crown. The Financial Supervisory Commission carries out services as mandated under the Financial Supervisory Commission Act 2003.

(ii) Statement of Compliance

The financial statements are prepared in accordance with the Ministry of Finance and Economic Management Act 1995/96 and with the International Public Sector Accounting Standards issued by the International Public Sector Accounting Standards Board.

(iii) Measurement Base

The financial statements will be prepared on a going concern basis and the accounting policies will be applied consistently throughout the period.

The Significant Accounting Policies of the Commission will not change from the 2023/24 financial year. The detailed policies form part of the annual audited Financial Statements and may be viewed in full in the Commission's Annual Report. The Financial Statements of the Commission are audited by the Cook Islands Audit Office and the Annual Report is published on the Commission's website (www.fsc.gov.ck) following submission to the Minister of Finance before 30 September each year.

Other Matters as agreed between the Minister of Finance and the Commission.

No other matters have been agreed between the Minister of the Financial Supervisory Commission and the Commission for inclusion in this Statement of Corporate Intent for the year 1 July 2024 to 30 June 2025

Dated at Rarotonga this 25th day of March 2024

Geoff Stoddart
Chairman

