



FINANCIAL SUPERVISORY COMMISSION

OF THE

COOK ISLANDS

ANNUAL REPORT

2024/2025

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The FSC's Vision is:

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

The FSC's Mission Statement is:

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.

REPORT ON ACTIVITIES 2024/2025

1. Major Achievements

The 2024/2025 year was another year of strong economic growth, despite continuing challenges by inflation affecting the prices of goods and services as well as supply issues, and the continuous problems with staffing and recruitment.

For the Commission 2024/2025 remained a year of significant activity, with a focus of embedding and implementation of supervisory processes and systems developed in the prior years.

The development of the new online registry was formally completed in 2024/2025, with it going live in July 2024. In addition, the FIU's TAIPAN database system continues to be imbedded into FIU's business as usual operations.

This year supervisory activities were focused on conducting a comprehensive onsite review for all high risk licensees, followed by targeted onsite visits and primarily offsite monitoring for low risk licensees.

The Commission fulfilled its obligations under the prudential supervision programme that had been set for the year with all licensed institutions undergoing onsite inspections under their respective legislation, of which the Commission is the administering agency.

The Board remained busy with seven statutory approvals being considered over the year.

Registrations, renewals and administration of international entities continued to be filed online and processed in real time with minimal downtime for the registry while the team focused on the development of the new online registry system.

The Commission's focus for the year is determined by the Statement of Corporate Intent that is provided to the Minister of Financial Supervisory Commission by 31 March of the preceding year.

2. Performance Targets for the year from 1 July 2024 to 30 June 2025

- 1) To conduct annual onsite examinations for banks, insurers, money changing and remittance businesses and biennial onsite examinations for trustee companies, captive insurers and insurance intermediaries licensed to carry out business in the Cook Islands on a risk basis.

Actual Performance – This was achieved. Our risk based supervision framework was applied at various levels of regulatory oversight for our licensed institutions. Onsite reviews were conducted on all banks, insurers, money changing and remittance business. Trustee companies are on a two year cycle for onsite reviews. Face to face meetings were held with the majority of captive insurers. Offsite reviews were undertaken on all licensed financial institutions.

- 2) To undertake comprehensive offsite monitoring and reviews of all data supplied by licensees on a regular basis.

Actual Performance – This was achieved as offsite reviews were undertaken on most financial institutions and the prudential filing system has assisted with undertaking offsite monitoring.

- 3) To ensure the majority of licensed financial institutions are complying with their respective regulatory rules and have sound business practices

Actual Performance – This was achieved. As part of its supervisory activities, the Commission have made a number of recommendations to licensed financial institutions aimed at improvement of capital management, risk management systems and emerging issues such as IT infrastructure, cybercrime and consumer protection.

- 4) To undertake remedial action for non-compliance as well as enforcement action for major non-compliance by licensed financial institutions.

Actual Performance – Fortunately there have been no issues of major compliance in any licensed financial institution and the Commission has undertaken clear and time mandated remedial action plans where required.

- 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.

Actual Performance – This was achieved through the approval of five new licencees and thirty one approvals. All applications were considered and approved within the prescribed timeframe. In addition, the Commission reviewed and approved seventeen changes to key person roles within various licensed financial institutions over the year.

- 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.

Actual Performance – This was achieved with the support from technical assistance providers such as the Pacific Technical Assistance Centre (PFTAC-IMF) and APGML. We have ongoing projects to review and where appropriate make changes to our prudential regulatory framework and AML/CFT compliance framework.

- 7) To have available to the wider public, information and avenues on everyday financial products, services and issues applicable here in the Cook Islands.

Actual Performance – The Commission working with the Asian Development Bank (ADB), issued financial consumer protection guidelines for all licensed financial institutions in December 2024. The guidelines are intended to provide the initial framework for financial consumer protection and financial literacy strategic goals.

- 8) To administer registration and renewal of international companies, international trusts, international partnerships, limited liability companies and foundations efficiently, accurately and without delay.

Actual Performance – This was achieved with minimal down time of the online registry of international companies, trusts, partnerships and limited liability companies in 2024/2025 despite the implementation of a new online registry in July 2024. Notably, the FSC continues to oversee material funds which vest with the Registrar under the International Companies Act 1981/82.

- 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.

Actual Performance – This work is ongoing. The Commission continues to progress its legislative work programme, with a focus on regulation improvement projects such as the legal policy work for Non-Conviction Based Asset Confiscation Framework, E-

Commerce legal projects and changes supporting international tax transparency obligations.

- 10) To enhance and upgrade the Commission's IT systems to ensure they are fit for purpose and provide a range of tools necessary to enable the Commission to meet its objectives.

Actual Performance – This was achieved as a primary focus for the Commission and FIU was the enhancement of both the online registry, the FIU database and the Commission's internal IT systems, having moved both the server and document management system to the cloud.

- 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.

Actual Performance – This was achieved. The Commission continued to fully utilise all offers of training for supervision staff as specifically referred to later in this Annual Report.

- 12) To continue to promote regular analysis of AML/CFT risk within the Cook Islands.

Actual Performance – The FIU continues to monitor and review the threats, trends and vulnerabilities in the Cook Islands.

- 13) Investigate and prosecute matters under the Financial Intelligence Unit Act 2015, the Currency Declaration Act 2015/16 and the Financial Transactions Reporting Act 2017.

Actual Performance - The FIU continues to both lead and assist on financial investigative work to support law enforcement agencies. It has actively participated in a number of joint task force operations.

- 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.

Actual Performance – This was achieved. With the assistance of the supervisory division of the Commission, the FIU has completed the AML/CFT compliance reviews of all relevant licensed financial institutions. The FIU is progressing its work plan for the designated non-financial businesses and professions. The FIU continues to maintain regular dialogue with key compliance and MLRO personnel providing support and advice.

- 15) To effectively administer and enforce the Financial Intelligence Unit Act 2015, and the Currency Declaration Act 2015/16.

Actual Performance – The FIU continues to work with all border agencies to ensure the Currency Declaration Act 2015/2016 is enforced.

- 16) To continue to coordinate the implementation of recommendations arising from the Cook Islands 2018 Mutual Evaluation Report.

Actual Performance – This continues to be ongoing work in progress. The National AML/CFT Co-ordinating Committee (NACCC) has recommenced its regular bi-annual meetings and a draft Mutual Evaluation Work Plan is being developed in preparation for the next evaluation.

- 17) To report to the Minister on its activities and the legislation administered by the Commission by 30 September each year and to efficiently attend to all other obligations under the legislation which the Commission has responsibility to administer.

Actual Performance – Achieved. This annual report will be filed with the Minister on or before 30 September 2025. The Commission has actively administered the seventeen enactments it is the administering agency for including the:

- Banking Act 2011
- Captive Insurance Act 2013
- Currency Declaration Act 2015/2016
- 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 Act 2021
- International Trusts Act 1984
- Limited Liability Companies Act 2008
- Money Changing and Remittance Businesses Act 2009
- Trustee Companies Act 2014
- Pacific Catastrophe Risk Insurance Facility Act 2021

3. Supervisory Activities

a) Banking

The focus of supervisory activities for the banking sector has continued to be on the loan portfolio performance and management by the respective banks. This was done through a combination of targeted onsite reviews and offsite monitoring. Given the dynamic geopolitical issues globally, additional focus was also placed on respective bank's liquidity management systems and investments.

Another key focus of our licensed banks included the review of internal systems and policies to mitigate cybersecurity risks. We continue to be mindful of events within the regional and global banking system to understand any possible impact on our banking sector.

For other matters, banking supervision continues to be performed by undertaking quarterly offsite analysis of information provided by the four licensed banks, and an annual critique of the statutory accounts, external audit reports and onsite inspections. Joint onsites with FIU are undertaken to cover AML/CFT compliance reviews for all banks.

b) Insurance

The Commission's supervisory approach in relation to the insurance industry continues to be based on the Insurance Core Principles, Standards, Guidance and Assessment Methodology, issued by the International Association of Insurance Supervisors.

The focus for insurance supervision activities were reviewing cybersecurity systems, customer complaints and business performance.

Supervision activities for licensed insurance intermediaries were facilitated primarily through annual reporting of insurance returns.

The supervision of insurance licensees was enhanced by ongoing active participation in the Group of International Insurance Centre Supervisor's (GIICS) and attendance of training for insurance by the Pacific Technical Assistance Centre (PFTAC-IMF)

c) Captive Insurance

The captive insurance sector continues to be actively growing. Supervision techniques for captives is primarily offsite supervision through annual reporting however, in-country meetings were still held with the boards of several captives to discuss any pertinent issues and keep up engagement with the sector.

d) Money Changing & Remittance Businesses

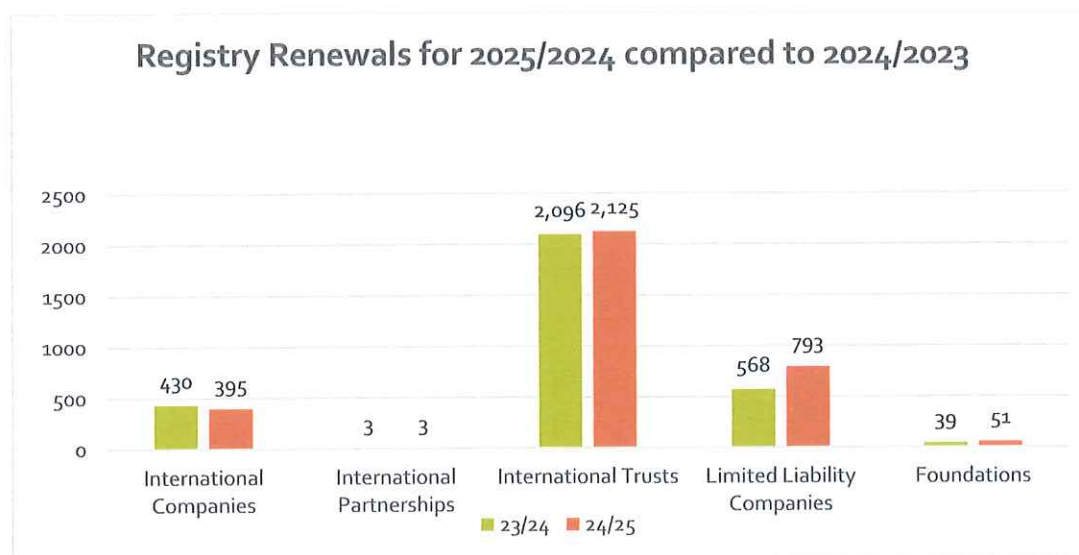
The Commission undertook onsite inspections of the three licensed and operating Money Changers and Remittance businesses during 2024/2025, the primary focus of these inspections being implementation of risk profiling requirements and compliance with the FTRA 2017. The supervisory focus of these businesses is an evolving process as they become more active in the Cook Islands economy.

e) Trustee Company Business

The Commission undertook both onsite and offsite monitoring and adherence to the GIFCS Statement of Best Practice for Trust and Corporate Service Providers. All trustee companies are now on a two year onsite review cycle. Targeted onsite inspections of licensed trustee companies were completed in conjunction with the FIU and the primary focus of the onsite were the application of their AML/CFT compliance programme to high risk customers and cybersecurity systems.

4. Registrar's Office

The Commission is responsible for maintaining the official registers for all Foundations, International Companies, International Trusts, International Partnerships and Limited Liability Companies registered in the Cook Islands.



Foundations

The number of Foundations for which registration and renewal fees were received in 2024/2025 was 51, an increase of 12 (31%) entities from the previous year.

International Companies

The number of International Companies for which registration and renewal fees were received in 2024/2025 was 395, a decrease of 35 (8%) entities from the previous year.

International Trusts

The number of International Trusts for which registration and renewal fees were received in 2024/2025 was 2,125, an increase of 29 (1%) from the previous year.

Limited Liability Companies

The number of Limited Liability Companies for which registration and renewal fees were received in 2024/2025 was 793, an increase of 225 (40%) from the previous year. This growth in Limited Liability Companies is likely attributable to the changes centred around tax exemption removals in respect to International Companies.

International Partnerships

The number of International Partnerships for which registration and renewal fees were received in 2024/2025 was 3, the exact same numbers from the previous year.

5. Financial Intelligence Unit

The Cook Islands Financial Intelligence Unit's (FIU) vision is to be a leader in providing timely and high-quality financial intelligence in the global fight against money laundering and the financing of terrorist activities and threats to the economy of the Cook Islands, while ensuring the protection of the information it holds.

In support of the vision, FIU strive to be a leader in the prevention of money laundering and terrorist financing activities and thus contribute to a safe and stable financial and economic environment for the people.

FIU embraces its mission through compliance examinations, information collection, analysis and the dissemination of information on suspected money laundering, the financing of terrorism activities and other serious crimes to relevant domestic and international law enforcement authorities.

FIU continue to be part of global groups such as the Egmont Group of FIUs, the Pacific Financial Intelligence Community (PFIC), and Asia/Pacific Group on Money Laundering (APG), APG Asset Recovery International Network, and Financial Intelligence Consultative Group. Nationally, FIU is a member of the Anti-Corruption Committee (ACC), the Combined Law Agency Group (CLAG), and the Cook Islands National Intelligence Taskforce (CINIT).

(A) FIU 2024/2025 Events

i. Asia/Pacific Group on Money Laundering (APG)

APG technical assistance continue to enhance the Cook Islands AML/CFT/PFT framework in ensuring that the international standards are effectively implemented and in the regulated sectors.

One of those supports is assisting the Cook Islands' FIU and AUSTRAC in co-sponsoring a Pacific Island to obtain recognition in a global network of FIUs and taking advantage of the cooperation and mutual assistance fostered by the group.

- ***Co-Sponsorship of Pacific Financial Intelligence Committee Member to Egmont Membership Status – Nauru FIU***

The Cook Islands Financial Intelligence Unit in joint co-sponsorship with AUSTRAC guided and supported Nauru FIU Egmont Membership Application for 2025.

Egmont Group Plenary in Luxembourg 6 to 11 July 2025, Nauru Egmont onsite assessment report was endorsed by Heads of Financial Intelligence Units (HoFIU's). On Friday 1 August, Nauru received formal notification, HoFIU's concluded that there was consensus for having Nauru as new member of the Egmont Group.

ii. Pacific Financial Intelligence Community (PFIC)

In November 2024, AUSTRAC hosted the 3rd PFIC Plenary meeting to acknowledge the achievements of the Rarotonga Statement and endorsing subject items for the new Brisbane Statement. The program outline timeframe to complete specified projects that were endorsed in the Brisbane Statement. The PFIC Plenary is held annually.

PFIC Virtual sessions including Tradecraft Tuesday subject matters are therefore listed:

- PFIC Research Working Group – Corruption Red Flags and Indicators Paper, 7 July
- Official Launch Australia National Risk Assessments on Money Laundering and Terrorism Financing, 8 July
- Child Sexual Abuse and Exploitation (Series 1), 3 July 2024
- Tradecraft Tuesday, Oceania Customs Organisation 15 July 2024
- Child Sexual Abuse and Exploitation (Series 2), 22 July 2024
- Bi-monthly updates, 23 July 2024
- Regulatory Series 2 on Remittance, 28 August 2024
- Engaging with Regulatory Entities, 8 August 2024
- CIFIU PFIC co-chair, attended FICG Plenary and delivered PFIC program and update, 10 September
- Regulatory Series 3 on Casinos/Gambling, 11 September 2024
- Swift KYC Registry and Derisking, 29 April 2025
- Bi-Monthly updates, 1 May 2025
- New Zealand FIU's experience: Understanding and Assessing Proliferation Financing Risk, 27 June 2025

- ***TAIPAN 2025 Program***

CIFIU is co-chair for the Taipan User Group. A group developed to oversee and review the development of Taipan activity for the 10 Island members that have deployed Taipan Database. The program has been structured for PFIC members to fully capitalise the TAIPAN system in constructing valuable analysis and intelligence reports.

The stages outlined below illustrates the capacity building of skill sets and knowledge sharing through the challenges and findings encountered by PFIC members.

- Phase 1: Foundation sessions tailored to specific FIU requirements and needs facilitated by AUSTRAC engineers in providing refresher and baseline understanding of the system in preparation of the next Phase.
- Phase 2: TAIPAN Games was launched on 19 May 2025. TAIPAN Sprints and Administration Courses on 2 June 2025
- Phase 3: Analytical tradecraft training activity & TAIPAN Hackathon to commence in November 2025.

iii. Cook Islands National Intelligence Taskforce (CINIT)

The national taskforce continues to meet and work collaboratively with the national law enforcement agency and regional network groups like NZTCU, AFP and OCO.

The focus of the meeting has been subjective to transnational crimes intelligence and local syndicates potentially facilitating criminal activities.

- AFP Fiji-base sharing of case on Transnational Crime in the Pacific, 12 September 2024
- Operation Rarodice intelligence sharing, 24 January 2025
- NZTCU Gang Awareness, 29-30 April 2025

iv. Cook Islands Flagged Vessels Sanctions Breach.

Cook Islands Financial Intelligence Unit (FIU) has identified a concerning pattern involving Cook Islands-flagged vessels potentially breaching international sanctions. These incidents have underscored the vulnerabilities within the current maritime compliance framework and highlighted the need for a more robust and proactive approach to sanctions risk management.

The FIU, in close coordination with the Cook Islands Shipping Registry, and key Stakeholders has initiated a multi-agency response to address these risks. This collaboration aims to strengthen the integrity of the Cook Islands flag and ensure alignment with international obligations, particularly those related to United Nations Security Council sanctions and proliferation financing controls.

Key actions undertaken was a Stakeholder Engagement and Training – Sanctions Risk Management. At the request of FIU, the US Department of State and Sandia

National Laboratory delivered a workshop in the Cook Islands from the 4 – 6 September 2024.

This collaborative initiative reflects the Cook Islands' commitment to upholding international standards and protecting the reputation of its maritime registry. By embedding sanctions compliance into the core of its registry operations, the Cook Islands is taking concrete steps to mitigate risk, enhance transparency, and contribute to global efforts against illicit maritime activity.

FIU continues to engage technical assistance regrading Shipping Registry Sanctions Risk Management from the US Department of State, APG/PFIC members, USA based Centre for Advance Défense Studies and the UK base Open-Source Centre.

v. Scam Wise Privacy Protection

Social engineering of scam schemes continues to be a concern for the FIU and evidence is showing a rising trend in the Cook Islands.

A quarterly report from January to June 2025 reported a total of 47 scam reports received and acknowledged by FIU. The typology ranges from prize scams, investment scams, romance scams, to payment scams.

The education and awareness campaign continues to be a priority for FIU in ensuring the financial security of the community.

vi. Appointment of New Employment

- Senior Intelligence Analyst commenced 27 January 2025
 - Principal System Analyst commenced 3 March 2025
- The Head of FIU welcomes the appointment of a Senior Intelligence Analyst and a Principal System Analyst to manage and administer FSC/FIU IT Infrastructure.

vii. International Engagements

FIU had the privilege of hosting international counterparts for the calendar year 2024 - 2025:

- a. United States Security Service, July 2024
 - i. Discussion focused on Cybersecurity
- b. United States Department of State and Sandia Laboratories, September 2024.
 - i. Shipping Registry Sanctions Risk Management workshop.
- c. New Zealand Police, Pacific Missions Coordinator, 11 October
- d. United States IRS and US Secret Services, January 2025
 - i. Provide intelligence and mechanism tools combat financial crimes.

(B). Compliance Supervision

i. Compliance Quality Standards

SARs submitted to FIU is triaged for quality, classification and non-compliance violation. These files are escalated to the Compliance division for enforcement actions and compliance resolutions.

- There were 24 non-compliance reports (NCR) escalated in 2024/2025. 15 of the reports were investigated and reports closed. There are 7 reports classified ongoing investigation and 2 reports subject to regular monitoring with the reporting institution.

ii. Risk-based Approach Onsite Supervision

Annual onsite risk-approach supervision for AML/CFT is conducted jointly with the Prudential supervision team. The supervision of licensed entities continues to be a robust program. The focus continues to target the high-risk licensees, such as the banks, the trustee companies, and money remitters.

- There were 11 joint onsite inspections undertaken in 2024/2025.

iii. MLRO & PPP Forum

Quarterly meetings of MLRO remains to be consultative discussions and updates on emerging trends that is circulating in the community and in the financial services sector. These PPP sessions continue to be informative and educative for members.

- Three meetings conducted for business year 2024/2025.

iv. Visa Card Fraud Case

In November 2023, a bank customer fell into a fraudulent situation where a visa card payment for an accommodation booking went wrong. A complaint was reported to the bank the next working day without delay. The circumstances of the complaint had been noted by the bank. The customer contacted the bank via email and phone calls with delayed responses, and an unsatisfactory resolution was provided within an unreasonable timeframe.

On the 15 April 2024, the situation was escalated to seek assistance from the Financial Intelligence Unit. The situation was led by the Senior Compliance Analyst, who on three occasions met to collect an account of the event and updated customer with the progress of the investigation to ensure the testimony of the customer aligns with that of the banks. Email trails were also provided as proof of the incidences. Section 22 of the FIU Act 2015 was enacted to request for the banks' account of events which were then analysed.

On 22 November 2024, FIU met with the bank's Head of Compliance and Country Head to resolve the unfortunate circumstances and addressed the concerns of the customer. In this meeting, an understanding was reached and a decision made for the bank to refund the customer's money of NZD805.69, equivalent to USD473.86.

(C) Intelligence Patterns and Trends

i. Total Reporting Statistics



Type of Report	2022/2023	2023/2024	2024/2025	Change (23/24 vs 24/25) %
Electronic Funds Transfer Reports	94,012	104,855	102,134	-2.6%
Cash Transaction Reports	4,073	4,904	4125	-15.9%
Intelligence Reports	388	252	43	-88.9%
Suspicious Activity Reports	55	72	85	+18.1%
Border Currency Reports	31	31	10	-67.7%
Total	98,559	110,114	106,397	-3.5%
Monthly Average	8,213	10,135	8,866	

Figure 1: The table above shows comparative reporting of all reports received by the FIU in the financial years 2022/2023, 2023/2024 and 2024/2025.

A total of **106,397** reports were submitted to FIU in the period 2024/2025

- All report types show a decrease, except for SARs, which increased by 18.1%
- IRs recorded the sharpest decrease of incoming reports of 88.9%
- This contrasts with the growth of incoming reports in 2023/2024, excluding BCRs.

The 2024/2025 period recorded a monthly average of 8,866 reports.

ii. *Monthly Patterns of CTR and EFTR*

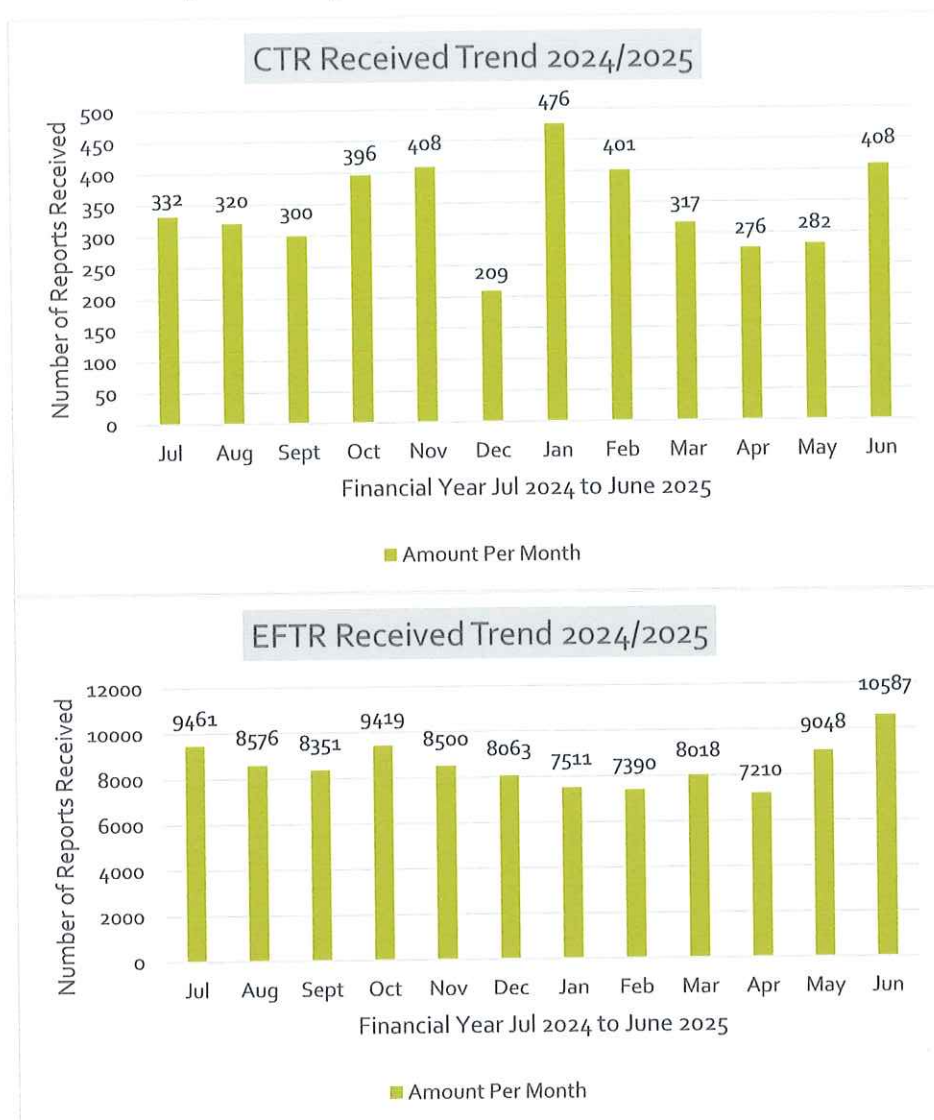


Figure 3 show the monthly patterns of CTRs and EFTRs for the period 2024/2025

CTR Total Transaction Amount (\$NZD)	EFTR Total Transaction Amount (\$NZD)
\$77,418,013.00	\$2,498,271,068.00

Figure 4 show the total aggregated value of CTRs and EFTRs for the period 2024/2025

A total of 4,125 Cash Transaction Reports (CTR) has been received by CIFIU within the 2024 – 2025 financial year. The aggregate transaction amount of CTR's in this period is \$77,418,013.00.

The total amount of Electronic Funds Transaction Reports (EFTR) received within the same period is 10,2134. The aggregate transaction amount of CTR's in this period is \$2,498,271,068.00.

iii. Suspicious Activity Reports (SAR)

<i>SARs Received</i>	2023/2024	2024/2025	Change %
Total Received	72	85	+13 (+18.1%)
Domestic	37	39	+2 (+5.4%)
International	35	46	+11 (+31.4%)
<i>SARs Disseminated</i>	2023/2024	2024/2025	Change %
Total Disseminated	15	30	+15 (+100.0%)
Domestic	5	18	+13 (+260.0%)
International	10	12	+2 (+20.0%)

Figure 3: The table above shows a comparative influx of Suspicious Activity Reports (SAR) for the period 2023/2024 and 2024/2025

FIU received 85 SARs in 2024/2025. This is an increase of 18.1% which is 13 reports more compared to 2023/2024.

- SARs with an international link increased by 31.4%
- A total of 30 Intelligence Disseminated Reports (IDR) were generated. This is a 100% increase.
- 12 reports were disseminated to international counterparts via Egmont Secure Web (ESW).

iv. Intelligence Reports (IR)

Intelligence Reports are received and disseminated by FIU. Sources include local law enforcement agencies, government departments, and private citizens.

Reports are also generated from international law enforcement counterparts. The main networks are:

- All Partners Access Network (APAN)
- Asset Recovery Interagency Network – Asia Pacific (ARIN-AP)
- Egmont Secure Web (ESW)
- Joint Interagency Taskforce West (JIATFW)
- New Zealand Transnational Crime Unit (NZTCU)
- New Zealand National Drug Intelligence Bureau (NDIB)
- Pacific Financial Intelligence Community (PFIC)

<i>IRs Received</i>	2023/2024	2024/2025	Change %
Total Received	252	43	-82.9%
Domestic	42	25	-40.5%
International	210	18	-91.4%

<i>IRs Disseminated</i>	2023/2024	2024/2025	Change %
Total Disseminated	26	31	+19.2%
Domestic	18	23	+27.8%
International	8	8	0%

Figure 4 above shows a comparative reduction of Intelligence Reports (IR) for the period 2023/2024 and 2024/2025.

A total of 43 IRs were received. This represents an 82.9% decrease compared to 2024/2025.

- Reports from international law enforcement counterparts decreased by 91.4%
- Domestic reports decreased by 40%

Despite fewer incoming reports, dissemination increased by 19.2% compared to 2024/2025.

- Domestic dissemination increased by 27.8%.
- 23 reports disseminated to local LEAs and reporting institutions.

v. *SARs and IRs Reported in 2024/2025*

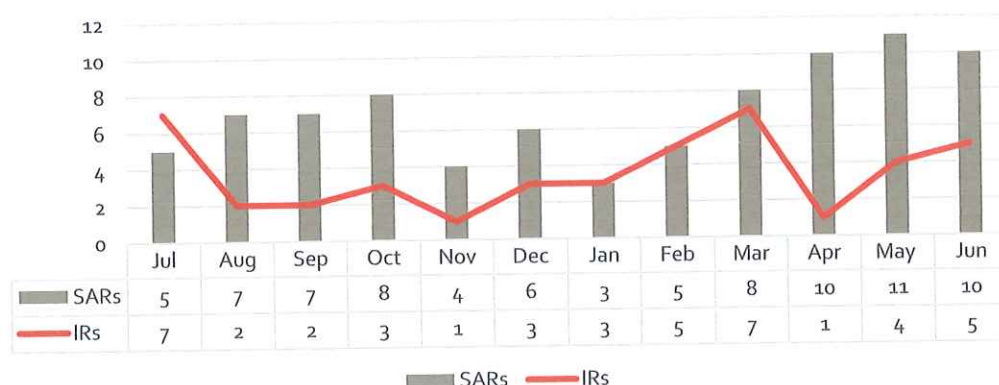


Figure 5 illustrates the monthly reporting comparison of SARs and IRs received by the FIU for the period 2024/2025

Monthly reporting shows fluctuations in SARs and IRs during 2024/2025.

- SARs peaked in May at 11 and remained high from April to June
- Lowest SARs reported in January at 3
- IRs peaked in July 2024 and March 2025 at 7
- IRs were lowest in November 2024 at 1

vi. *International Collaboration Operation*

A request for information was received in February 2025 from Solomon Islands FIU regarding a person of interest for ongoing fraud investigation. Initial enquiries were made to reporting institutions, regulators, and government agencies. The intelligence sharing with AUSTRAC proved positive with further intelligence noting's identified.

In March 2025, FIU intelligence report disseminated to Solomon FIU initiated a Taipan Operational Exchange project between Cook Islands, Solomon Islands and Australia. The operational exchange program is scheduled to be hosted in the Cook Islands first week of October 2025. The purpose is a Taipan peer-to-peer mentoring to enhance user analytical and system skills. The Project is a first for PFIC operational collaboration.

(D) Highlighted FIU Investigation Case Studies

i. *Prize Scam case study*

In February 2025, a report of an online prize scam was received in which perpetrators cloned Facebook accounts to impersonate trusted contacts. Using these false profiles, the victim was directed to an agent falsely claiming association with the International Monetary and Financial Committee (IMFC), a respected global entity whose name was misused to give the scheme legitimacy. The victim disclosed personal information, including account passwords, and was persuaded to transfer \$400 via electronic funds transfer to a Wise Payments Ltd account to claim a “\$200,000,00” prize. Despite confirmation that the transfer had been processed, the perpetrator denied receipt and pressured the victim to make further payments through alternative methods such as Western Union and gift cards. These demands caused distress to the victim. No additional payments were made. The victim engaged in back-and-forth correspondence for thirteen days before reporting the incident to FIU on 24 February 2025. The victim’s mobile privacy and security settings were re-secured.

ii. *Repatriation Case C*

This case was reported to FIU in November 2023. The person of interest had established two Trust companies in the Cook Islands and was the beneficial owner of both entities. Ongoing investigation into wire fraud and money laundering charges was conducted by jurisdiction A’s law enforcement agency. A request for assistance was received in January 2024 for financial information from jurisdiction A’s law enforcement agency.

Ongoing collaborations were happening between the reporting institution, FIU and jurisdiction A’s law enforcement agency. In April 2025 the reporting institution repatriated USD1.2 million to jurisdiction A’s law enforcement agency. In August 2025 the reporting institution issued an Account Closure Notice letter to FIU.

iii. *Repatriation Case D*

In April 2024, FIU received a SAR from a reporting institution relating to a client who was arrested for advance fee fraud scheme of USD25 million. Law enforcement agency in jurisdiction A reached out to the Cook Islands FIU for assistance. The client is a beneficial owner of two LLC companies registered in the Cook Islands. Jurisdiction A authority issued a warrant of seizure and property forfeiture on the local reporting institution. The matter was escalated to FIU for clarification and confirmation. Correspondence between FIU and jurisdiction A foreign law

enforcement authority has been productive in ascertaining a legal process of repatriating the funds without the formal process of a mutual legal assistance request. Ensuring the reporting institutions abide by the organisations' policies and procedures, their cooperation had been positive. Jurisdiction A authority was able to produce signed agreement from the incarcerated client for the repatriation of funds back to jurisdiction A. This was verified by legal communication channels from the client instructing the reporting institution to repatriate funds from both LLC companies to the approved bank account in jurisdiction A.

The funds valued at 4,400,049.72 USD was successfully repatriated to jurisdiction A on the 24th of September 2024. Confirmation of funds received by jurisdiction A authority had been provided by the foreign law enforcement agency.

This case is a first request processed outside the Mutual Assistance in Criminal Matters Act 2003.

6. Financial Performance

The 2024/2025 Financial Performance of the Commission exceeded budgeted expectations. This was due to an increase in revenue against budget attributable to the unexpected increase in registry activity and the favourable exchange rate. Also, there were savings in expenses due to vacancies not being filled and the move of the online registry to a new service provider.

Actual revenue for the year to 30 June 2025 was \$1,688,876 and expenditure totalled \$1,156,348 resulting in a net surplus of \$532,528. This net surplus figure represented an increase of \$432,430 on that budgeted for; primarily attributable to the increase in registry activity and the favourable USD exchange movements.

Further detail in respect to the Commission's financial performance is provided in the attached audited Financial Statements, with both budget and prior period comparatives included.

An amount of \$569,000 was returned to the Crown as excess funds, pursuant to section 24(2) of the FSC Act 2003.

On 24 September 2025 the Cook Islands Audit Office (CIAO) issued an unqualified audit opinion on the FSC's 2024/2025 statutory accounts. This was accompanied by CIAO's management letter that recognised and acknowledged the Commission's Management for their ability to maintain and monitor the strong internal control systems prevalent within the organisation. The management letter identified no areas for improvement within the Commission's financial systems.

7. The Board

The Board of the Commission as at 30 June 2025 comprised:

Geoff Stoddart, Chairman
Martha Henry
Nooroa (Bim) Tou
Tina Newport
Gaye Whitta

During the year, the FSC Board met on fourteen occasions. The Board attended to all matters before it on a timely basis.

Ms Gaye Whitta's tenure on the Board ended 30 June 2025, having been on the board for over 10 years, her contributions to the Commission have been invaluable.

8. The Management Team

The Commissioner, Cheryl McCarthy is responsible for the day-to-day operation of the Commission and reports directly to the FSC Board. She is supported by the Deputy Commissioner, Margaret Tangimetua.

The Commissioner also plays a pivotal role in ensuring an appropriate level of regulatory oversight in the ongoing development of the financial services industry in the Cook Islands.

The Head of FIU, Walter Henry is responsible for the management and operations of the FIU.

The management team are responsible for representing the Commission at international forums to ensure the regulatory environment in the Cook Islands keeps abreast of international developments.

9. Staffing

As at 30 June 2025, the staff of the Commission comprised of the Commissioner, the Deputy Commissioner, the Head of FIU and 7 staff members. In addition, two casual staff are engaged to assist the Commission with ongoing work.

The Commission has been actively recruiting new staff with a focus on skills in information technology and finance and this recruitment remains ongoing.

The Commission was very well served by its staff during the year and the Board acknowledges their continuing contribution.

10. Professional Training & Development

All external professional training and staff development opportunities have been either face to face or taken place virtually in 2024/2025. Opportunities for Commission and FIU staff have included:

- Pacific Bank Forum (Brisbane, July 2024);
- ADB/Global Forum, *Beneficial Ownership for Tackling Illicit Financial Flows*, Philippines, 3-5 July 2024;
- GASA, *Oceania Chapter Discussion*, 29 July 2024 - webinar
- Bank South Pacific Supervisory College (Samoa, August 2024);
- Pacific Financial Intelligence Analyst Course (PFIAC), Brisbane, Australia, 19-27 August 2024;
- US Department of State, *Sanctions Risk Management*, Rarotonga, 4-5 September 2024;
- PSC/NSO, *Transnational Organised Crimes in the Cook Islands*, Rarotonga, 23-25 September 2024;
- PILON, *Corruption Working Group: Methods to Assess Effectiveness of AML/CFT Frameworks*, 2 October 2024 - webinar
- ARIN-AP AGM, *Asset Recovery*, 28 October 2024;
- Association of Financial Supervisors of Pacific Countries Annual Meeting (Fiji, September 2024);
- Corporate Registers Forum Annual Meeting (Qatar, November 2024);
- APG Typologies Conference, *Abuse of Legal Person*, Malaysia, 11-13 November 2024;
- PFIC Plenary, *Annual Plenary*, Brisbane, Australia, 12-14 November 2024;
- *Pacific Islands Virtual Assets and Cryptocurrency Forum*, Nadi, Fiji, 18-22 November 2024;
- APG, *Pacific Proliferation Financing Risk Workshop*, Nadi, Fiji, 26-27 November 2024;
- ILEA, *Financial Techniques Program: Financial Crimes and Money Laundering; Transnational Organised Crimes; Combating Violent Extremism/Preventing Violent Extremism and Anti-Money Laundering regimes*, Bangkok, Thailand, 2-6 December 2024;
- ILEA, *Basic Investigation of Computers and Electronic Crimes Program (BICEP)*, Bangkok, Thailand, 9-13 December 2024;
- US Department of State (DOS), *Pacific Islands Maritime Sanctions Compliance Training*, Palau, 22-23 January 2025;
- UNDP, *Transparency of Beneficial Ownership in the Pacific*, Suva, Fiji, 5-7 February 2025;
- Transparency in Beneficial Ownership in the Pacific UNDP Workshop (February 2025);
- PILON, *Corruption Workshop*, Nadi, Fiji, 10-12 February 2025;
- APG, *Diversity & Inclusion Network Meeting*, 26 February 2025 – webinar;

- AUSTRAC, Methodology for Assessing High Risk Jurisdiction, 3 March 2025 – webinar;
- UNDP, Breaking Barriers: Women at the Forefront of Combating Financial Crimes in the Pacific, 6 March 2025 – webinar;
- AUSTRAC/AAGD, Child Sexual Abuse and Exploitation in the Pacific, 2 April 2025 – webinar;
- AUSTRAC Pacific Program, The Role of FIUs in the National Risk Assessment Process, 8 April 2025 – webinar;
- AUSTRAC Pacific Program, The Role of FIUs in the National Risk Assessment Process, 23 April 2025 - webinar
- Correspondent Banking in the Pacific, World Bank Conference (Fiji, April 2025);
- Pacific Security College (PSC), Transnational Organise Crimes in the Pacific & Cyber Security in the Pacific, Suva, Fiji, 7-11 April 2025;
- ADB/GFTN, Securing Financial Connections: Reimaging Correspondent Banking in the Pacific, Philippines, 10 April 2025;
- Group of International Insurance Centres Annual Plenary (London, June 2025).

The technical training and support provided by the APG, Austrac, RBNZ, NZ Police Pacific Financial Technical Assistance Centre (PFTAC) and IMF's Singapore Regional Training Institute (IMF-STI) is invaluable to the Commission.

The Commission will continue to seek relevant training opportunities to enhance the development of all staff.

11. Other Matters

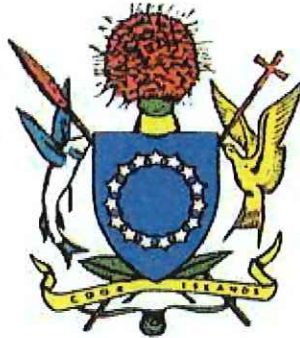
The Commission continued to liaise with industry, primarily via the Trustee Companies Association and the Banker's Association, to work collaboratively on various projects wherever possible. In this regard, the Commission is currently a member of the "EU Response Committee" considering various taxation amendments as well as on the ad-hoc working group for banking reforms.

No specific written policy directions were raised by the Minister of Finance during the period covered by this report.

For and on behalf of the Board



Geoff Stoddart
Chairman
30 September 2025



FINANCIAL SUPERVISORY COMMISSION

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

FINANCIAL SUPERVISORY COMMISSION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

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FINANCIAL SUPERVISORY COMMISSION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

DIRECTORY

Minister

The Honourable Mr Vaine Mokoroa

Members of the Board

Geoffrey Stoddart (Chairman)

Christina Newport

Nooroa (Bim) Tou

Gaye Whitta

Martha Henry

Business Address

Ground Floor, Bermuda House

Avarua, Rarotonga

Cook Islands

Postal Address

PO Box 594

Rarotonga

Cook Islands

Contact Details

Phone: (682) 20 798

Email: inquire@fsc.gov.ck

Auditors

Cook Islands Audit Office

Bankers

Australia and New Zealand Banking Group Limited (ANZ CI)

ANZ Bank New Zealand Limited (ANZ NZ)

Bank of the Cook Islands Limited (BCI)

Bank of South Pacific Limited (BSP)

Capital Security Bank Limited (CSB)

Solicitors

Crown Law Office

Tim Arnold



FINANCIAL SUPERVISORY COMMISSION

STATEMENT OF RESPONSIBILITY

We are responsible for the preparation of the Commission's financial statements and the judgements made in the process of producing those statements for the purposes of Section 26 of the Financial Supervisory Commission Act 2003.

We have the responsibility of establishing and maintaining, and we have established and maintained, a system of internal control procedures that provide reasonable assurance as to the integrity and reliability of financial reporting.

In our opinion, these financial statements fairly reflect the financial position and operations of the Financial Supervisory Commission for the year ended 30 June 2025.

A blue ink signature of Cheryl McCarthy, consisting of a large loop followed by a horizontal line.

Cheryl McCarthy
Commissioner

30 September 2025
Date

A blue ink signature of Geoffrey Stoddart, consisting of a stylized 'G' followed by a horizontal line.

Geoffrey Stoddart
Chairman

30 September 2025
Date



Independent Auditor's Report

To the readers of the financial statements of the Financial Supervisory Commission for the year ended 30 June 2025.

Report on the audit of the financial statements

Unmodified Opinion

In my opinion, the accompanying financial statements of the Financial Supervisory Commission ("the Commission") on pages 7 to 25:

- i. present fairly in all material respects the Commission's financial position as at 30 June 2025 and its financial performance and cash flows for the year ended on that date; and
- ii. comply with generally accepted accounting practices as defined by the Ministry of Finance and Economic Management Act 1995-96 and International Public Sector Accounting Standards (IPSAS) issued by the International Public Sector Accounting Standards Board.

I have audited the accompanying financial statements which comprise:

- o the statement of financial position as at 30 June 2025;
- o the statement of financial performance, the statement of changes in equity and cash flow statement for the year then ended; and
- o notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

My audit was completed on 30 September 2025. This is the date on which my opinion is expressed.

The basis for my opinion is explained below. I outline the responsibilities of the Commissioner and my responsibilities for the financial statements and audit of the Commission. I also comment on other information.

Basis for opinion

I carried out my audit in accordance with International Standards of Supreme Audit Institutions (ISSAI), which incorporate ISSAI 130 Code of Ethics issued by the International Organization of Supreme Audit Institutions (INTOSAI Code of Ethics). My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of this report.

I have fulfilled my responsibilities in accordance with ISSAI. Other than in my capacity as auditor I have no relationship with, or interests in, the Commission. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Commissioner and the Board of Directors for the financial statements

The Commissioner on behalf of the Commission is responsible for:

- o the preparation and fair presentation of the financial statements in accordance with IPSAS;
- o implementing necessary internal control to enable the preparation of a set of financial statements that is fairly presented and free from material misstatement, whether due to fraud or error; and
- o assessing the ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations, or have no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Commission's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements of the Commission as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes my opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAI will always detect a material misstatement. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions readers make based on the financial statements of the Commission.

As part of an audit in accordance with ISSAI, I exercise professional judgement and maintain professional skepticism throughout the audit. Also:

- I identify and assess the risks of material misstatement of the financial statements of the Commission, 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 my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, because fraud can involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I 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 internal control used by the Commissioner to prepare the financial statements of the Commission.
- I evaluate the appropriateness of accounting policies used, and the reasonableness of accounting estimates and related disclosures made by the Commissioner.
- I conclude on the appropriateness of using the going concern basis of accounting that has been used by the Commissioner to prepare the financial statements of the Commission, up to the date of my auditor's report, based on the audit evidence I have obtained.
- I evaluate the overall presentation, structure, and content of the financial statements of the Commission, including the disclosures, and whether the financial statements of the Commission represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Commissioner, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that I identify during my audit.

I am responsible for expressing an independent opinion on the financial statements of the Commission and reporting that opinion to you based on my audit. My responsibility arises from the Public Expenditure Review Committee and Audit Act 1995-96.

Other Information

The Commissioner is responsible for the other information. The other information comprises the information included on pages 1 to 25 but does not include the annual financial statements of the Commission and my auditor's report thereon.

My opinion on the financial statements of the Commission does not cover the other information and I do not express any form of audit opinion or assurance conclusion on that information.

In connection with my audit of the financial statements of the Commission, my responsibility is to read the other information. In doing so, I consider whether the other information is materially inconsistent with the financial statements of the Commission, or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on my work, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Independence

While carrying out this audit, my staff and I have complied with ISSAI 130 Code of Ethics issued by the International Organization of Supreme Audit Institutions (INTOSAI Code of Ethics), and we have fulfilled our other ethical responsibilities in accordance with these requirements.



Desmond Wildin
Director of Audit
Rarotonga, Cook Islands



FINANCIAL SUPERVISORY COMMISSION

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2025

In New Zealand Dollars	Notes	Budget 2025 \$	Actual 2025 \$	Actual 2024 \$
Revenue				
Trading Revenue	2	1,333,048	1,612,237	1,496,774
Other Revenue	2	65,000	76,639	60,981
Total Revenue		1,398,048	1,688,876	1,557,755
Expenditure				
Personnel Expenses	3	724,100	627,683	624,439
Audit Fees		3,000	3,000	3,500
Depreciation and Amortisation Expenses	11,12	79,000	79,362	86,689
Other Expenses	4	491,850	446,304	531,093
Total Expenditure		1,297,950	1,156,348	1,245,721
Operating Profit Before Other Gains and Losses (OBEGAL)		100,098	532,528	312,034
Other Gains/(Losses)				
Total Other Gains/(Losses)		-	-	-
Net Surplus		100,098	532,528	312,034

Explanations of major variances against the budget are provided in Note 19.

The accompanying notes should be read in conjunction with these Financial Statements.

FINANCIAL SUPERVISORY COMMISSION
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

In New Zealand Dollars	Notes	Actual 2025 \$	Actual 2024 \$
Assets			
Current Assets			
Cash and Equivalents	5	167,183	139,684
Trust Accounts	10	576,775	843,937
Reserve Accounts	6	612,636	610,000
Revenue in Transit		3,802	8,673
Prepayments		30,138	64,369
Debtors and Other Receivables	7	2,400	7,456
Accrued Interest		2,862	3,077
Total Current Assets		1,395,797	1,677,195
Non-Current Assets			
Property, Plant, and Equipment	11	86,515	46,981
Intangible Assets	12	40,986	98,876
Total Non-Current Assets		127,501	145,857
Total Assets		1,523,298	1,823,052
Liabilities			
Current Liabilities			
Creditors and Other Payables	8	67,863	59,478
Employee Entitlements	9	27,160	31,665
Trust Liabilities	10	576,775	843,937
Total Current Liabilities		671,798	935,080
Total Liabilities		671,798	935,080
Net Assets		851,500	887,972
Equity			
Contributed Capital		750,400	750,400
Accumulated Surplus / (Deficit)		101,100	137,572
Total Equity	13	851,500	887,972

The accompanying notes should be read in conjunction with these Financial Statements.



FINANCIAL SUPERVISORY COMMISSION

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2025

In New Zealand Dollars	Notes	Budget 2025 \$	Actual 2025 \$	Actual 2024 \$
Balance as at 1 July		887,972	887,972	897,936
Total Net Surplus for the year		100,098	532,528	312,035
Return of Excess to the Crown		(100,000)	(569,000)	(322,000)
Balance as at 30 June	13	888,070	851,500	887,972

The accompanying notes should be read in conjunction with these Financial Statements.



FINANCIAL SUPERVISORY COMMISSION

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2025

In New Zealand Dollars	Actual 2025 \$	Actual 2024 \$
Cash Flows from Operating Activities		
Receipts from Licensees	1,622,378	1,487,786
Receipts from MFEM-Confiscated Asset Fund	41,613	43,311
Receipts from Interest	19,374	17,670
Payments to Employees	(713,629)	(711,296)
Payments to Suppliers	(325,247)	(464,817)
Net Cash Flows from Operating Activities	644,490	372,655
Cash Flows from Investing Activities		
Sale of Property Plant and Equipment	15,652	-
Purchase of Property, Plant, Equipment and Intangible Assets	(61,006)	(9,075)
Net Cash Flows used in Investing Activities	(45,354)	(9,075)
Cash Flows from Financing Activities		
Distributions to the Crown	(569,000)	(322,000)
Cash transferred to Reserve Account	(2,636)	10,000
Net Cash Flows used in Financing Activities	(571,636)	(312,000)
Net Increase in Cash and Equivalents	27,500	51,580
Cash and Equivalents as at 1 July	139,684	88,104
Cash and Equivalents as at 30 June	167,183	139,684

The accompanying notes should be read in conjunction with these Financial Statements.

FINANCIAL SUPERVISORY COMMISSION

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2025

	Actual 2025 \$	Actual 2024 \$
In New Zealand Dollars		
Reconciliation of Net Surplus / (Deficit) to Net Cash Flows from Operating Activities		
Reported Surplus	532,528	312,035
Add / (less) Non-cash items		
Depreciation and Amortisation	79,362	86,689
(Gain) / Loss on Sale of Assets	(15,652)	-
<i>Total Non cash items</i>	596,238	398,724
Add / (less) movements in Statement of Financial Position items		
(Increase) / decrease in Debtors and Other Receivables	5,056	(1,414)
(Increase) / decrease in Prepayments	34,231	(3,841)
(Increase) / decrease in Accrued Interest	215	(286)
(Increase) / decrease in Revenue in Transit	4,871	(7,287)
(Increase) / decrease in Vested Assets Clearing Account	-	740
Increase / (decrease) in Accounts Payable	11,378	(12,740)
Increase / (decrease) in Credit Card Liability	(2,466)	(255)
Increase / (decrease) in Pay As You Earn (PAYE) Payable	378	(293)
Increase / (decrease) in Superannuation Payable	431	(458)
Increase / (decrease) in Value Added Tax (VAT) Payable	(1,336)	3,621
Increase / (decrease) in Revenue Received in Advance	-	-
Increase / (decrease) in Employee Entitlements	(4,505)	(3,856)
<i>Net movement in working capital items</i>	48,253	(26,069)
Net Cash Flows from Operating activities	644,490	372,655

The accompanying notes should be read in conjunction with these Financial Statements.



FINANCIAL SUPERVISORY COMMISSION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Note 1: Statement of Accounting Policies

Reporting Entity

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

Statement of Compliance

These financial statements have been prepared in accordance with the Ministry of Finance and Economic Management Act 1995-96 and the International Public Sector Accounting Standards issued by the International Public Sector Accounting Standards Board (IPSASB).

Measurement Base

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

These financial statements have been prepared using the historical cost method to report results, cashflows and the financial position of the Commission. The financial statements have been prepared under the accrual basis of accounting and are presented in New Zealand dollars, rounded to the nearest dollar.

Summary of Significant Accounting Policies

Significant accounting policies are included in the notes to which they relate. Significant accounting policies that do not relate to a specific note are outlined below.

Income Tax

The Commission, as an agency of the Crown, is exempt from the payment of income tax in terms of the Income Tax Act 1997. Accordingly, no charge for income tax has been provided for.

Foreign Currencies

Foreign currency transactions are recorded at the exchange rates in effect at the date of the transaction. Monetary assets and liabilities arising from trading transactions or overseas borrowings are translated at closing rates. Gains and losses due to currency fluctuations on these items are included in the Statement of Financial Performance.

FINANCIAL SUPERVISORY COMMISSION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Note 1: Statement of Accounting Policies (continued)

Commitments

Future expenses and liabilities to be incurred on contracts that have been entered into at balance date are disclosed as commitments to the extent that there are equally unperformed obligations.

Statement of Cash Flows

Operating activities include cash received from all income sources of the Commission and record the cash payments made for the supply of goods and services, and payments to employees.

Investing activities are those activities relating to the acquisition, holding and disposal of assets and investments.

Financing activities comprise capital injections by, or repayment of funds to the Crown, and movements in the Commission's reserve accounts.

Value Added Tax (VAT)

All statements of account are exclusive of VAT. The Statement of Financial Position is exclusive of VAT except for payables and receivables which are stated VAT inclusive as these represent the total amount to be paid or collected by the Commission to or from third parties.

The amount of VAT owing to or from the Revenue Management Division at balance date, being the difference between Output VAT and Input VAT, is included in payables or receivables as appropriate.

Budget Figures

The budget figures are derived from the Commission's Statement of Corporate Intent 2024/2025, as approved by the Board of Directors on 25 March 2024.

Critical Accounting Estimates and Assumptions

In preparing these financial statements, the Commission has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Changes in Accounting Policies

There have been no changes in accounting policies since the date of the last audited financial statements.

FINANCIAL SUPERVISORY COMMISSION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Note 2: Revenue

Accounting Policy

Revenue under exchange transactions

The specific accounting policies for significant revenue items are explained below:

Revenue is measured at fair value of consideration received or receivable for the services provided in the ordinary course of business. Revenue is stated exclusive of Value Added Tax and is recognised when the service is provided.

Trading revenue

The Commission derives revenue from various fees charged relating to the provision of services to the international financial services industry in the Cook Islands and by licensing financial institutions. Registration and renewal fee income is recognised on the date the registration or renewal is completed.

Interest revenue

Interest revenue is recognised as it accrues, using the effective interest method

Breakdown of Revenue

	Budget 2025 \$	Actual 2025 \$	Actual 2024 \$
Trading Revenue			
Licensing fees	137,827	164,252	152,278
Registration fees	153,057	313,881	201,518
Renewal fees	997,164	1,084,923	1,094,431
Other fee income	45,000	49,180	48,548
Total Trading Revenue	1,333,048	1,612,237	1,496,774
Other Revenue			
MFEM-Confiscated Asset Fund	50,000	41,613	43,311
Interest revenue	15,000	19,374	17,670
Gain on Sale of Assets	-	15,652	-
Total Other Revenue	65,000	76,639	60,981

Note 3: Personnel Expenses

Accounting Policy

Superannuation schemes

The Commission contributes to the Cook Islands National Superannuation Fund which is accounted for as a defined contribution scheme and is expensed in the surplus or deficit as incurred.

Breakdown of Personnel Expenses

	Budget 2025 \$	Actual 2025 \$	Actual 2024 \$
Salaries and wages	689,719	602,379	599,024
Defined contribution plan - employer contributions	34,381	29,810	29,271
Increase / (decrease) in employee entitlements	-	(4,505)	(3,856)
Total Personnel Expenses	724,100	627,683	624,439

The accompanying notes should be read in conjunction with these Financial Statements.

FINANCIAL SUPERVISORY COMMISSION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Note 4: Other Expenses

Breakdown of Other Expenses

	Budget 2025 \$	Actual 2025 \$	Actual 2024 \$
Board Fees	82,250	82,250	82,250
Computer Costs	28,000	17,164	29,271
Electricity	14,000	15,205	14,727
Lease Costs	36,000	36,000	36,000
Legal and Professional Fees	50,000	74,167	65,331
Online Prudential Expenses	25,000	25,147	23,792
Online Registry Expenses	73,000	57,292	124,221
Online Server	13,000	14,443	15,201
Staff Training	5,000	2,235	-
Subscriptions	42,000	42,483	36,162
Travel	61,000	41,009	56,400
Other Operating Costs	62,600	38,909	47,738
Total Other Expenses	491,850	446,304	531,093

Note 5: Cash and Equivalents

Accounting Policy

Cash is considered to be cash balances on hand and current accounts in banks, net of bank overdrafts and trust accounts, with original maturities of three months or less.

Breakdown of Cash and Equivalents

	Actual 2025 \$	Actual 2024 \$
Cash at bank (ANZ CI)	165,596	138,060
Cash at bank (ANZ NZ)	1,487	1,524
Petty Cash	100	100
Total Cash and Equivalents	167,183	139,684

The accompanying notes should be read in conjunction with these Financial Statements.

FINANCIAL SUPERVISORY COMMISSION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Note 6: Reserve Accounts

Accounting Policy

As a precautionary measure the Commission holds Reserve Accounts to fund any necessary enforcement action, future capital expenditure, or any other unbudgeted costs. This is attributable to the Commission being a self funding Crown Agency.

Breakdown of Reserve Accounts

	Term	Interest Rate	Actual 2025 \$	Actual 2024 \$
Term Deposit (BCI)	6 months	3.20%	250,000	250,000
Term Deposit (BSP)	6 months	3.00%	260,000	260,000
Term Deposit (ANZ)	1 month	-	-	-
Term Deposit (ANZ)	3 months	2.15%	102,636	100,000
Total Reserve Accounts			612,636	610,000

Note 7: Debtors and Other Receivables

Accounting Policy

Short-term receivables are recorded at the amount due, less any provisions for uncollectability.

A receivable is considered uncollectable when there is evidence the amount due will not be fully collected. The amount that is uncollectable is the difference between the amount due and the present value of the amount expected to be collected.

Breakdown of Receivables and further information

	Actual 2025 \$	Actual 2024 \$
Receivables under non-exchange transactions		
Accounts Receivable (gross)	2,400	2,400
Less: Provision for doubtful debts	-	-
Accounts Receivables (net)	2,400	2,400
Sundry Receivables	-	5,056
Total Debtors and Other Receivables	2,400	7,456

Inter-ministry receivables included above to Crown Agencies

The aging profile of accounts receivable at year end is detailed below:

	2025			2024		
	Gross	Provision	Net	Gross	Provision	Net
Not past due	2,400	-	2,400	2,400	-	2,400
Past due 0 - 30 days	-	-	-	-	-	-
Past due 31 - 60 days	-	-	-	-	-	-
Past due over 60 days	-	-	-	-	-	-
	2,400	-	2,400	2,400	-	2,400

All receivables greater than 30 days in age are considered to be past due.

The assessment for uncollectability is performed on an individual basis, based on past collection history and write offs. All above debtors have been assessed as collectable as all past debts have been collectible and none have been written off.

FINANCIAL SUPERVISORY COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

Note 8: Creditors and Other Payables

Accounting Policy

Short-term payables are recorded at the amount payable.

Breakdown of Payables and further information

	Actual 2025 \$	Actual 2024 \$
Payables under exchange transactions		
Accounts Payable	20,149	8,771
Credit Card Liability	620	3,086
Pay As You Earn (PAYE) Tax Payable	10,437	10,059
Cook Islands Superannuation Payable	5,165	4,734
Value Added Tax (VAT) Payable	15,057	16,393
Revenue Received in Advance	16,435	16,435
Total Payables under exchange transactions	67,863	59,478
Total Creditors and Other Payables	67,863	59,478
Inter-ministry payables included above to Crown Agencies	33,534	34,061

Note 9: Employee Entitlements

Accounting Policy

Employee benefits are due to be settled within 12 months after the end of the financial year in which the employee provides the related service and are based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned but not yet taken at balance date, and time off in lieu.

A liability and an expense are recognised for bonuses where there is a contractual obligation or where there is past practice that has created constructive obligation and a reliable estimate of the obligation can be made.

Breakdown of Employee Entitlements

	Actual 2025 \$	Actual 2024 \$
Accrued salaries and wages	21,175	17,162
Annual leave	5,985	14,503
Total Employee Entitlements	27,160	31,665

The accompanying notes should be read in conjunction with these Financial Statements.



FINANCIAL SUPERVISORY COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

Note 10: Trust Accounts

Accounting Policy

The Commission holds funds in trust on behalf of the Trustee Company licensees, for payment of their registry activity, and on behalf of the Crown for assets vested in the Registrar. These are recorded at carrying value.

Breakdown of trust accounts and trust liabilities

	Actual 2025	Actual 2024
Trust Assets		
New Zealand Dollar (NZD) Vested Assets Account (ANZ CI)	19,549	29,075
Australian Dollar (AUD) Vested Assets Account (ANZ CI)	412,054	713,490
New Zealand Dollar (NZD) Client Trust Account (CSB-WU)	10,000	10,000
New Zealand Dollar (NZD) Client Trust Account (CSB-VF)	10,000	10,000
New Zealand Dollar (NZD) Client Trust Account (CSB-Explore)	10,000	10,000
United States Dollar (USD) Client Trust Account (CSB)	115,172	71,372
Total Trust Assets	576,775	843,937
Trust Liabilities		
NZD Vested Assets Account on behalf of the Crown (ANZ CI)	19,549	29,075
AUD Vested Assets Account on behalf of the Crown (ANZ CI)	412,054	713,490
NZD Client Security Bond (CSB-WU)	10,000	10,000
NZD Client Security Bond (CSB-VF)	10,000	10,000
NZD Client Security Bond (CSB-Explore)	10,000	10,000
USD Client Imprest Account (CSB)	115,172	71,372
Total Trust Liabilities	576,775	843,937

Trust Account Reconciliation

	Actual 2025 \$ (AUD)	Actual 2025 \$ (NZD)	Actual 2024 \$ (NZD)
New Zealand Dollar (NZD) Vested Assets Account (ANZ CI)			
Opening Balance		29,075	41,909
Vested Assets Received		-	740
Interest Received		117	168
Payment of Bank Fees		(42)	(42)
Payment of FSC Administrative Fees		(9,600)	(13,700)
Closing Balance		19,549	29,075
AUD Vested Assets Account on behalf of the Crown (ANZ CI)			
Opening Balance	665,400	713,490	648,358
Vested Assets Received	-	-	346,666
Payment of Claims	(276,446)	(292,134)	(285,014)
Payment of Bank Fees	973	1,028	-
Foreign Exchange Movements	-	(10,330)	3,480
Closing Balance	389,927	412,054	713,490

The accompanying notes should be read in conjunction with these Financial Statements.



FINANCIAL SUPERVISORY COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

Note 11: Property, Plant, and Equipment

Accounting Policy

Property, plant and equipment is measured at cost less accumulated depreciation and impairment losses.

Additions

The cost of purchased property, plant, and equipment is the value of the consideration given to acquire the assets and the value of other directly attributable costs which have been incurred in bringing the assets to the location and condition necessary for their intended service.

Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at date of acquisition. An asset acquired below the \$5,000 threshold set by the Cook Islands Government Financial Policy and Procedures Manual is expensed.

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the additional cost will flow to the Commission and that the cost of the item can be measured reliably.

The costs of day to day servicing of property, plant and equipment are expensed in surplus or deficit as they are incurred.

Disposals

Gains and losses on disposals are determined by comparing the sales proceeds with the carrying amount of the asset.

Depreciation

Depreciation of property, plant, and equipment is provided for on a straight line basis so as to allocate the cost of assets to their estimated residual value over their estimated useful lives. Typically, the estimated useful lives are:

Computer Equipment	3 - 4 years	25 - 33%
Furniture and Fittings	10 years	10%
Motor Vehicles	5 years	20%
Plant Equipment	4 years	25%
Leasehold Improvements	10 years	10%

Impairment of property, plant and equipment

The Commission does not hold any cash generating assets. Assets are considered cash generating when their primary objective is to generate a commercial return.

Non-cash generating assets

Property, plant and equipment held at cost that have a finite useful life 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 amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less cost to sell and value in use.

Value in use is the present value of an asset's remaining service potential. It is determined using an approach based on either a depreciated replacement cost approach, a restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is recognised in the surplus or deficit.

The accompanying notes should be read in conjunction with these Financial Statements.

FINANCIAL SUPERVISORY COMMISSION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Note 11: Property, Plant and Equipment (continued)

Breakdown of property, plant and equipment and further information
Movement for each class of property, plant and equipment are as follows:

	Computer Equipment \$	Furniture & Fittings \$	Motor Vehicles \$	Plant Equipment \$	Leasehold Improvements \$	Total \$
Cost						
Balance as at 1 July 2023	136,891	33,590	48,679	49,609	84,337	353,106
Additions	3,123	-	-	3,865	-	6,988
Disposals	90,180	-	-	11,884	-	102,064
Balance as at 30 June 2024	49,834	33,590	48,679	41,591	84,337	258,031
Accumulated depreciation and impairment losses						
Balance as at 1 July 2023	117,775	31,703	29,613	30,334	81,055	290,480
Depreciation	7,143	480	6,490	8,046	475	22,634
Accumulated depreciation on disposals	90,180	-	-	11,884	-	102,064
Impairment losses	-	-	-	-	-	-
Balance as at 30 June 2024	34,737	32,184	36,103	26,496	81,529	211,049
Carrying Amount						
As at 30 June 2024	15,096	1,405	12,575	15,096	2,809	46,981
Cost						
Balance as at 1 July 2024	49,834	33,590	48,679	41,591	84,337	258,031
Additions	12,179	1,911	43,470	-	3,446	61,006
Disposals	-	-	24,339	-	-	24,339
Balance as at 30 June 2025	62,012	35,501	67,809	41,591	87,784	294,697
Accumulated depreciation and impairment losses						
Balance as at 1 July 2024	34,737	32,184	36,103	26,496	81,529	211,049
Depreciation	7,419	403	5,592	7,410	647	21,472
Accumulated depreciation on disposals	-	-	24,339	-	-	24,339
Impairment losses	-	-	-	-	-	-
Balance as at 30 June 2025	42,157	32,587	17,356	33,906	82,176	208,182
Carrying Amount						
As at 30 June 2025	19,855	2,914	50,452	7,686	5,609	86,515

Capital commitments

There were no property, plant and equipment commitments at year end (2024: nil).

The accompanying notes should be read in conjunction with these Financial Statements.



FINANCIAL SUPERVISORY COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

Note 12: Intangible Assets

Accounting Policy

Software acquisition

Computer software licences are capitalised on the basis of costs incurred to acquire and bring to use the specific software. Staff training costs and costs associated with maintaining computer software are expensed when incurred. Costs associated with development and maintenance of the Commission's Intangible Assets are expensed when incurred.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight line basis over its useful life. Amortisation begins when the asset is available for use and ceases on the date that the asset is derecognised. The amortisation charge for each financial year is expensed in the surplus or deficit.

The useful lives and associated amortisation rates have been estimated as follows:

Acquired computer software	3-8 years	13-33%
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Impairment of intangible assets

Refer to the policy for impairment of property, plant and equipment in Note 11. The same approach applies to impairment of intangible assets.

Breakdown of intangible assets and further information

Movement for each class of intangible assets are as follows:

	Software \$
Cost	
Balance as at 1 July 2023	672,208
Additions	12,679
Disposals	-
Balance as at 30 June 2023	684,887
Accumulated amortisation and impairment losses	
Balance as at 1 July 2023	521,957
Amortisation	64,054
Accumulated amortisation on disposals	-
Impairment losses	-
Balance as at 30 June 2023	586,011
Carrying Amount	
As at 30 June 2024	98,876
Cost	
Balance as at 1 July 2024	684,887
Additions	-
Disposals	-
Balance as at 30 June 2025	684,887
Accumulated amortisation and impairment losses	
Balance as at 1 July 2024	586,011
Amortisation	57,890
Accumulated amortisation on disposals	-
Impairment losses	-
Balance as at 30 June 2025	643,901
Carrying Amount	
As at 30 June 2025	40,986

Capital commitments

There were no capital commitments at year end (2024: nil)

Cook Islands International Company Online Registry Upgrade

In June 2021, the Commission began the upgrade of its Online Registry to enable better functionality and strengthen support to Anti Money Laundering / Counter Terrorism Financing regime in place. Financial assistance was provided by the Asian Development Bank (ADB) under the Pacific Private Sector Development Initiative (PSDI) in line with the Economic Development Strategy and Economic Recovery Roadmap for the Cook Islands. The upgrade was completed by Paradigm in June 2024. Currently the Commission can not attribute a reliable cost or fair value to the upgrade/asset.

Installation of Cook Islands Financial Intelligence Unit TAIPAN

On 14 November 2023, Cook Islands Financial Intelligence Unit (CIFIU) entered into an agreement with the Australian Transaction Reports and Analysis Centre (AUSTRAC) for the provision, implementation and use of a technical information technology solution developed by AUSTRAC known as TAIPAN. The purpose of TAIPAN is to support improved anti-money laundering/counter-terrorism financing capability and capacity within the Cook Islands.

AUSTRAC is responsible for all costs associated with making TAIPAN available to the CIFIU excluding salary expenses and any ongoing expenses incurred after the installation of TAIPAN. A cost could not be allocated to this software therefore not included in the total cost of intangible assets.

While this project is ongoing, a reliable cost or fair value cannot be attributed to the asset.

FINANCIAL SUPERVISORY COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

Note 13: Equity

Accounting Policy

Equity is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

- > contributed capital
- > accumulated surplus / (deficit)

Return of Excess to the Crown

Return of excess funds to the Crown occurs in accordance with section 24(2) of the Financial Supervisory Commission Act 2003 when the Commission's Board considers that funds are in excess of the amount sufficient to enable the Commission to carry out its functions.

Breakdown of Equity

	Actual 2025 \$	Actual 2024 \$
Opening Equity		
Balance as at 1 July	750,400	750,400
Capital Funding for the year	-	-
Balance as at 30 June 2024	750,400	750,400
Accumulated Surplus / (Deficit)		
Balance as at 1 July	137,572	147,536
Surplus / (Deficit) for the year	532,528	312,035
Return of Excess to the Crown	(569,000)	(322,000)
Balance as at 30 June 2024	101,100	137,572
Total Equity	851,500	887,972

Note 14: Related party transactions

The Financial Supervisory Commission is a wholly owned entity of the Crown, however, the Government protects it through its legislation from undue influence and significant control.

The Commission also enters into transactions with other Government Ministries, Crown Agencies and State Owned Enterprises on an arms-length basis.

The key management personnel are members of the senior management group.

Key management personnel compensation

	Actual 2025	Actual 2024
Remuneration	\$ 381,243	\$ 394,691
Full-time equivalent members	4	4

FINANCIAL SUPERVISORY COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

Note 15: Financial Instruments

Accounting Policy
Financial assets

All financial assets are classified as Receivables. Receivables are measured at fair value plus transaction cost on initial measurement and subsequently at amortised cost. Interest income and interest expense is recognised in the surplus or deficit.

Financial liabilities

All financial liabilities are classified as Other Liabilities. Other liabilities are measured at fair values less transaction cost on initial measurement and subsequently at amortised cost. Interest income and interest expense is recognised in the surplus or deficit.

Financial instrument categories

The carrying amounts of financial assets and liabilities in each of the financial instrument categories are as follows:

	Actual 2025 \$	Actual 2024 \$
Receivables		
Cash and Equivalents	167,183	139,684
Prepayments	30,138	64,369
Reserve Accounts	612,636	610,000
Debtors and Other Receivables	2,400	7,456
Accrued Interest	2,862	3,077
Revenue in transit	3,802	8,673
Trust Accounts	576,775	843,937
Total receivables	1,395,798	1,677,197
Other Liabilities		
Creditors and Other Payables	67,863	59,478
Employee Entitlements	27,160	31,665
Trust Liabilities	576,775	843,937
Total other liabilities	671,798	935,080

Financial Instrument risks

The Commission's activities expose it to a variety of financial instrument risks, including market risk, credit risk, foreign currency risk and liquidity risk.

Foreign Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign currency rates. Foreign currency transactions are recorded at the exchange rates in effect at the date of the transaction. Monetary assets and liabilities arising from trading transactions are translated at closing rates. Gains and losses due to currency fluctuations on these items are included in the Statement of Financial Performance.

Liquidity risk

Liquidity risk is the risk that the Commission will encounter difficulty raising liquid funds to meet commitments as they fall due. The Commission manages liquidity risk by continuously monitoring forecast and actual cash flow requirements.

FINANCIAL SUPERVISORY COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

Note 15: Financial Instruments (continued)

Market Risk

Market risk is the risk that changes in market prices (such as foreign exchange rates, interest rates and equity prices) will affect the Commission's income or value of its financial instruments. The Commission has no financial assets or liabilities that are affected by changes in market prices and therefore there is no market risk.

Credit Risk

In the normal course of business, the Financial Supervisory Commission incurs credit risk from trade debtors and transactions with financial institutions. The Commission has a credit policy, which is used to manage this risk. As part of this policy, limits on exposure with counter parties has been set and is monitored on a regular basis.

The Financial Supervisory Commission has no significant concentrations of credit risk. It does not require any collateral or security to support financial instruments due to the quality of financial institutions and trade debtors dealt with.

Fair Values

The estimated fair values of the Financial Supervisory Commission's financial assets and liabilities are their carrying values.

Note 16: Financial Commitments

Operating Tenancy Lease commitments:

	Actual 2025 \$	Actual 2024 \$
Within one year	36,000	36,000
Within one to two years	72,000	72,000
	108,000	108,000

Online Prudential Filing Commitment (Parklane):

	Actual 2025 \$	Actual 2024 \$
Within one year	25,000	25,000
Within one to two years	-	-
	25,000	25,000

Paradigm-Online Registry Commitment:

	Actual 2025 \$	Actual 2024 \$
Within one year	38,000	39,000
Within one to two years	-	-
	38,000	39,000

The accompanying notes should be read in conjunction with these Financial Statements.



FINANCIAL SUPERVISORY COMMISSION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Note 17: Contingencies

Accounting Policy

Contingent assets and liabilities are disclosed at the point which the contingency is evident.

Contingent Liabilities

The Commission has no contingent liabilities as at balance date (2024: nil).

Contingent Assets

The Commission has no contingent assets as at balance date (2024: nil).

Note 18: Events after balance date

There are no significant events after balance date.

Note 19: Explanation of major variances against the budget

Explanation of major variances from 30 June 2025 budgeted figures are as follows:

Statement of Financial Position

Net Surplus for the year

Actual net surplus for the year was higher than budgeted by \$432,430. The Commission generated higher than expected trading revenue of \$279,189 and was able to control its expenditure below budgets for both personnel and operating by 141,963. These are further explained below. This enabled the Commission to return excess funds above what was budgeted by \$469,000.

Statement of Financial Performance

Trading Revenue

Actual trading revenue was more than budgeted by \$279,189 due to an increase in registry activity and the Commission benefiting from favourable exchange rates. The Commission based budget on zero growth in registry activity however, registry activity increased immensely, mainly in new registrations. Also, budget was based on 0.65c when actual over the year averaged 0.60c.

Personnel Expense

Actual personnel expense was lower than budgeted by \$96,417 due to one vacancy not being filled and two staff starting over halfway through the year (January and March 2025).

Other Expenses

Actual other expense is less than budgeted by \$45,546. This is primarily due to conference & workshops expense and operation costs not being utilised and also, savings in the online registry expense line due to a new service provider.

