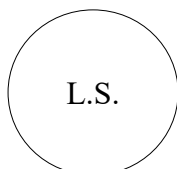


Legal Notice No. 6 of 2026



FINANCIAL SERVICES ORDINANCE 2008

FINANCIAL SERVICES (AMENDMENT) REGULATIONS 2026

In exercise of the powers conferred by section 39 of the Financial Services Ordinance 2008 the Governor on the advice of the Executive Council makes the following Regulations.

Citation and commencement

1. These Regulations may be cited as the Financial Services (Amendment) Regulations 2026.
2. These Regulations come into force on 1 April 2026.

Amendment of the Financial Services Regulations 2017

3. The Financial Services Regulations 2017 are amended as follows.

Omission of regulation 2 (service to eligible customers)

4. Omit regulation 2 (service to eligible customers).

Amendment of regulation 3 (customer protection)

5. In regulation 3—
 - (a) in paragraph (1), for “An investment business” substitute “A relevant business”;
 - (b) for paragraph (3) substitute—“(3) The product or service may not be offered to residents of St Helena until such action has been approved by the Regulatory Authority.”.

Substitution of regulation 4 (client’s money)

6. For regulation 4 substitute—

“Client money

4. (1) Client money must be paid into a designated account with a bank authorised by the Regulatory Authority or a bank authorised in an Organisation for Economic Co-operation and Development (OECD) member country and held in trust for the client.
- (2) The client money account must be segregated from the accounts of the relevant business, estate agent, legal practitioner or accountant.
- (3) The client money account must be in the name of the relevant business, estate agent, legal practitioner or accountant and the title of the account must make clear that the account is a client money account.
- (4) Any bank holding a client money account must—
 - (a) be notified at the time that the account is opened that it is a client money account, and
 - (b) acknowledge in writing to the relevant business, estate agent, legal practitioner or accountant that—
 - (i) money standing to the credit of the account is held by that body as trustee,
 - (ii) the bank is not entitled to combine the funds in the account with any other funds, and
 - (iii) the bank is not entitled to exercise any right of set-off, lien or counterclaim against the client money account in respect of any sum due from that body.
- (5) A relevant business may only make withdrawals from a client money account—
 - (a) in the course of or in connection with the provision of regulated activities as agreed with the client or potential client,
 - (b) to repay money to the client or potential client, or
 - (c) subject to paragraph (7), where the money is not client money.
- (6) An estate agent, legal practitioner or accountant may only make withdrawals from a client money account—
 - (a) in accordance with an agreement with the client,
 - (b) to repay money to the client or potential client, or
 - (c) subject to paragraph (7), where the money is not client money.
- (7) A withdrawal from a client money account in accordance with paragraph (5)(c) or (6)(c) is permitted only when—
 - (a) the money has been incorrectly deposited into the client money account,
 - (b) the money does not belong to the client,
 - (c) the withdrawal has no material effect on the client’s money, and
 - (d) notice of the error and its remedy is sent promptly to the relevant client or potential client.”.

Substitution of regulation 6 (reporting requirements)

7. For regulation 6 substitute—

- “6. (1) Banks are required to provide the Regulatory Authority with the following returns on a calendar month basis in the format specified by the Regulatory Authority—
- (a) Balance Sheet,
 - (b) Profit and Loss Account,
 - (c) Maturity Analysis of Assets and Liabilities,
 - (d) Liquidity Statement,
 - (e) Large Exposures return, including large exposures to connected persons,
 - (f) Capital Position,
 - (g) Statement of Interest Rate exposure,
 - (h) Certificates signed by the bank’s internal auditor confirming the reconciliation of the bank’s accounts with other banks and confirming the reconciliation of all suspense accounts, and
 - (i) a Deposit Activity report.
- (2) Banks are required to provide the Regulatory Authority with the following returns on a quarterly basis in the format specified by the Regulatory Authority—
- (a) a list of relationships where the banking exposure is receiving close attention and monitoring by the bank’s own management “watch list”,
 - (b) Statement of Unauthorised Overdrafts, including a list of large exposures receiving special attention,
 - (c) Statement of Investments,
 - (d) a New Exposures report, and
 - (e) a Credit Quality report.
- (3) On an annual basis, a bank is required to provide the Regulatory Authority with a report from a suitably qualified, independent professional, as to the accuracy and completeness of the returns submitted to the Regulatory Authority under paragraphs (1) and (2).
- (4) All returns must be signed by the manager and be submitted to the Regulatory Authority in electronic format within 10 working days of the relevant month end.”.

Amendment of regulation 7 (own funds)

8. After regulation 7(3) insert—

- “(3A) The Regulatory Authority may vary or add to the definition of “Own Funds” in paragraph (3) and specify the associated calculation methodology by giving not less than three months’ notice to the banks.”.

Omission of regulation 8 (liquidity)

9. Omit regulation 8.

Amendment of regulation 9 (large exposures).

- 10.** In regulation 9 omit paragraph (3).

Insertion of new regulation 9A (risk rating of exposures)

- 11.** After regulation 9 insert—

“Risk rating of exposures

9A. A bank must—

- (a) undertake a risk rating of every exposure,
- (b) review the risk rating of every exposure at least annually, or more frequently when it becomes aware of a change in circumstances that has a bearing on the current risk rating of that exposure, and
- (c) maintain a written record of all risk ratings and reviews of risk ratings.”

Amendment of regulation 11 (records)

- 12.** In regulation 11—

- (a) for the fullstop at the end of subparagraph (f) substitute “;”,
- (b) after subparagraph (f) insert—

“(g) contain the written record of risk ratings and reviews of risk ratings as required by regulation 9A; and

(h) contain a written record of the distribution of risks within portfolios.”.

Made by the Governor on the advice of the Executive Council this 23rd day of March 2026.

Nigel Phillips CBE
Governor

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations revise the authority of the Regulatory Authority to issue specified directives; clarify the use of clients’ money and revise the reporting obligations of banks.