

**Financial Supervisory Commission
Cook Islands**

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16 July 2019

Dear Sir/Madam

Re: Financial Regulatory Standards in the Cook Islands

As the Commissioner of the only prudential regulator responsible for the entire financial sector in the Cook Islands, I write to give assurance as to the high standards of regulatory and anti-money laundering and countering the financing of terrorism controls ("AML/CFT") practiced here.

Like all jurisdictions around the world the Cook Islands has been independently assessed by international bodies against its standard of implementation of the Financial Action Task Force's international standards on AML/CFT. The last full evaluation of the Cook Islands was undertaken in 2017 by the Asia/Pacific Group on Money Laundering ("APG") and their report was published in September 2018. The September 2018 evaluation report can be seen at:

<https://www.fsc.gov.ck/cookIslandsFscApp/content/assets/2dcb92600021f7b54233c1be6dbd3ce2/4.3%20Cook%20Islands%20MER%202018.pdf>

As outlined in the evaluation report, the Cook Islands has been rated one of the best in the world for technical compliance with 38 out of the 40 FATF Recommendations receiving Largely Compliant or Compliant. In terms of effectiveness of its AML/CFT system, the Cook Islands received largely positive results which included 5 ratings of substantial.

A new Financial Transactions Reporting Act was enacted in 2017 to ensure that the Cook Islands met the revised 2012 FATF recommendations expanding on the due

diligence requirements for beneficial owners and providing legislative authority requiring implementation of a risk based approach by all reporting institutions, at all levels, for AML/CFT compliance.

The Cook Islands has also been successfully evaluated as part of the Global Forum on Transparency & Exchange of Information for Tax Purposes Peer Reviews in 2015. The Cook Islands received an overall rating of Largely Compliant.

The Cook Islands continues to demonstrate its commitment to international standards and the effective implementation of such. The Financial Supervisory Commission has made a number of reforms over the last 10 years to its banking, insurance and trustee and corporate service providers supervisory regime with the implementation of comprehensive licensing and regulatory oversight.

The Financial Supervisory Commission Act 2003, which established the Commission, charges the regulatory supervisor;-

- to keep under review, the operation of the Cook Islands legislation relating to licensed financial institutions and the effectiveness of supervision of licensed financial institutions; and
- to continually monitor the extent to which Cook Islands legislation and the supervision of licensed financial institutions complies with international accepted standards.

To this end the Commission has an active legislative and supervisory reform programme to maintain international standards across all aspects of the Cook Islands financial supervisory regime. The Commission is an active member of both the Group of International Financial Centre Supervisors forum and the Group of International Insurance Centre Supervisors, where membership is subject to maintaining a high level of prudential supervisory practice in country.

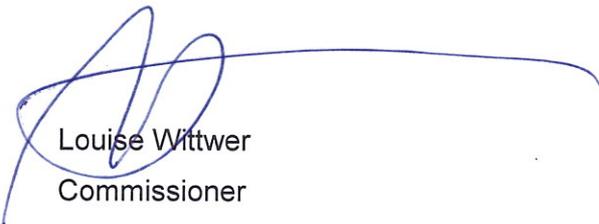
The Commission also administers the International Registries of Companies, Trusts, Foundations, Partnerships and Limited Liability Companies. All information regarding filings upon it can be accessed through the proper channels, by law enforcement agencies and other competent authorities. Details of the recorded registered office address are provided in response to requests from the public.

In 2015 the Financial Intelligence Unit Act 2015 was enacted to expand upon the functions and powers afforded to the Financial Intelligence Unit to investigate and prevent financial misconduct. This includes greater powers to obtain information on beneficial ownership, financial transactions and currency at the border.

Overall, the Cook Islands strive to continually meet international regulatory standards. We have a close working relationship with both the Reserve Bank of New Zealand and the Australian Prudential Regulatory Authority, ensuring capable assistance is always at hand. Independent international assessment and scrutiny has found that the Island's standards and commitment to keep improving are amongst the very best in the world.

Please contact me for any additional information / clarification you may require,
Louise.Wittwer@fsc.gov.ck

Yours faithfully



Louise Wittwer
Commissioner