

# FINANCIAL CENTRE ASSOCIATION OF VANUATU



12 May 2023

## 2022 Annual Chairman's Report

Dear FCA members,  
Dear industry colleagues,

### **Vanuatu is not yet on solid ground, but getting very close**

In the following weeks, the Financial Centre Association (FCA) will have a new Chairperson and, for the first time in seven years, that person won't be me. I've been taking on so many professional commitments lately that I couldn't possibly give the FCA the attention it deserves. It's time for a fresh pair of eyes to further develop the trade group's vision. I wish that person all the luck in the world in keeping the flame burning for our industry and our community as a whole.

Each autumn during my mandate, I published a Chairman's report where I tracked the progress we had made on key issues (read them all at: [fca.vu/fca-chairmans-reports](https://fca.vu/fca-chairmans-reports)). In lieu of my last report, I'd like to make a public statement reaching beyond our member base, and take a look back on the road travelled in order to highlight the role played by the International Financial Centre in Vanuatu's economic and social life. Hopefully we can draw some lessons from it and catch a glimpse of the road ahead.

Ever since its establishment in 1972 under British rule, the International Finance Centre has enabled a world-class professional services industry to flourish in our small, remote corner of the world. It remained there through calm and turmoil alike, including in the uncertain early years of our independence. With the creation of our Association in 1993, the industry became more united and concerted in its commitment to support Vanuatu's economy by exporting high-value services and attracting much-needed foreign investment.

More importantly, our bankers, accountants, lawyers, brokers, insurers, business advisors, real estate agents and other business professionals have helped Vanuatu maintain a degree of diversification beyond the tourism sector. Not only does their presence prove indispensable when the latter falters, as we painfully learned during the pandemic, but it represents our single biggest potential for future growth since Vanuatu has little in the way of capitalistically valuable natural resources, manufacturing capacity or geostrategic location.

## **Resilience leads to self-sufficiency**

During my mandate I saw our industry and our regulators continuously navigate rocky waters. When I started in 2016, the Financial Action Task Force, the world's anti-money-laundering watchdog, had just placed Vanuatu on a "grey list" as it deemed our institutions and legislative framework too vulnerable to financial criminals. But we buckled up and, thanks to open and extensive collaboration between the government and the private sector, we saw our financial system go through an ambitious overhaul. Among other improvements, we brought our laws up to par with global standards and transformed our institutions to such an extent that the FATF gave us the all-clear in 2018, as did all major global financial institutions (with the notable exception of the European Commission, which will hopefully recognize our efforts soon).

As the FCA turns 30 this year, we can confidently say our industry has demonstrated its resilience, achieved maturity, and firmly established the foundations upon which to further diversify and develop our tertiary sector.

The Financial Intelligence Unit, the Reserve Bank and the Financial Services Commission –the main institutions that are empowered to supervise and regulate the Financial Centre activities– are now in much stronger shape. Our industry has grown to welcome more bankers, more lawyers, more brokers, more insurers and other professionals. The International Finance Centre remains a unique asset in the region, as it makes Vanuatu stand out in the eyes of investors when compared with Solomon Islands, Fiji, PNG or New Caledonia. We're still small and humble, but we remain committed to our vision of independence through self-sufficiency.

Our country has never been economically self-sufficient, as it needs a consistent injection of foreign aid. Depending on others' largesse is clearly not a sustainable situation, not to mention the policy strings that often come attached. But I'm confident that we will soon grow our economy enough that Vanuatu can finally pay all of its bills by itself and thus become genuinely sovereign.

## **Prosperity at our fingertips**

Today our country is better positioned than ever to compete in the global knowledge economy, not only by offering more of what we already do but by staking a claim in the industries of the 21<sup>st</sup> century, from software development to marketing to science and engineering, sectors that require only an Internet connection and a higher education to enter.

We have the former, but we need to invest more in the latter. Already most well-educated Ni-Vanuatu working in the private sector are employed by Association members, and they want to hire more. At the same time, we'll keep bringing in foreign skilled workers in the hope they can inspire and train local youth to follow in their footsteps.

I know for a fact that our Minister of Finance, the Hon. John Dahmasing Salong, and our Minister of Tourism, Trade, Commerce & Ni Vanuatu Business, the Hon. Matai Seremaiah, do share the same vision along with other cabinet members. Our leaders recognize the need for creating more opportunities for Ni-Vanuatu, attracting more foreign investors, and continuing to build our critical economic mass.

## **Boomtown 2.0**

Older readers may remember the boomtown effect that followed the creation of the IFC in the seventies. (story [here](#) -yellow highlighted) The time is ripe to recreate the same excitement, but as a sovereign nation and with the scaling power of the internet.

The FCA can help realise that vision by keeping our business leaders engaged with each other and mobilised for the greater good. I know from experience how difficult it is to get people of different backgrounds and interests to come together, commit to meeting regularly, and agree on issues and solutions. But this kind of close, selfless collaboration is vital for our future. By committing, with a united voice and vision, to world-class standards of professionalism and transparency, we can head off obstacles to our success on the world stage before they occur – be it a blacklisting or other.

Our association is a brotherhood. Our individual interests are so often our common interests. For the prosperity of our sector, the economy and the nation, we need to see ourselves as developers, building something far, far bigger than ourselves. We need to realise that, when Vanuatu gains, it's because we've all gained. Only then will our efforts take on a greater meaning and value that will ultimately be our greatest reward.

Let's continue to work together all of us for Vanuatu and for great things ahead.

Martin St-Hilaire  
Chairman  
Financial Centre Association of Vanuatu

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**Our Current Members are (as of May 2023):**

National Bank of Vanuatu, Bank of South Pacific, Pacific Private Bank, QBE, Vanuatu Insurance Broker, Geoffrey Gee & Partners, Hurley lawyers, Ridgway Blake, Caillard Kaddour, Waterfront Real Estate, First National, Pacific Advisory, AJC, Barrett & Partners, Law Partner, Icount, James Kluck & Associates, Moores Rowland, Hawkes Consulting, The Bottom Line, Company Service Limited, IFTC, European Trust, PITCO, Pacific Management Trust, and Titan FX, Ian Kerr/Vanuatu Tourism Association.

**Special Thanks to our 2022 Executives:**

James Hudson	Titan FX	Vice Chairman
Gilian Attapattu	PITCO	Secretary
Mathilde Augerd	Law Partner	Treasurer
Thomas M. Bayer	European Trust	Member

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