

Bermuda regulatory update Q1 2025

Recent developments from the Bermuda Monetary Authority (“BMA”) and the Office of the Privacy Commissioner (“PrivCom”) reflect continued regulatory focus on financial sanctions, operational resilience, and data privacy. New consultations, guidance notes, and enforcement activity highlight the need for regulated entities to review internal processes, ensure appropriate due diligence, and meet upcoming Q2 2025 deadlines. The summary below outlines key changes and actions relevant to Bermuda-regulated entities.

BMA: Financial sanctions updates

- Financial sanctions have been published/updated by the BMA for: Libya; Counter-Terrorism; Venezuela; Russia; Belarus; Global Human Rights; and Global Anti-Corruption (see [International Sanctions - BMA](#))
- AML-ATF Ministerial Advisory 1 2025 (dated March 13, 2025 – see [AML/ATF - Policy and Guidance - BMA](#)):
 - Enhanced due diligence (“EDD”) must be applied for high risk jurisdictions, based on the Financial Action Task Force’s (“FATF’s”) list (see [High-Risk Jurisdictions Subject to a Call for Action - February 21, 2025](#))
 - A risk-based approach, which may include EDD, should be applied for jurisdictions that are under increased monitoring by the FATF, due to strategic deficiencies in their AML/CFT regimes (per the [Jurisdictions under Increased Monitoring - February 21, 2025](#) statement)

BMA: Consultation paper - operational resilience and outsourcing ([see https://www.bma.bm/document-centre/discussions-consultation-papers](https://www.bma.bm/document-centre/discussions-consultation-papers))

- Financial service provider stakeholders were invited to submit their views on the proposals set out in this consultation paper to the Authority by Friday, March 14, 2025.
- The expected release date for this is Q2 2025 and Apex Bermuda entities will then need to implement the sectoral requirements on operational resilience, leveraging operational and best practices so that they will have the ability to anticipate, withstand, recover from, and adapt to disruptions.
- The scope of operational resilience will include:
 - Identifying and documenting the resources necessary to perform the functions of the entity
 - Setting impact tolerances and testing the ability to remain within impact tolerances
 - Conducting remediation and lessons-learned exercises
 - Assessing and monitoring the outsourcing framework
 - Developing internal and external communications plans
 - Creating an annual self-assessment
- There are similarities between the contents of this consultation paper and the EU DORA regulation on resilience and outsourcing that is already in place.

BMA: Securities sector presentation ([useful links related to AML/ATF - BMA](#)):

- A presentation on *Money Laundering (ML)/Terrorist Financing (TF) Risks, Vulnerabilities and Preventive Measures* for the securities sector was published on the BMA's website on March 4, 2025, which covered the following topics:
 - An overview of the securities sector and the associated money laundering and terrorist financing risks
 - The National Risk Assessment ("NRA"), including overall, threat and vulnerability scores for Bermuda
 - Business and customer risk assessments
 - Preventive measures, including customer due diligence ("CDD"); internal controls and policies; employee training; suspicious activity reporting ("SAR"); screening; and transaction monitoring
 - Red flag indicators
 - Onsite findings and process

BMA: Updates and notices

- Q4 2024 regulatory update (see [Regulatory Updates - BMA](#)), published January 27, 2025)
- Notices (<https://www.bma.bm/notices>):
 - A petition for the winding-up of Stonebridge Capital Hedge Fund Limited by the Supreme Court of Bermuda was directed to be presented to the court by the BMA on January 31, 2025.
 - A public warning was issued by the BMA on March 3, 2025 regarding Blockchain Deposit Insurance Corp, which had published articles stating that it is a Bermuda-formed company that is about to launch an insurance platform featuring its own digital token; however, this entity is not licensed by the BMA and it does not appear on the register of companies that is maintained by Registrar of Companies in Bermuda.
 - Updated personal declaration ("PD") forms must be used for BMA applications as of March 3, 2025

The Office of the Privacy Commissioner ("PrivCom") - <https://www.privacy.bm>

- The final report on guidance notes for financial service providers was produced by the Office of the Privacy Commissioner for Bermuda on March 7, 2025 ([The Office of the Privacy Commissioner \("PrivCom"\) launches Financial Service Provider's Guidance Notes – Final Report](#)) and includes the following information:
 - Regardless of the origin of the personal information, or whether the individual to whom the personal information relates is a resident of Bermuda, so long as an organisation "uses" personal information in Bermuda, the organisation has an obligation to ensure compliance with PIPA.
 - Every organisation that "uses" personal information in Bermuda must adopt suitable measures, processes and policies to give effect to its obligations and to the rights of the individuals as set out in PIPA, including how to respond to access requests.
 - Since financial services regulatory obligations require organisations to undertake periodic ATF-AML and KYC administration, organisations will require the "use" of sensitive personal information to identify an individual, track and verify the source of funding, undertake transaction monitoring, and perform sanctions screening.

- Where an organisation is compelled to undertake deliberate measures to ensure compliance with financial, AML, or other legislatively imposed regulations, their Privacy Notice should include a statement indicating that one of the organisation’s intended “uses” of personal information is to share personal information with specified regulators to ensure regulatory compliance.
- If a company procures the services of a Bermuda-based CSP, although the CSP may “use” personal information on its behalf, the company itself remains obligated to ensure compliance with PIPA.

Deadlines for Q2 2025

- Registrar of Companies (“RoC”):
 - June 30, 2025: Economic Substance Declarations (for entities whose year-end is December 31, 2025)
- BMA:
 - June 30, 2025: Statement of Compliance for Designated Funds, Registered Funds, Standard, Institutional Funds, Administered Funds and Specified Jurisdiction Funds (for entities whose year-end is December 31, 2025)