

Bermuda regulatory update Q4 2024

The Bermuda Monetary Authority (“BMA”), the Office of the Privacy Commissioner (“PrivCom”), and the Ministry of Finance have issued key regulatory updates for the fourth quarter of 2024. This update provides an overview of developments across financial sanctions, anti-money laundering and counter-terrorist financing (“AML/ATF”), corporate service provider regulations, digital asset business requirements, and corporate income tax (“CIT”). Notable highlights include amendments to financial sanctions, consultations on digital asset regulations, updates on beneficial ownership disclosure, and the full implementation of the Personal Information Protection Act (“PIPA”) on January 1, 2025. Deadlines for upcoming filings and fee submissions for Q1 and Q2 2025 are also outlined.

BMA: Financial sanctions updates

- **Financial sanctions have been published/updated by the BMA for:** Cyber; Haiti; Chemical Weapons; Russia; Iran; Myanmar; Libya; Mali; Central African Republic; Chemical Weapons; Sudan; Counter-Terrorism (Domestic); ISIL (Da'esh) and Al-Qaida; Democratic Republic of the Congo; and Global Anti-Corruption (see [International Sanctions](#))
- **AML-ATF Ministerial Advisory 3/2024** (dated Dec 2, 2024 - see [AML/ATF - Policy & Guidance](#))
 - 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 - October 25, 2024](#))
 - 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 - October 25, 2024](#) statement)

BMA: Corporate Service Provider Business Act

- **Response to industry feedback on “Proposed Enhancements to the Corporate Service Provider Business Act 2012” Consultation Paper** provided by the BMA (see <https://www.bma.bm/viewPDF/documents/2024-10-25-12-35-32-Stakeholder-Letter---Proposed-Enhancements-to-the-Corporate-Service-Provider-Business-Act-2012.pdf>)

BMA: Digital Asset Business ([Digital Asset Business](#))

- **“Consultation Paper - Proposed Amendments to the Digital Asset Business (DAB) Act 2018 and the DAB (Prudential Standards) (Annual Return) Rules 2018”**
 - Feedback requested from stakeholders on this consultation paper and a related document was published by the BMA, called “Digital Asset Business - Prudential Annual Return” (see [Digital Asset - Discussion/Consultation Papers](#))
 - The proposed amendments in the paper aim to enhance the BMA's administrative, rulemaking and enforcement powers, refine definitions used in the Act and amend annual reporting requirements.
- **Digital Asset Businesses (DAB) Sector AML/ATF Outreach Presentation** (presented by the BMA on Aug 22, 2024, published on [Useful Links Related to AML/ATF](#) on Oct 22, 2024)
- **“Digital Asset Business - Thematic Review”** document published on Nov 1, 2024
- **“Consultation Paper - Regulation of Digital Identity Service Provider Business”** published on Nov 22, 2024 (see [Bermuda Legislations Discussion and Consultation Papers](#))
- **Response to industry feedback on Digital Asset Business Single Currency Pegged Stablecoins provided by the BMA on Dec 3, 2024** (see “Stakeholder Letter - Consultation Paper - Digital Asset Business Single Currency Pegged Stablecoins” in Policy, Guidance and Relevant Documents section - [Digital Asset Business](#))
- **“Digital Asset Business Single Currency Pegged Stablecoins (“SCPS”) Guidance”** published on Dec 3, 2024 (see [Digital Asset - Discussion/Consultation Papers](#))

BMA: Updates, webinars, reports, notices, and press releases

- **Q3 2024 Regulatory Update** (see [Regulatory Updates](#), published Oct 15, 2024)
- **A “Securities Anti-Money Laundering/Anti-Terrorist Financing (AML/ATF) Outreach” Webinar** took place on Nov 7, 2024 (training materials will be posted to the BMA website and questions regarding this webinar can be sent to amloutreach@bma.bm)
- **Notices & Press Releases** (<https://www.bma.bm/notices> and <https://www.bma.bm/news-and-press-releases>):
 - **The BMA cancelled the insurance registration of “777 Re Ltd”** due to non-compliance with various requirements under the Insurance Act and the Insurance Code of Conduct (published in October 2024)

- **The Authority also revoked the Money Service Business (“MSB”) Licence held by “Blue Nile Services Ltd.”** as a result of its failure to meet the minimum criteria for licencing obligations and its failure to comply with obligations imposed on it by the Money Service Business Act 2016, with effect from October 14, 2024.
- **Fraudulent Website - Stillman Crypto Brazil** (<https://www.stillmancryptobrazil.com>) - Oct 16, 2024
- **Phishing Attempts from Individuals Misrepresenting the BMA** - phone phishing scam in which the caller misrepresented that they were an employee of the BMA in an attempt to obtain personal banking information from the unsuspecting individual (published Oct 1, 2024)
- **Civil Penalties levied on “Meritus Trust Company Limited”** for not adequately complying with all requirements of the BMA’s AML/ATF Regulations (published Dec 30, 2024)
- **Bermuda’s Coordinated Portfolio Investment Survey - 2023 Report** was published on Dec 11, 2024 (see [Survey Reports by Bermuda Monetary Authority](#))

PrivCom: <https://www.privacy.bm>

- **The Personal Information Protection Act (“PIPA”)** came into full effect on **January 1, 2025** (please see [Organisations' Hub | PrivComBermuda](#) for further information, including a link to the 2016 Act, the 2023 Amendment Act, a “Guide to PIPA” and how to report a breach to the Office of the Privacy Commissioner).

Ministry of Finance (Government of Bermuda)

- **The Bermuda Report on 2020 Money Laundering and Terrorist Financing Risk Assessments has been updated** to include “Appendix F: 2023 Digital Asset Business Risk Assessment Report” (see “Helpful Resources” Section, [Useful Links Related to AML/ATF](#) to view the updated report, which was produced by the National Anti-Money Laundering Committee or NAMLC).
- **CIT Regime** (see [Bermuda Corporate Income Tax | Government of Bermuda](#)):
 - As a reminder, the new CIT came into effect on January 1, 2025 (under the Bermuda Corporate Income Tax Act 2023 legislation).
 - This new tax regime applies to Bermuda businesses that are part of Multinational Enterprise Groups (“MNEs”) with annual revenue of €750 million or more.

- The Bermuda Government announced that the registration process for CIT will be through a new declaration under the statutory annual return filings, which will require all entities to confirm whether they are in, or out, of scope for the new tax.

The Registrar of Companies Department (“RoC”) (Ministry of Finance, Bermuda)

- Published a Consultation Paper on “Bermuda’s Central Register of Beneficial Ownership Information of Legal Persons” in November 2024 (see [Consultation Paper Central Register of Beneficial Ownership Information of Legal Persons.pdf](#))
- **Proposals in the consultation paper include plans to**
 - a) enhance Bermuda’s current beneficial ownership regime in accordance with the revised FATF Recommendation 24 and consolidate the regime under the framework of a single Act
 - b) extend access to the central register of beneficial ownership information to obliged entities, as well as to persons that can demonstrate a legitimate interest, having regard to the European Union Sixth Anti-Money Laundering Directive and international best practice
 - c) transfer the central register from the BMAR to the RoC

Deadlines for Q1 and Q2 2025

- **BMA**
 - **March 31, 2025:** Fees for Investment Funds Act (“IFA”)/Investments Business Act (“IBA”)/Mutual Fund Administrators
- **RoC**
 - **January 31, 2025:** Government Fees and Annual Declarations>Returns for Exempted Companies
 - **March 31, 2025:** Government Fees and Annual Declarations>Returns for Local (Bermuda) Companies