BERMUDA MONETARY AUTHORITY

CONSULTATION PAPER

PROPOSED FEE CHANGES

August 2018

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*The financial services industry and other interested parties are invited to submit their views on the proposals set out in this paper. Comments should be sent to the Authority and addressed to policy@bma.bm no later than **14 September 2018**.*

I. Introduction

1. The purpose of this consultation paper is to set out the fee revisions which the Bermuda Monetary Authority (the Authority or the BMA) proposes to implement across supervised sectors in a phased implementation in 2019 and 2020. The proposed fees are included in detail in Annex 1.

II. Background

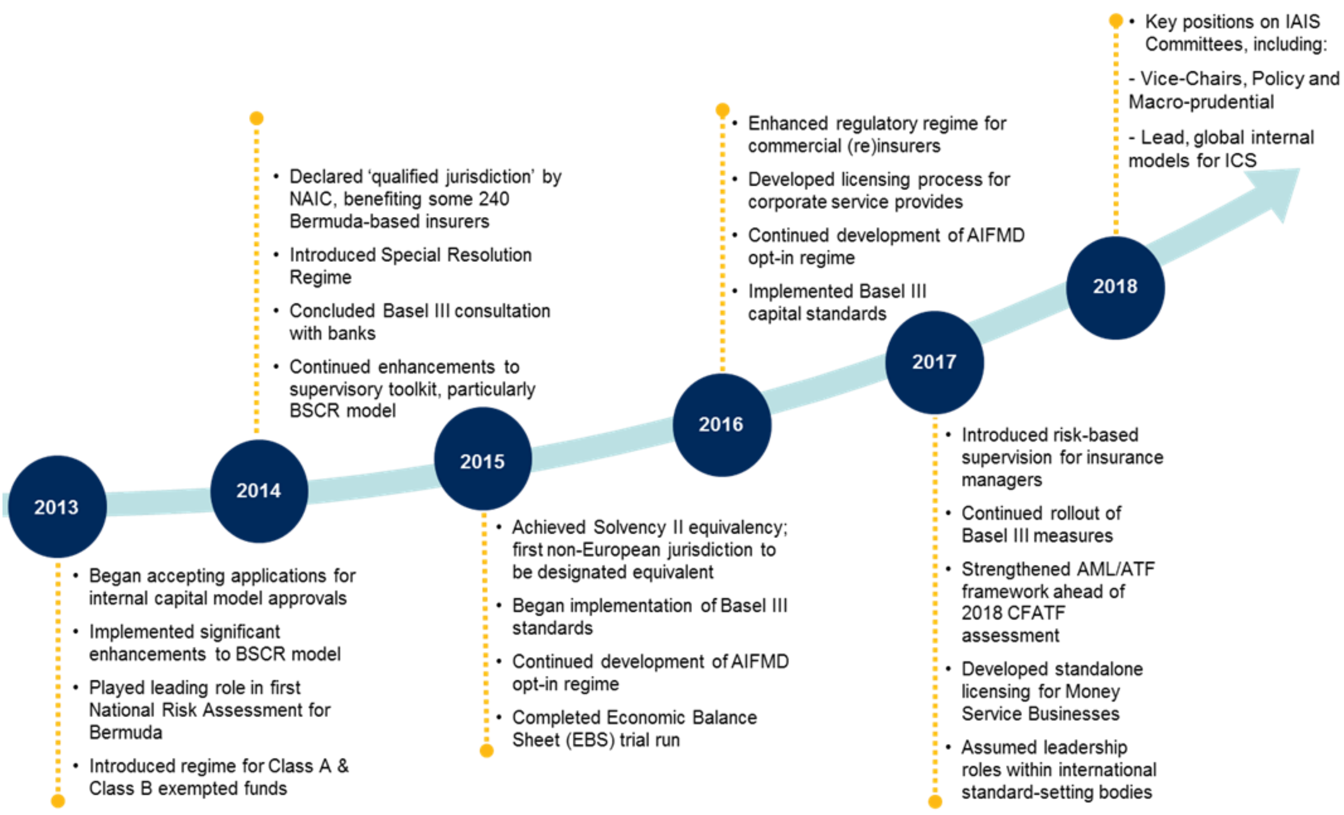
2. The mission of the Authority is to protect and enhance Bermuda's reputation and position as a leading international financial services centre. In this endeavour, the BMA seeks to function as a pragmatic, risk-based regulator and promote financial stability.

3. In pursuit of this mission, the Authority must balance a number of strategic objectives, including: (i) implementing a world-class regulatory regime, (ii) maintaining recognition as a leading international financial centre among relevant standard-setting bodies and peer jurisdictions, (iii) offering an environment that is perceived as attractive and proportionate by financial institutions, and (iv) being efficient and effective in the management of its costs and resources.

4. In order to achieve these strategic objectives, the Authority has undertaken initiatives designed to, inter alia:
    a. Enhance its current risk-based supervision approach, coverage and service levels in respect of supervised firms
    b. Protect the reputation and integrity of Bermuda’s financial system through market conduct and consumer protection initiatives
    c. Meet evolving international standards and expectations, including those associated with the International Association of Insurance Supervisors (IAIS), the Basel Committee on Banking Supervision, the International Organization of Securities Commissions (IOSCO), the Financial Stability Board (FSB) and the Financial Action Task Force (FATF)
    d. Sustain equivalence and recognition from key peer jurisdictions in the UK, Europe and the US
    e. Enable it to undertake its activities in an efficient manner that is based on a sustainable funding model.

5. While seeking to strike the above-noted balance, the Authority has achieved a number of milestones in recent years. Exhibit 1 presents many of these accomplishments. Some of the highlights are:
    a. Becoming the first non-European jurisdiction to be designated fully Solvency II equivalent (Solvency II)
    b. Being selected as one of only seven jurisdictions to be awarded the US National Association of Insurance Commissioners' Qualified Jurisdiction status (NAIC)
    c. Rolling out international banking standards in-line with Basel III (Basel III)
    d. Developing and introducing a banking Special Resolution Regime
    e. Developing the basis for an opt-in regime in response to the Alternative Investment Fund Managers Directive (AIFMD)
    f. Implementing a robust anti-money laundering and anti-terrorist financing (AML/ATF) regime
    g. Developing a regulatory framework for the emerging insurtech and digital asset sectors in Bermuda.

Exhibit 1: Summary of the BMA accomplishments (2013-2018)



6. The Authority has always sought to conduct its affairs prudently, but recognises that successes such as those listed above cannot be taken for granted nor sustained without adequate funding. Fee increases have been moderated or not applied in a certain year in order to reduce the impact on the financial services industry, especially post the financial crisis. This has, however, contributed to the Authority operating at a deficit, with resultant budget shortfalls being covered from existing reserves.

7. Feedback received during recent interviews with industry representatives affirmed the positive reputation that the Authority has built, but also cited instances where support available for supervised firms during peak periods, responsiveness in relation to licensing matters and flexibility in addressing unanticipated risk events could be enhanced.

8. The Authority has recognised that, in order to maintain its capability to meet ever more demanding international standards and expectations for financial supervisors, and continue to deliver on its strategic objectives while it faces the increasing complexities characterising the supervised sectors, it needs to further enhance its operations and augment its supervisory resources to support key activities.

9. As part of its strategic response to the above, the Authority undertook a comprehensive target operating model (TOM) review with the assistance of an international management consulting firm. The result of this review was a multiyear plan to effect improvements in the organisation and operations of the BMA. In keeping with the plan developed, the Authority has already begun to implement changes to the way we work and the way we are organised to align the Authority's human capital and business procedures with its changing strategic priorities.

10. One important aspect of the TOM review involved an analysis of the BMA's structure and staffing levels, and an examination of the costs related to supervising different elements within all sectors of the financial services community. As part of this analysis, the external consulting firm conducted an independent third-party benchmarking exercise in which they studied peer jurisdictions to ascertain the fees charged for comparable supervisory activities to those performed by the Authority, in addition to reviewing the staffing levels needed to effectively perform these activities.

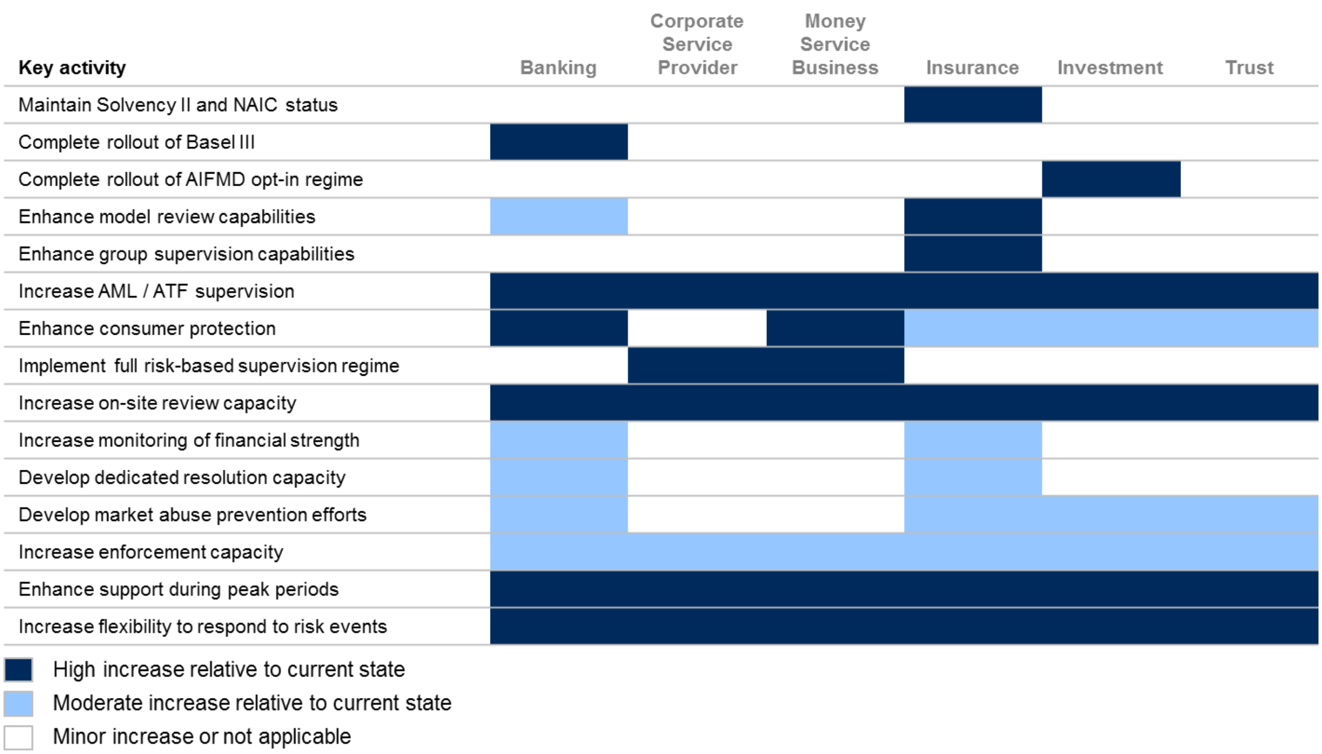
11. The report produced as a result of the benchmarking exercise highlighted that human and financial resource levels within the Authority are below expected levels given the organisation's continually expanding mandate and what it will need to achieve in the future.

12. Based on the TOM review performed, the Authority has determined it will require up to 39 additional full-time employees by 2020 to continue to effectively discharge its duties. It is proposed that these new employees be added in a phased manner over the course of 2019 and

2020. These proposed additional full-time employees are independent of recruitment by the Authority to support the implementation of the regulatory framework for the digital asset businesses expected to enter Bermuda following the implementation of the Digital Asset Business Act 2018. The licensing fees established for such firms are expected to cover the increased costs associated with supervising this sector.

13. Exhibit 2 summarises the activities for which additional human resources are required and the proposed level of increase relative to the current state.

Exhibit 2: Summary of key activities requiring more resources



14. There are, of course, significant financial implications associated with this necessary increase in staffing levels, and with implementing other improvements in the organisation and operations of the BMA recommended by the TOM review. Specifically, annual operating costs are projected to increase to $61 million by 2020, an increase of $11.7 million over the 2017 year-end figure. Given that the Authority incurred an operating loss of $1.6 million in 2017, and is projected to again incur an operating loss in 2018, it is essential that fee structure for regulated firms be revised.

15. Notwithstanding the need to implement fee increases, the Authority recognises that market conditions remain challenging in a number of regulated sectors. Accordingly, the proposals set out in this paper has considered prevailing conditions, been carefully researched and are

presented with the sustainability and continued credibility of the regulatory regime in mind.

16. As part of the TOM review and the previously-referenced benchmarking exercise, the Authority and the external consulting firm reviewed the various supervisory activities performed by the BMA and noted that the fees currently charged did not reflect the supervisory effort needed to perform these activities. Furthermore, there were activities identified where the Authority does not charge fees, yet the supervisory resources devoted to these activities were substantial. In part, this can be attributed to the fact that commencing during the global financial crisis, and continuing in recent years, fee increases introduced have been moderated in order to reduce the impact on the financial services industry. This has, however, contributed to the Authority operating at a deficit, with resultant budget shortfalls being covered from existing reserves.

17. Consequently, it is proposed that certain existing fees be adjusted and/or new fees be introduced to reflect the Authority's resource utilisation for these ongoing supervisory activities. In addition, the review resulted in proposals that the basis on which fees were charged be simplified so that entities would find it easier to determine what fees would need to be paid. This same philosophy will be applied in the future as the Authority's mandate expands to encompass new activities, such as those associated with the recently introduced insurance innovation hub.

18. The TOM review, and the previously-referenced benchmarking exercise, facilitated the identification of possible approaches to re-gear the Authority's fee structures. A key consideration in the development of a new fee structure was that any revised fees proposed should appropriately reflect the cost of compliance for respective supervised firms, thereby facilitating a more equitable distribution of the regulatory financial burden. The Authority believes that a sophisticated approach to risk-based supervision, in conjunction with a corresponding alignment of fees, will allow for it to enhance its regime while mitigating the cost implications for supervised firms. Taking action on this front is vital to preserve the jurisdiction's world-class regulatory regime.

III. Proposed Revised Fee Schedule

19. To address the current operating losses and finance the required additional human resources and other improvements recommended by the TOM review, the BMA proposes to revise fees across supervised sectors.

20. The revised fees have been informed by four guiding principles:
    a. Fund the Authority's operating budget: counterbalance the projected cost increase of \$11.7 million annually by 2020
    b. Align fees to supervisory activity by sector: adjust fees to closely reflect resources utilized in regulating firms within that sector

c. Increase discretion of supervisory teams: allow fees to be levied for activities that require exceptional BMA resources
d. Maintain competitiveness: account for pricing relative to peer regulatory bodies to ensure Bermuda remains competitive.

21. Reflective of the above, the Authority has defined a new fee schedule. Exhibit 3 summarises the major revisions by Act. Full details of all the fee amendments proposed are set out in Annex 1.

Exhibit 3: Summary of major revisions by Act

Act	**Summary of major changes**
Banks and Deposit Companies Act 1999	• Annual fees increased by 12% in 2019 and 2020 • Application fees to be increased from $22,712 to $50,000
Banks and Deposit Companies (Fees) Act 1975	• Tiers based on gross assets amended (seven-tiers proposed vs. existing three-tiers) • One-time realignment of annual fees increased in 2019 (i.e. no increase proposed for 2020). Changes specific to new tiers (increases from $270k to $500k or $750K for smaller banks, $1.62 mil to $1.75 or $2.0 mil for larger banks).
Corporate Service Provider Act 2012	• Annual fees increased to $10,000 for Limited licenses and $25,000 for Unlimited licenses (vs. existing approach of $21 per entity serviced)
Credit Union Act 2010	• Annual fee increased to $5,000 (from $2,500)

Insurance Act 1978	• Tiers introduced for Class C, Class D, Class E, and Managers • Annual fees for Class 1, Class 2, Class 3, Class E, Special Purpose Insurer, and Non-Resident Insurance Undertaking increased significantly to better reflect resource utilisation • Annual fees for Class 3A, Class A, and Class B generally increased by 12% in 2019 and 2020 • Annual fees for Class 3B, Class 4, and Group (commercial) generally increased by 10% in 2019 and 2020 • Fees for internal capital model applications[1] and Section 6 C applications[2] will be assessed on a case-by-case basis subject to a cap and a floor and the fee will be communicated to the applicant before the start of review with the possibility of application withdrawal • New fees proposed in respect of applications to obtain Bermuda Monetary Authority approval (as a condition of licence or pursuant to section 30J) for a loss portfolio transfer • New fees proposed for active run-off insurers (with such insurers being defined via a consequential amendment to the Insurance Act 1978) to reflect resources required on this front, where regulatory intensity can be comparable to that experienced with active companies (a fact not addressed by the existing fee schedule's focus on premiums written) • Fees for other in-depth reviews introduced • Filing extension fees tiered based on months past the original deadline
Investment Business Act 2003	• Annual fees increased by 12% in 2019 and 2020
Investment Funds Act 2006	• Annual fees increased by 10% in 2019 and 2020 • New late filing fee/penalty fee proposed in respect of a statement submitted pursuant to section 26(1)(b) more than six months after a fund's financial year-end.
Money Service Business Act 2016	• Annual fees increased by 12% in 2019 and 2020

[1] Fee change to reflect the requirement that the review of an application may be conducted largely or solely by the Authority. The previous fee amount had been determined on the basis that the Authority only performed a part of the review with the balance of the work being conducted by a professional services firm under the management and supervision of the Authority. The hourly fees charged by professional firms are significantly higher than the corresponding Authority's man-hour cost. The higher fee is not intended to result in an increase in the overall cost of an internal model application to the insurer but rather a re-allocation of fees between the Authority and supporting professional services firms. In all likelihood this will result in lower total fees (Authority's plus external consultant's) actually being incurred by applicants. Furthermore, in many cases the actual fee to be charged is likely to be substantially less than the $2,000,000 upper limit. The fees are largely dependent on the complexity of the model and risks covered by the model as well as on the complexity of the business model, risk profile and group structure of the applicant.

[2] Fees will depend on the scope and complexity of the review, on the size and complexity of the applicant and on the expected solvency impact of the application.

Trusts (Regulation of Trust Business) Act 2001	• Annual fees increased by 10% in 2019 and 2020

22. It is proposed that the implementation of the revised fee schedule be phased in over a two-year period beginning 1 January, 2019.

IV. Conclusion

23. The Authority's proposed new fee structure has been developed to maintain a balance between its need for additional financial resources to support a sustainable business model and the ability of regulated firms to absorb fees. The proposed fees reflect the costs of supervision faced by the Authority, and the benefits derived by Bermuda-based financial institutions from the Authority's world-class regulatory regime and recognition as a leading international financial centre among relevant standard-setting bodies and peer jurisdictions.

24. Stakeholders who have comments on the proposals set out in this paper are kindly requested to send them in writing, using the Summary Sheet for Consultation Comments provided, to policy@bma.bm no later than **14 September, 2018**.

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Annex 1

THE BERMUDA MONETARY AUTHORITY PROPOSED FEES – EFFECTIVE 2019

Banks and Deposit Companies Act 1999

			2018	2019	2020
(1)		Application for licence pursuant to section 13(1)	$22,712	$50,000	$50,000
(2)		Annual fee pursuant to section 16			
		(a) where an institution falls in band A	$18,746	$20,996	$23,515
		(b) where an institution falls in band B	$124,939	$139,932	$156,723
		(c) where an institution falls in band C	$249,827	$279,806	$313,383
(3)		For the purposes of paragraph (2) an institution falls			
		(a) in band A, if it has consolidated gross assets not exceeding $500 million;			
		(b) in band B, if it has consolidated gross assets exceeding $500 million, but not exceeding $2 billion;			
		(c) in band C, if it has consolidated gross assets exceeding $2 billion			
(4)		In this paragraph "consolidated gross assets" do not include assets accounted for in the consolidated financial statements of a subsidiary company, licensed separately under the Banks and Deposit Companies Act 1999.			

Annual fees in respect of (2) above are due on or before 31 March 2019

Banks and Deposit Companies (Fees) Act 1975

			2018	2019	2020
Annual fee pursuant to section 3:					
	(a)	where the bank has consolidated gross assets (in all currencies) of less than $250 million in value	$270,375	$250,000	$250,000
	(b)	where the bank has consolidated gross assets (in all currencies) of $250 million but not exceeding $500 million in value	$270,375	$500,000	$500,000
	(c)	where the bank has consolidated gross assets (in all currencies) of $500 million but not exceeding $3 billion in value	*see Note 3*	$750,000	$750,000
	(d)	where the bank has consolidated gross assets (in all currencies) of $3 billion but not exceeding $6 billion in value	*see Note 4*	$1,500,000	$1,500,000
	(e)	where the bank has consolidated gross assets (in all currencies) of $6 billion but not exceeding $10 billion in value	$1,622,250	$1,750,000	$1,750,000
	(f)	where the bank has consolidated gross assets (in all currencies) of $10 billion but not exceeding $15 billion in value	$1,622,250	$2,000,000	$2,000,000
	(g)	where the bank has consolidated gross assets (in all currencies) exceeding $15 billion in value	$1,622,250	$2,250,000	$2,250,000
	(h)	every deposit company	$10,815	$12,113	$13,566

Notes:

3. Where the bank has consolidated gross assets (in all currencies) of $500 million but not exceeding $2 billion the applicable 2018 fee is $270,375; where the bank has consolidated gross assets (in all currencies) of $2 billion but not exceeding $3 billion the applicable 2018 fee is $1,487,063.
4. Where the bank has consolidated gross assets (in all currencies) of $3 billion but not exceeding $5 billion the applicable 2018 fee is $1,487,063; where the bank has consolidated gross assets (in all currencies) of $5 billion but not exceeding $6 billion the applicable 2018 fee is $1,622,250.

Annual fees in respect of the above are due on or before 31 January 2019

Money Service Business Act 2016

		2018	**2019**	**2020**
(1)	Application for licence to carry on a money service business pursuant to section 1(c)(1) of the Money Service Business Act 2016	$2,266	$2,538	$2,842
(2)	A licencing fee (once the aforementioned application has been approved) in accordance with section 13(1)(a)	$5,150	$5,768	$6,460
(3)	An annual fee in accordance with section 13(1)(b)	$5,150	$5,768	$6,460

Annual fees in respect of the above are due on or before 31 March 2019

Corporate Service Provider Business Act 2012

		2018	**2019**	**2020**
(1)	Annual fee pursuant to section 13(1)	$21 per entity served	$10,000 for limited licensees, $25,000 for unlimited licensees	$10,000 for limited licensees, $25,000 for unlimited licensees

Annual fees in respect of the above are due on or before 31 March 2019

Credit Union Act 2010

		2018	**2019**	**2020**
(1)	Grant of a licence fee under section 13(2)	$2,500	$5,000	$5,000
(2)	Annual fee pursuant to section 13(1)	$2,500	$5,000	$5,000

Annual fees in respect of the above are due on or before 31 March 2019

Insurance Act 1978

			2018	2019	2020
(1)	Applying for registration as:				
	(a)	an insurer under section 4(1)	$597	$800	$800
	(b)	an insurance manager, broker or agent under section 10	$325	$400	$400
	(c)	an insurance salesman under section 10	$77	$200	$200
(2)	Applying				
	(a)	to vary or delete any conditions imposed on the Certificate of Registration under section 4(3)	$402	$800	$800
	(b)	to register as a different class of insurer under section 4(6)	$402	$800	$800
	(c)	To be granted an extension to the filing deadline under section 17(4) for:			
		i. Class 3A, C and D insurers			
		1. First month past filing deadline	$1,000	$1,000	$1,000
		2. Second month past filing deadline	$1,000	$1,500	$1,500
		3. Third month past filing deadline	$1,000	$2,000	$2,000
		ii. Class 3B, 4 and E insurers			
		4. First month past filing deadline	$1,000	$2,500	$2,500
		5. Second month past filing deadline	$1,000	$3,000	$3,000
		6. Third month past filing deadline	$1,000	$3,500	$3,500
		Where a first month past filing deadline is sought for all sections under section 17 (4) and section 6 C a combined single extension fee will be applied for the following Classes 3A, 3B, 4, C, D and E. (Note this fee also covers any application for CISSA, GAAP or Financial Condition Report extensions)	$2,500	$3,500	$3,500
		iii. Class 1, 2, 3, A, B insurers and Special Purpose Insurers			
		1. First month past filing deadline	$597	$700	$700

		2. Second month past filing deadline	$597	$1,000	$1,000
		3. Third month past filing deadline	$597	$1,500	$1,500
	(d)	to be exempted from the record-keeping keeping requirements of section 18C(2)	$402	$800	$800
	(e)	to notify new or increased shareholder control under section 30D	$402	$800	$800
	(f)	to file an affidavit prior to the payment of dividends exceeding 25% of a Class 3A, 3B, 4, C, D and E insurer's statutory capital and surplus under section 31B	$402	$1,500	$1,500
	(g)	to receive Bermuda Monetary Authority approval for an insurer to reduce statutory capital by 15% or more under section 31C	$597	$1,000	$1,000
	(h)	to be granted direction under section 56 other than those mentioned in paragraph (ha)	$402	$1,500	$1,500
		(ha) to be granted a direction under section 56 in respect of:			
		(i) exemption from requirement of section 18B to include opinion of Loss Reserve Specialist or section 27 to include actuarial certificate of long-term business liabilities	$402	$1,500	$1,500
		(ii) modifying of accounting provisions under sections 15 to 18 and Regulations	$597	$1,500	$1,500
		(iii) modifying margin of solvency for general business under section 33 and Regulations	$402	$1,500	$1,500
		(iv) modifying statutory financial returns under sections 15 to 18 and Regulations	$402	$1,500	$1,500
	(i)	to be granted a direction under section 57A	$1,495	$5,000	$5,000

	(j)	to receive Bermuda Monetary Authority approval for an asset not appearing on lines 1, 2, 3(a), 5(a), 9, 10, 11 and 12 as required by Insurance Accounts Regulations 1980 or Insurance Accounts Rules 2016, to be treated as "relevant assets"	$597	$800	$800
	(k)	to receive Bermuda Monetary Authority approval of letters of credit, guarantees and any other instruments to be treated as other fixed capital for class A, B, 1, 2, and 3	$402	$1,000	$1,000
		(i) Class A, B, 1, 2, and 3	$402	$1,000	$1,000
		(ii) Class C, D, E, 3A, 3B and 4, where there is also an Eligible Capital Approval, the higher fee in respect of both applications will only apply	$402	$5,000	$5,000
	(l)	application for cancellation of registration under section 41(1)(a)	$402	$800	$800
	(m)	application for approval of an internal capital model made under the provisions of a Rule made under section 6A (Note: this paragraph is intended to refer to the pre-application process)	$41,200	$55,000	$55,000
	(n)	subject to paragraph 2A, application for review and approval of an internal capital model made under the provision of a Rule made section 6A	$160,000	Assessed on a case-by-case, subject to minimum of $200,000 and maximum of $2,000,000[5]	
	(o)	annual fee for monitoring of an approved internal capital model made under the provision of a Rule made under section 6A	$15,450	$40,000	$40,000
	(p)	application for post-approval of an internal capital model made under the provision of a Rule made under section 6A (Note: this charge is intended to apply to each major risk category for which a major change that is being considered)	$15,450	$40,000	$40,000
	(q)	application for exemption from filing CSSA on the account that the GSSA covers the legal entity and that there is a centralised risk management in the group, under section 6A	$402	$1,000	$1,000
	(r)	application for exemption from prudential standards under section 6A	$597	$1,000	$1,000

	(s)	application for exemption from cat return under section 6C	$597	$1,000	$1,000
	(t)	application for modifications of applicable prudential standards under section 6C	$597	$5,000	$5,000
	(u)	eligible capital application under section 6C	$402	Assessed on a case-by-case, subject to minimum of $10,000 and maximum of $130,000[6]	
	(v)	adjustment to the enhanced capital requirement and/or available statutory capital and surplus by changing certain capital factor charges in the BSCR under Section 6D	$5,970	Assessed on a case-by-case, subject to minimum of $10,000 and maximum of $200,000[7]	
		(va) subsequent renewal of adjustment to the enhanced capital requirement and/or available statutory capital and surplus (where there are no major changes from the initial application) by changing certain capital factor charges in the BSCR under Section 6D	$597	$1,000	$1,000
	(w)	application for BSCR filing extensions, under section 6C:			
		Class 3A, C and D			
		1. First month past filing deadline	$1,500	$1,500	$1,500
		2. Second month past filing deadline	$1,500	$2,000	$2,000
		3. Third month past filing deadline	$1,500	$2,500	$2,500
		Class 3B, 4 and E			
		4. First month past filing deadline	$1,500	$2,500	$2,500
		5. Second month past filing deadline	$1,500	$3,000	$3,000
		6. Third month past filing deadline	$1,500	$3,500	$3,500
	(x)	application for quarterly returns extensions, under section 6C:			
		Class 3A, C and D			

		1. First month past filing deadline	$1,000	$1,500	$1,500
		2. Second month past filing deadline	$1,000	$2,000	$2,000
		3. Third month past filing deadline	$1,000	$2,500	$2,500
		Class 3B, 4 and E			
		4. First month past filing deadline	$1,000	$2,500	$2,500
		5. Second month past filing deadline	$1,000	$3,000	$3,000
		6. Third month past filing deadline	$1,000	$3,500	$3,500
	(y)	application for CISSA, GAAP or Financial Condition Report extensions:			
		Class 3A, C and D			
		1. First month past filing deadline	$1,000	$1,500	$1,500
		2. Second month past filing deadline	$1,000	$2,000	$2,000
		3. Third month past filing deadline	$1,000	$2,500	$2,500
		Class 3B, 4 and E			
		4. First month past filing deadline	$1,000	$2,500	$2,500
		5. Second month past filing deadline	$1,000	$3,000	$3,000
		6. Third month past filing deadline	$1,000	$3,500	$3,500
	(z)	other in-depth reviews conducted by the Bermuda Monetary Authority or designated skilled person	n/a	Assessed on a case-by-case, subject to minimum of $10,000 and maximum of $130,000[8]	
	(aa)	application for other material changes and/or amalgamations not covered above	n/a	$1,500	$1,500
	(ab)	section 129A	n/a	$1,500	$1,500
	(ac)	application for excepted long term business approval	n/a	$1,500	$1,500
	(ad)	application to modify LRSO for Class 3A, 3B, 4	n/a	$1,500	$1,500
(2A)	Section 14(6) allowing the Authority to reduce the annual fee depending on the nature and scale of operations of an insurer and the complexity of its business shall apply with the necessary modifications to the application fee for review and approval of an internal capital model under paragraph 2(n) above.				

(3)	Registering as					
	(a)	an insurer				
		(i)	non-resident insurance undertaking under the Non-Resident Insurance Undertakings Act 1967 (fees in paragraphs (a)(ii) to (x) of this item do not apply to these undertakings)	$3,760	$25,750	$25,750
		(ii)	Class 1 insurer carrying on general business	$1,250	$1,750	$2,250
		(iii)	Class 2 insurer carrying on general business	$2,800	$3,500	$4,375
		(iv)	Class 3 insurer carrying on general business where gross premium is expected to:			
			- not exceed $5 million	$12,360	$14,832	$17,798
			- exceed $5 million but not exceed $20 million	$13,750	$16,500	$19,800
			- exceed $20 million but not exceed $35 million	$15,660	$18,792	$22,550
			- exceed $35 million but not exceed $100 million	$18,000	$21,600	$25,920
			- exceed $100 million	$18,000	$24,600	$29,520
		(iva)	Class 3A insurer carrying on general business where gross premium is expected to:			
			- not exceed $5 million	$19,570	$21,918	$24,549
			- exceed $5 million but not exceed $20 million	$23,175	$25,956	$29,071
			- exceed $20 million but not exceed $35 million	$26,780	$29,994	$33,593
			- exceed $35 million but not exceed $100 million	$30,900	$34,608	$38,761
			- exceed $100 million	$30,900	$39,608	$44,361
			- or the insurer qualifies as a Class 3A affiliated reinsurer	$19,570	$21,918	$24,549
		(ivb)	Class 3B insurer carrying on general business where gross premium is expected to:			
			- not exceed $150 million	$209,502	$230,452	$253,497

			- exceed $150 million but not exceed $350 million	$232,800	$256,080	$281,688
			- exceed $350 million but not exceed $2 billion	$260,713	$286,784	$315,463
			- exceed $2 billion but not exceed $5 billion	$302,614	$332,875	$366,163
			- exceed $5 billion	$370,000	$407,000	$447,700
		(v)	Class 4 insurer carrying on general business where gross premium is expected to:			
			- not exceed $150 million	$209,502	$230,452	$253,497
			- exceed $150 million but not exceed $350 million	$232,800	$256,080	$281,688
			- exceed $350 million but not exceed $2 billion	$260,713	$286,784	$315,463
			- exceed $2 billion but not exceed $5 billion	$302,614	$332,875	$366,163
			- exceed $5 billion	$370,000	$407,000	$447,700
		(vi)	Special Purpose Insurers			
			- Non-open market	$6,180	$8,000	$10,000
			- Open market	$6,180	$12,000	$15,000
		(vii)	Long-Term – Class A	$10,815	$12,113	$13,566
		(viii)	Long-Term – Class B	$10,815	$12,113	$13,566
		(ix)	Long-Term – Class C insurer where long-term assets are expected to:			
			- not exceed $150 million	$20,600	$23,072	$25,841
			- exceed $150 million but not exceed $350 million	$20,600	$25,132	$28,148
			- exceed $350 million but not exceed $2 billion	$20,600	$27,192	$30,455
			- exceed $2 billion but not exceed $5 billion	$20,600	$54,384	$60,910
			- exceed $5 billion but not exceed $10 billion	$20,600	$58,504	$65,524
			Exceed $10 billion	$20,600	$100,000	$100,000
		(x)	Long-Term – Class D insurer where long-term assets are expected to:			
			- not exceed $750 million	$41,200	$50,264	$56,296
			- exceed $750 million	$41,200	$54,384	$60,910

		(xi)	Long-Term – Class E insurer where long-term assets are expected to:			
			- not exceed $1 billion	$61,800	$80,000	$100,000
			- exceed $1 billion but not exceed $5 billion	$61,800	$100,000	$120,000
			- exceed $5 billion but not exceed $10 billion	$61,800	$140,000	$160,000
			- exceed $10 billion	$61,800	$180,000	$200,000
New		(xii)	An active run-off insurer[9] Class 3A:			
			- gross reserves less than $7.5 million and assets less than $15 million	N/A	$21,918	$24,549
			- gross reserves less than $25 million and assets less than $50 million	N/A	$25,956	$29,071
			- gross reserves less than $35 million and assets less than $70 million	N/A	$29,994	$33,593
			- gross reserves less than $100 million and assets less than $200 million	N/A	$34,608	$38,761
			- gross reserves exceeding $100 million and assets exceeding $200 million	N/A	$39,608	$44,361
New		(xiii)	An active run-off insurer Class 3B			
			- gross reserves less than $200 million and assets less than $400 million	N/A	$230,452	$253,497
			- gross reserves less than $500 million and assets less than $1 billion	N/A	$256,080	$281,688
			- gross reserves less than $3 billion and assets less than $6 billion	N/A	$286,784	$315,463
			- gross reserves less than $9 billion and assets less than $18 billion	N/A	$332,875	$366,163
			- gross reserves exceeding $9 billion and assets exceeding $18 billion	N/A	$407,000	$447,700
New		(xiv)	An active run-off insurer Class 4			

			- gross reserves less than $200 million and assets less than $400 million	N/A	$230,452	$253,497
			- gross reserves less than $500 million and assets less than $1 billion	N/A	$256,080	$281,688
			- gross reserves less than $3 billion and assets less than $6 billion	N/A	$286,784	$315,463
			- gross reserves less than $9 billion and assets less than $18 billion	N/A	$332,875	$366,163
			- gross reserves exceeding $9 billion and assets exceeding $18 billion	N/A	$407,000	$447,700
	(b)	(i)	an insurance manager under section 10, which:			
			- manages 10 or fewer insurers	$1,449	$3,000	$5,000
			- manages 11 to 20 insurers	$1,449	$10,000	$10,000
			- manages 21 to 50 insurers	$1,449	$15,000	$15,000
			- manages 51 to 100 insurers	$1,449	$20,000	$20,000
			- manages 101 or more insurers	$1,449	$25,000	$25,000
		(ii)	an insurance broker or agent under section 10	$1,449	$3,000	$3,000
	(c)		an insurance salesman under section 10	$144	$300	$300
(4)	Issuing any certificate under section 14(1)(c)			$597	$800	$800
(5)	Inspecting the register under section 14(1)(d)			$26	$26	$26
(6)	The furnishing by the Authority of any document or copy of a document under section 14(1)(e):					
	(a)	for the first three pages or part thereof		$26	$26	$26
	(b)	For each additional three pages or part thereof		$6	$6	$6

Notes

5, 6, 7, & 8 Fees to be agreed upon with the insurer prior to review of application commencing

9. A definition for “active run-off insurers” will be introduced as follows:

“Run-off specialist insurers/groups means insurers/groups whose business model primarily consists of executing, on a going concern basis, run-off insurance/reinsurance transactions and excludes insurers/groups that primarily underwrite live/non-run-off insurance portfolios and that may have legacy insurance/reinsurance portfolios that were put into run-off.
When an active run-off insurer falls within one band based on application of the gross reserves criteria and another based on application of the assets criteria, the fee payable will be the greater of the two.

Fees in respect of the above are due upon application

(7)	Annual fee under section 14(2) payable by:					
	(a)	an insurer				
		(v)	non-resident insurance undertaking under the Non-Resident Insurance Undertakings Act 1967 (fees in paragraphs (a)(ii) to (x) of this item do not apply to these undertakings)	$3,760	$25,750	$25,750
		(vi)	Class 1 insurer carrying on general business	$1,250	$1,750	$2,250
		(vii)	Class 2 insurer carrying on general business	$2,800	$3,500	$4,375
		(viii)	Class 3 insurer carrying on general business where gross premium is expected to:			
			- not exceed $5 million	$12,360	$14,832	$17,798
			- exceed $5 million but not exceed $20 million	$13,750	$16,500	$19,800
			- exceed $20 million but not exceed $35 million	$15,660	$18,792	$22,550
			- exceed $35 million but not exceed $100 million	$18,000	$21,600	$25,920
			- exceed $100 million	$18,000	$24,600	$29,520
		(iva)	Class 3A insurer carrying on general business where gross premium is expected to:			
			- not exceed $5 million	$19,570	$21,918	$24,549
			- exceed $5 million but not exceed $20 million	$23,175	$25,956	$29,071
			- exceed $20 million but not exceed $35 million	$26,780	$29,994	$33,593
			- exceed $35 million but not exceed $100 million	$30,900	$34,608	$38,761
			- exceed $100 million	$30,900	$39,608	$44,361
			- or the insurer qualifies as a Class 3A affiliated reinsurer	$19,570	$21,918	$24,549

		(ivb)	Class 3B insurer carrying on general business where gross premium is expected to:			
			- not exceed $150 million	$209,502	$230,452	$253,497
			- exceed $150 million but not exceed $350 million	$232,800	$256,080	$281,688
			- exceed $350 million but not exceed $2 billion	$260,713	$286,784	$315,463
			- exceed $2 billion but not exceed $5 billion	$302,614	$332,875	$366,163
			- exceed $5 billion	$370,000	$407,000	$447,700
		(v)	Class 4 insurer carrying on general business where gross premium is expected to:			
			- not exceed $150 million	$209,502	$230,452	$253,497
			- exceed $150 million but not exceed $350 million	$232,800	$256,080	$281,688
			- exceed $350 million but not exceed $2 billion	$260,713	$286,784	$315,463
			- exceed $2 billion but not exceed $5 billion	$302,614	$332,875	$366,163
			- exceed $5 billion	$370,000	$407,000	$447,700
		(vi)	Special Purpose Insurers			
			- Non-open market	$6,180	$8,000	$10,000
			- Open market	$6,180	$12,000	$15,000
		(vii)	Long-Term – Class A	$10,815	$12,113	$13,566
		(viii)	Long-Term – Class B	$10,815	$12,113	$13,566
		(ix)	Long-Term – Class C insurer where long-term assets are expected to:			
			- not exceed $150 million	$20,600	$23,072	$25,841
			- exceed $150 million but not exceed $350 million	$20,600	$25,132	$28,148
			- exceed $350 million but not exceed $2 billion	$20,600	$27,192	$30,455
			- exceed $2 billion but not exceed $5 billion	$20,600	$54,384	$60,910
			- exceed $5 billion but not exceed $10 billion	$20,600	$58,504	$65,524
			- exceed $10 billion	$20,600	$100,000	$100,000
		(x)	Long-Term – Class D insurer where long-term assets are expected to:			
			- not exceed $750 million	$41,200	$50,264	$56,296

			- exceed $750 million	$41,200	$54,384	$60,910
		(xi)	Long-Term – Class E insurer where long-term assets are expected to:			
			- not exceed $1 billion	$61,800	$80,000	$100,000
			- exceed $1 billion but not exceed $5 billion	$61,800	$100,000	$120,000
			- exceed $5 billion but not exceed $10 billion	$61,800	$140,000	$160,000
			- exceed $10 billion	$61,800	$180,000	$200,000
New		(xii)	An active runoff insurer Class 3A			
			- gross reserves less than $7.5 million and assets less than $15 million	N/A	$21,918	$24,549
			- gross reserves less than $25 million and assets less than $50 million	N/A	$25,956	$29,071
			- gross reserves less than $35 million and assets less than $70 million	N/A	$29,994	$33,593
			- gross reserves less than $100 million and assets less than $200 million	N/A	$34,608	$38,761
			- gross reserves exceeding $100 million and assets exceeding $200 million	N/A	$39,608	$44,361
New		(xiii)	An active runoff insurer Class 3B			
			- gross reserves less than $200 million and assets less than $400 million	N/A	$230,452	$253,497
			- gross reserves less than $500 million and assets less than $1 billion	N/A	$256,080	$281,688
			- gross reserves less than $3 billion and assets less than $6 billion	N/A	$286,784	$315,463
			- gross reserves less than $9 billion and assets less than $18 billion	N/A	$332,875	$366,163
			- gross reserves exceeding $9 billion and assets exceeding $18 billion	N/A	$407,000	$447,700
New		(xiv)	An active runoff insurer Class 4			
			- gross reserves less than $200 million and assets less than $400 million	N/A	$230,452	$253,497
			- gross reserves less than $500 million and assets less than $1 billion	N/A	$256,080	$281,688
			- gross reserves less than $3 billion and assets less than $6 billion	N/A	$286,784	$315,463
			- gross reserves less than $9 billion and assets less than $18 billion	N/A	$332,875	$366,163
			- gross reserves exceeding $9 billion and assets exceeding $18 billion	N/A	$407,000	$447,700
	(b)	(i)	an insurance manager under section 10, which:			
			- manages 10 or fewer insurers	$1,449	$3,000	$3,000

			- manages 11 to 20 insurers	$1,449	$10,000	$10,000
			- manages 21 to 50 insurers	$1,449	$15,000	$15,000
			- manages 51 to 100 insurers	$1,449	$20,000	$20,000
			- manages 101 or more insurers	$1,449	$25,000	$25,000
		(ii)	an insurance broker or agent under section 10	$1,449	$3,000	$3,000
	(c)		an insurance salesman under section 10	$144	$300	$300
(7A)	Supplementary fee to be paid by an insurer whose business includes domestic insurance business in addition to the fee payable for its class of business under paragraph (7)(a)			$25,750	$25,750	$25,750
(8)	(a)	Annual fee under section 27B payable by a designated insurer for a group where gross premium written in the year preceding the year of assessment:				
		- did not exceed $5 billion		$174,585	$192,044	$211,248
		- exceeded $5 billion but did not exceed $10 billion		$230,000	$253,000	$278,300
		- exceeded $10 billion		$450,000	$495,000	$544,300
	(b)	Annual fee payable by a designated Active Runoff Insurer for a group where:				
		- gross reserve less than $9 billion and assets less than $18 billion		N/A	$192,044	$211,248
		- gross reserve less than $15 billion and assets less than $30 billion		N/A	$253,000	$278,300
		- gross reserve exceeding $15 billion and assets exceeding $30 billion		N/A	$495,000	$544,300
	(c)	Annual fee under section 27B payable by a designated insurer for a long-term group where long-term assets at the preceding year-end to the year of assessment:				
		- did not exceed $10 billion		n/a	$192,044	$211,248
		- exceeded $10 billion but did not exceed $20 billion		n/a	$253,000	$278,300
		- exceeded $20 billion		n/a	$495,000	$544,300

Annual fees in respect of the above are due on or before 31 March 2019

Investment Business Act 2003

				2018	2019	2020
(1)	Application fee for a licence pursuant to section 16			$2,266	$2,538	$2,842
(2)	Annual fee pursuant to section 19(1)(b)					
	(a)	where the investment provider carries on		$18,746	$20,996	$23,515
		(i)	an investment activity of a kind specified in paragraph 2 of Part 2 of the First Schedule to the Act in connection with shares or units in a collective investment scheme	$2,163	$2,423	$2,713
		(ii)	an investment activity of a kind specified in paragraph 4 of Part 2 of the First Schedule to the Act or	$2,163	$2,423	$2,713
		(iii)	an investment activity not falling within (i) and (ii) above	$2,163	$2,423	$2,713
	(b)	where the investment provider carries on an investment activity of a kind specified in paragraphs 1, 2 and 3 of Part 2 of the First Schedule to the Act but is not licensed to hold client assets		$5,408	$6,057	$6,784
	(c)	where the investment provider carries on an investment activity of a kind specified in Part 2 of the First Schedule to the Act and is licensed to hold client assets		$10,815	$12,113	$13,566
(3)	Annual licence fee payable pursuant to section 19(1)(b) where an investment provider falls within paragraphs (2)(a), (b) or (c) and is part of a group which is subject to consolidated supervision by the Authority as home regulator under the Investment Business Act 2003, and that group					
	(a)	has consolidated net assets not exceeding $500 million		$62,470	$69,966	$78,362
	(b)	has consolidated net assets exceeding $500 million		$249,827	$279,806	$313,383

Annual fees in respect of (2) and (3) above are due on or before 31 March 2019

Investment Funds Act 2006

		2018	2019	2020
(1)	Application fee: Authorisation (all funds)	$855	$941	$1,035
(2)	Reclassification fee (all funds)	$855	$900	$900
(3)	Annual fee: Standard fund	$1,535	$1,689	$1,857
(4)	Annual fee: Administered fund	$968	$1,065	$1,171
(5)	Annual fee: Institutional fund	$968	$1,065	$1,171
(6)	Initial filing fee pursuant to section 17(1)(ba) in relation to a Class A Exempt Fund	$1,545	$1,700	$1,869
(7)	Initial filing fee pursuant to section 17(1)(bb) in relation to a Class B Exempt Fund	$1,030	$1,133	$1,246
(8)	Annual fee pursuant to section 17(1)(c) in relation to a Class A Exempt Fund	$1,545	$1,700	$1,869
(9)	Annual fee pursuant to section 17(1)(c) in relation to a Class B Exempt Fund	$1,030	$1,133	$1,246
(10)	Application fee: Fund administrator licence	$8,518	$9,370	$10,307
(11)	Annual fee: Fund administrator	$9,373	$10,310	$11,341
(12)	Transaction fee: all section 25 changes and notifications and section 6 notifications	$258	$300	$300
(13)	Transaction fee: application for modification or waiver under section 7(2), 14 and 40	n/a	$300	$300

(14)	Transaction fee: application for custodian exemption	n/a	$300	$300
New	Late filing fee/penalty in respect of a statement submitted pursuant to section 26(1)(b) more than six months after a fund's financial year-end.	n/a	$25	$25

Annual fees in respect of 3, 4, 5, 8, 9 and 11 above are due on or before 31 March 2019

Trusts (Regulation of Trust Business) Act 2001

				2018	2019	2020
(1)	Application for a licence under section 11(6)(d) where the application is in respect of					
	(a)	a limited trust licence		$567	$624	$686
	(b)	an unlimited trust licence		$5,665	$6,232	$6,885
(2)	Annual fee under section 14(1):					
	(a)	for a limited trust licence		$1,133	$1,246	$1,371
	(b)	for an unlimited trust licence				
		(i)	where the gross income of the licensed company, as reflected in the latest audited statements, does not exceed $2 million	$14,000	$15,400	$16,940
		(ii)	where the gross income of the licensed company, as reflected in the latest audited statements, exceeds $2 million but does not exceed $4 million	$23,000	$25,300	$27,830
		(iii)	where the gross income of the licensed company, as reflected in the latest audited statements, exceeds $4 million	$38,000	$41,800	$45,980

*Annual fees in respect of (2) above are due on or before 31 March 2019****