

BERMUDA MONETARY AUTHORITY



# **QUARTERLY UPDATE**

**(INCORPORATING FINANCIAL STATISTICS  
FOR THE QUARTER ENDED MARCH 2003)**

**JULY**

**2003**



# BERMUDA MONETARY AUTHORITY

## Quarterly Update

July 2003

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### REGULATORY, LEGISLATIVE AND OTHER DEVELOPMENTS

This bulletin reports on recent activities at the Bermuda Monetary Authority and recent developments affecting the financial sectors, as well as the community more generally. Attached to it are the regular statistical data covering Bermuda dollar money supply, Bermuda banks' balance sheet analysis and other financial and company sector information, updated for the quarter ended 31 March 2003.

#### (I) Regulatory Developments:

##### *a) International Monetary Fund ('IMF') Review & Assessment*

The Bermuda Monetary Authority was extensively involved in preparations for the IMF visit, encompassing completion of substantial pre-visit questionnaires covering insurance supervision, banking supervision, investment regulation, companies and trust services providers, as well as Bermuda's anti-money laundering provisions. These questionnaires provided the initial factual background for completion of assessments against the relevant international criteria.

This work was followed by the on-site element of the review when a 10-person team from the IMF visited Bermuda between March 17 and 28, 2003. During that time, they met with a wide range of the Authority's staff. They also held extensive discussions with Government Ministers and officials, as well as visiting a number of regulated financial sector businesses and industry groups.

At the conclusion of the visit, they presented the Authority and the Minister of Finance, in accordance with their normal practice, with an initial discussion draft of their conclusions. The Authority has subsequently, after consultation with relevant officials, provided the Fund with very detailed comments on this draft but still awaits substantive feedback from the Fund.

Finalisation of the Report is likely to take some time. But, generally, the Authority viewed the outcome of the visit, on the basis of the initial draft and our contacts with the different members of the assessment team, as positive, with the IMF clearly recognizing the effectiveness of Bermuda's regulatory approach and the strength of its commitment to international standards.

##### *b) Insurance*

The first six months of 2003 saw continued strong development of the insurance sector in Bermuda, with 43 new incorporations for the period ending 30 June 2003. This is slightly higher than the comparable period in 2002 (39) and we expect this trend to continue for the rest of 2003. The jurisdiction has seen a renewed interest in the pure captive sector with the incorporation of 18 new Class 1 insurers during 2003. This represents an increase of approximately 40% when compared with the same period in 2002 (13).

In accordance with the Insurance Amendment Act 2002, the Insurance Division rolled out the On-Site Inspection Program during the first quarter 2003. To date, prudential meetings have been conducted with approximately one-third of the Class 4 companies on the register.



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#### *c) Trust business*

Application Guidance Notes to the Trusts (Regulation of Trust Business) Act were finalised and have been placed on the Authority Website, [www.bma.bm](http://www.bma.bm). Consultation with industry on matters relating to the implementation of this Act is progressing smoothly.

#### *d) Investment Business*

The Authority has been working hard to enhance the protection available to the public in their dealings with investment service providers. It remains concerned at reports of local investors being defrauded by non-licensed investment businesses or purchasing poor quality or inappropriate products. An important element of the enhanced protection that is intended will be via a new regulatory framework. The **Investment Business Bill 2003** was introduced into Parliament and approved by the Lower House on 30 May 2003. Although not dealt with by the Senate before prorogation, it is hoped that it can be reintroduced into the House as a priority item as soon as Parliament reconvenes.

In the meantime, work is continuing on drafting the related secondary legislation that will be necessary. A committee of Authority representatives and Ministry of Finance officials is carrying forward detailed planning of the transitional and other arrangements that will be required for the introduction of the new legislation.

Equally important, however, will be related public information and education measures to ensure that consumers of investment services have an adequate understanding of financial markets and products, as well as of their rights as consumers and of the protections provided through the relevant regulatory legislation. The Authority will be working closely with other interested partners, including the Consumer Affairs Bureau, to coordinate plans for public information in this area. Meanwhile, consumers are reminded that they should be cautious whenever approached by an investment provider not previously known to them, and make proper inquiries before entering into any agreements. They can check with the Authority regarding whether an investment dealer is duly licensed under the Investment Business Act 1998 (website at [www.bma.bm](http://www.bma.bm)). If an investment provider is not licensed, consumers should ask why. If they have concerns that unlicensed business (that is not exempt) may be being conducted, they should report the circumstances to the Authority.

The Authority has recently established a new Enforcement Unit to take over responsibility for the investigation of complaints and concerns about possible breaches of Bermuda's various regulatory statutes by non-licensed persons. Where concerns arise, members of the public are invited to contact John Hill, who has now taken on the role of Enforcement Coordinator for the Authority. (e-mail: [jhill@bma.bm](mailto:jhill@bma.bm)) or phone: 441-278-0212).

#### *e) Anti-Money Laundering*

After extensive international consultation, the Financial Action Task Force ("FATF") has adopted an updated and revised version of its **40 Recommendations on Anti-Money Laundering**. We have provided additional detail in our special feature this quarter on Anti-Money Laundering. Copies of the FATF paper have been circulated to licensed institutions.



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#### (II) Other Developments:

##### a) *Information Seminars & Conferences*

On 8 January 2003, the Authorisation & Compliance Division conducted an interactive seminar for the **Bermuda Bar Association's Continuing Legal Education Program** in respect of the current company incorporation process.

**Institute of Chartered Accountants of Bermuda ('ICAB')**: As part of the Authority's commitment to providing guidance with respect to the filing of annual statutory financial returns by insurers/reinsurers, the Insurance Division of the Authority completed two very successful PowerPoint presentations to ICAB on "**Errors That Occur on Statutory Statements and How to Avoid Them**". The seminar was delivered to a full capacity, industry audience on 27 February 2003 and popular demand resulted in another capacity presentation on 13 March 2003.

**International Association of Insurance Supervisors ('IAIS')**: The Authority was invited late last year to participate as a member of the **IAIS Reinsurance Technical Committee**. This was a key appointment for both the Authority and Bermuda as it recognises Bermuda as a significant player in the insurance/reinsurance market and allows the Authority to provide input into the development of standards in this regard. Substantial progress has been made to date on the completion of a new **Standard on the Supervision of Reinsurers** and it is expected that the committee's recommendation will be made to the greater IAIS membership to adopt the new Standard at the IAIS annual general meeting to be held in Singapore in October 2003.

In addition, the Authority has been participating in the **IAIS Task Force Committee on Enhancing Disclosure and Transparency** in the global marketplace. Both the Supervisor of Insurance and the Assistant Director of Policy, Ms. Leila Madeiros have attended a number of meeting of these committees during this year and have been able to offer their valuable expertise in the area of insurance/reinsurance regulation in Bermuda.

Another significant, ongoing project of the IAIS has been the considerable revisions to the 17 IAIS **Insurance Core Principles ('ICPs')** originally adopted by the IAIS in October 2000. The IAIS proposes to present 28 ICPs for adoption at the Singapore meeting in October. These ICPs are intended to serve as a basic reference and regulatory framework for effective insurance supervision. The Authority has participated in this process by submitting written comments and attending the June meeting of this IAIS working committee in Washington, D.C.

**National Association of Insurance Commissioners ('NAIC')**: Senior staff members of the Authority, including the Deputy Director of Insurance, Mr. Shelby Weldon, attended the **NAIC Spring and Summer Meetings** held in March and June of 2003. The Division's presence at such meetings allows the Authority to keep up-to-date with all regulatory initiatives and/or projects currently being considered by the U.S. regulators and the impacts they may have on the Bermuda market.

**Mealey's Annual Insurance Insolvency and Reinsurance Roundtable**: From 2 April to 4 April 2003, the Chairman & CEO, the Supervisor of Insurance and other Authority officials attended the Mealey's Insurance Insolvency & Reinsurance Roundtable. It was an excellent forum, offering insight into insurance insolvencies, liquidations and wind-ups.



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**RIMS Conference 2003:** During April 2003, senior staff attended the annual RIMS Conference in Chicago and had the opportunity to present valuable information to persons in or connected to the insurance industry on the effectiveness of our approach to insurance regulation in Bermuda.

In May, the Superintendent of Banking, Trust and Investment attended the Annual Meeting of the **Conference of State Bank Supervisors** in Asheville, North Carolina. This was the first occasion on which the Authority has participated in the event, providing an opportunity to meet a wide range of U.S. state chartered banks and representatives of both state and federal regulatory bodies. The Authority sees such participation as most beneficial in helping to keep up-to-date its

knowledge of developments in U.S. banking supervision, as well as developing closer relationships with the main supervisory agencies.

In early June, the Authority hosted the 6<sup>th</sup> Annual Meeting of the **Offshore Group of Collective Investment Scheme Supervisors ('OGCISS')** which brought together representatives of nine regulatory authorities in the Caribbean region for a wide-ranging exchange of views on regulatory policy and practice in relation to mutual funds. This provided a valuable forum in which to review standards and best practice in fund supervision, as well as to improve liaisons between the different regulatory bodies concerned.

**Ongoing Authority Education:** In keeping with its firm commitment to ensure that Authority staff maintain and upgrade their knowledge and skills, various members of staff attended several international educational conferences on a variety of pertinent topics. Most notably, Legal Counsel attended a training seminar for U.K. Overseas Territories Financial Regulators that provided practical guidance on compliance and enforcement action. This was particularly timely as the Authority moved in parallel to put into place its own Enforcement Unit, with the relevant responsibilities being transferred out of the line supervisory areas to become part of the Legal, Authorisation and Compliance Division. (See 'Senior Officer Additions/Changes').

#### *b) Articles & Speeches*

**Mrs. Cheryl Ann Lister**, Chairman & CEO, published an article in the February 2003 issue of European CEO Magazine. Entitled "**Bermuda as a Financial Centre**", the feature outlined the history and steps going forward to support Bermuda's outstanding success in facilitating the establishment and overseeing the development of a flourishing and dynamic financial services sector.

In April and May, the Chairman was the keynote speaker to participants in the hedge fund industry at various functions organised by the Bermuda International Business Association ("BIBA"). These included a breakfast held in Chicago, in conjunction with the RIMS Conference. That speech focused on the History and Development of Regulation of Hedge Funds in Bermuda. In addition, in May she gave a presentation on "**Regulating Alternative Investments: How Much is Too Much?**" at a breakfast meeting held at the law firm of Tannenbaum, Helpert, Syracuse & Hirschtritt, as well as at a luncheon at the Forbes Magazine Galleries.

On 29 and 30 April 2003, Mrs. Lister, **D. Munro Sutherland**, Superintendent Banking & Trust, and Mrs. **Cheryl-Ann Mapp**, Senior Legal Counsel, made a series of presentations on **Anti-Money Laundering in Bermuda** at the International Professional Conference Ltd.'s seminar, "**Financial & Non-Financial Institutions; Caught in the Net**". These covered issues relating to the Authority's current approach to 'Knowing your Customer', as well as changes now under consideration for development and enhancement of certain aspects of Bermuda's anti-money laundering provisions.

The Chairman also represented the Authority at an IMF Offshore Conference Roundtable discussion. Her presentation was entitled, "**Issues in the Insurance Sector; Views from the Offshore Supervisor**". This meeting was attended by



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representatives of many of the major offshore and onshore jurisdictions as well as the regulatory standard setting bodies in anti-money laundering, banking, insurance and investment. Not only was the Authority able to provide information on key aspects of Bermuda's regulatory approach to insurance regulation, but it also provided another forum to have critical input into a number of important regulatory issues, including on international cooperation. In addition, the ongoing role of the IMF with regard to the review of financial centres was discussed and recommendations made for improvements.

On 1 June 2003, Mr. Shelby Weldon, Deputy Director of Insurance, was a keynote participant at a roundtable discussion on **International Insurance Regulation** at the annual ICAP Conference at the Southampton Princess.

On 9 June 2003, Mrs. Lister was the guest speaker at the ACE Global Communications Conference, which was attended by persons from all of the ACE operations globally who were involved in the Communications area, where she presented "**Regulation of the Financial Services Industry in Bermuda**". In particular, she focused extensively on Bermuda's strong commitment to quality in the financial services arena and the steps that are taken to protect that commitment.

#### *c) Numismatic Coins & Banknotes*

The commemorative coin celebrating the **100<sup>th</sup> anniversary of the Bermuda Biological Research Station** went on sale the last week in May in both Gold and Silver proof coins. On 2 June 2003, the Authority released supplies of a commemorative \$50 banknote in celebration of the **50<sup>th</sup> Anniversary of the Coronation of Her Majesty, Queen Elizabeth II**.

**The Fitted Dinghy coin**, the fourth in the Heritage series, is expected to be delivered to the Authority in mid-July. It will be included in the inventory that the Bermuda Monetary Authority presents at the ANA World Fair of Money in Baltimore, Maryland, 30 July to 3 August, 2003.

#### *d) Senior Officer Additions/Changes*

**John Hill**, formerly Head of Policy & Research Division, has moved over to become Enforcement Coordinator in the Authority's newly formed Enforcement Unit. The Unit has responsibility for enforcement matters, including cases in which there may be concerns about breaches of Bermuda's various financial regulatory statutes.

**Susan V. Attridge-Stirling** joined the Authority as Assistant Director, Policy & Corporate Communications, effective 31 March 2003. Her mandate going forward will be to manage and oversee the Authority's external and internal communications, assisting with developing the Authority's corporate policies and liaising with Government and industry, as appropriate. Her direct line is 441-278-0215 or via e-mail, [sstirling@bma.bm](mailto:sstirling@bma.bm). One of her immediate initiatives is the new enhanced format of 'Quarterly Update'. If you would like further information on anything referred to herein, please contact her directly.



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### (III) SPECIAL FEATURE – Update on Anti-Money Laundering

The **Financial Action Task Force (FATF)** issued, in June 2003, its revised **Forty Recommendations** to combat money laundering. The FATF is an independent international body of 31 major countries, which operates as the key international standard-setter in this area. The FATF also works closely with related regional bodies, including the Caribbean Financial Action Task Force of which Bermuda is member.

The FATF's Forty Recommendations, originally drawn up in 1990, have been under review internationally for some time with a view to continuing to enhance their effectiveness. The new document marks an extremely important step, involving considerable extension and enhancement of the present provisions. The changes will have a major impact on financial institutions as well as some non-financial businesses and professions. Indirectly, too, there will be implications for some clients of these businesses as they implement changes in customer identification and account monitoring arrangements consistent with the new standards.

Among the key changes introduced by the FATF are:

- enhancements to the required customer due diligence processes for financial institutions;
- requirements for enhanced checks in the case of higher risk customers and transactions, including correspondent accounts and politically exposed persons; and
- the extension of anti-money laundering measures to certain non-financial businesses and professions, including real estate agents, dealers in jewellery and precious metals, company service providers, as well as accountants and lawyers, where they are carrying out particular types of activity.

It is intended that jurisdictions will be asked to complete a self-assessment against these new standards in 2004 which will then be followed by mutual evaluations in either late 2004 or in 2005.

Bermuda has had very effective anti-money laundering provisions in place for a number of years. These include the Proceeds of Crime Act 1997 which creates general law offences relating to the concealment or transfer of the proceeds of criminal conduct or assisting another person to do so. There are then specific Regulations (and associated Guidance Notes) making detailed provisions for regulated financial institutions. Bermuda's National Anti Money Laundering Committee ("NAMLC") has been conducting public consultation on a number of proposed changes in Bermuda's anti-money laundering provisions, in parallel with the FATF review of the Forty Recommendations.

With the completion of the FATF exercise, the NAMLC will now be finalizing its own review of Bermuda's provisions, and making recommendations for the changes necessary to ensure that Bermuda continues to meet fully the relevant international standards. The Authority is closely involved in this work, both as a member of NAMLC and as the financial regulator for many of the businesses subject to the Regulations. The Authority's supervision of licensed financial businesses subject to the Regulations includes specific checks on their compliance with anti-money laundering requirements.



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### BERMUDA MONEY SUPPLY

(BD\$ millions)	2001-Q4	2002-Q1	2002-Q2	2002-Q3	2002-Q4	2003-Q1
Notes & Coins in Circulation *	86	79	79	81	90	79
Deposit liabilities:						
Banks and Deposit Companies (unconsolidated)	2,659	2,744	2,731	2,898	2,924	3,009
	<b>2,745</b>	<b>2,823</b>	<b>2,810</b>	<b>2,979</b>	<b>3,014</b>	<b>3,088</b>
Less: Cash at Banks and Deposit Companies	28	19	18	19	29	18
Bermuda Money Supply	<b>2,717</b>	<b>2,804</b>	<b>2,792</b>	<b>2,960</b>	<b>2,985</b>	<b>3,070</b>
% Growth on Previous Period	<b>2.64%</b>	<b>3.20%</b>	<b>-0.43%</b>	<b>6.02%</b>	<b>0.84%</b>	<b>2.85%</b>
% Growth Year-on-Year	<b>10.22%</b>	<b>11.54%</b>	<b>10.75%</b>	<b>11.82%</b>	<b>9.86%</b>	<b>9.49%</b>

\* This table includes the supply of Bermuda dollars only. United States currency is also in circulation in Bermuda but the amount has not been quantified.

### BD\$ DEPOSIT PROFILE – COMBINED BANKS AND DEPOSIT COMPANIES (UNCONSOLIDATED)

(BD\$ millions)	2001-Q4	2002-Q1	2002-Q2	2002-Q3	2002-Q4	2003-Q1
Deposit Liabilities	2,659	2,744	2,731	2,898	2,924	3,009
Less:						
Loans, Advances and Mortgages	(2,228)	(2,246)	(2,293)	(2,345)	(2,392)	(2,422)
Surplus deposits	<b>431</b>	<b>498</b>	<b>438</b>	<b>553</b>	<b>532</b>	<b>587</b>
Percentage of Deposit Liabilities Lent	<b>83.8%</b>	<b>81.9%</b>	<b>84.0%</b>	<b>80.9%</b>	<b>81.8%</b>	<b>80.5%</b>





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**COMBINED BANKS AND DEPOSIT COMPANIES FOREIGN CURRENCY POSITION  
(CONSOLIDATED)**

<b>(BDS millions)</b>	<b>2001 - Q4</b>	<b>2002 - Q1</b>	<b>2002 - Q2</b>	<b>2002 - Q3</b>	<b>2002 - Q4</b>	<b>2003 - Q1</b>
Total Foreign Currency Assets	15,429	14,979	14,460	14,950	15,983	15,204
Less: Other Assets	177	189	183	173	164	171
Less: Foreign Currency Loans to Residents	444	445	465	551	585	679
Net Foreign Currency Assets	14,808	14,345	13,812	14,226	15,234	14,354
Foreign Currency Liabilities	14,029	13,468	13,024	13,397	14,436	13,607
Add: BDS Deposits of Non-Residents	56	68	77	83	88	95
Net Foreign Currency Liabilities	14,085	13,536	13,101	13,480	14,524	13,702
<b>Net Foreign Currency Position (consolidated)</b>	<b>723</b>	<b>809</b>	<b>711</b>	<b>746</b>	<b>710</b>	<b>652</b>
Totals may not add due to rounding						



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### BALANCE OF PAYMENTS ESTIMATES

(BDS) MILLIONS	2000	2001	2002	2003	2002	2002	2002	2002	2003
				YTD	Q1	Q2	Q3	Q4	Q1
<b>CURRENT ACCOUNT</b>									
<b>PAYMENTS</b>									
Merchandise(Imports)	719	720	747	183	179	208	183	177	183
Shipping & Other Transportation	114	113	107	27	27	26	27	27	27
Travel	216	216	221	34	33	49	82	57	34
Investment Income	68	69	67	17	17	16	16	18	17
Profess. Man. & Tech. Service	97	106	115	29	28	28	29	30	29
Other Goods Services & Income	243	284	305	78	76	83	77	69	78
Current Transfers	181	203	214	53	52	53	54	55	53
	<b>1638</b>	<b>1711</b>	<b>1776</b>	<b>421</b>	<b>412</b>	<b>463</b>	<b>468</b>	<b>433</b>	<b>421</b>
<b>RECEIPTS</b>									
Merchandise(Exports)	51	36	55	17	12	16	13	14	17
Shipping & Other Transportation	26	29	21	7	7	5	5	4	7
Travel	421	350	379	38	40	134	137	68	38
Investment Income	232	315	172	45	49	64	25	34	45
Profess. Man. & Tech. Service	967	986	1055	259	244	248	284	279	259
Other Goods Services & Income	123	124	142	31	32	38	36	36	31
Current Transfers	14	16	19	5	4	5	5	5	5
	<b>1834</b>	<b>1856</b>	<b>1843</b>	<b>402</b>	<b>388</b>	<b>510</b>	<b>505</b>	<b>440</b>	<b>402</b>
<b>NET BALANCE</b>									
Merchandise (Trade)	(668)	(684)	(692)	(166)	(167)	(192)	(170)	(163)	(166)
Shipping & Other Transportation	(88)	(84)	(86)	(20)	(20)	(21)	(22)	(23)	(20)
Travel	205	134	158	4	7	85	55	11	4
Investment Income	164	246	105	28	32	48	9	16	28
Profess. Man. & Tech. Service	870	880	940	230	216	220	255	249	230
Other Goods Services & Income	(120)	(160)	(163)	(47)	(44)	(45)	(41)	(33)	(47)
Current Transfers	(167)	(187)	(195)	(48)	(48)	(48)	(49)	(50)	(48)
<b>Current A/C Surplus/Deficit</b>	<b>196</b>	<b>145</b>	<b>67</b>	<b>(19)</b>	<b>(24)</b>	<b>47</b>	<b>37</b>	<b>7</b>	<b>(19)</b>
<b>CAPITAL &amp; FINANCIAL ACCOUNT</b>									
<b>CAPITAL ACCOUNT</b>									
	2	0	1	0	0	1	0	0	0
<b>FINANCIAL ACCOUNT</b>									
Net Long Term Investment	(119)	(107)	34	5	(2)	(13)	29	20	5
Net Short Term Investment	0	(48)	(83)	39	19	(42)	(46)	(14)	39
of which : Authorised Dealers	(1)	(51)	(79)	29	11	(42)	(44)	(4)	29
: BMA	1	3	(4)	10	8	0	(2)	(10)	10
Capital & Financial A/C Balance	(117)	(155)	(48)	44	17	(54)	(17)	6	44
<b>BALANCING ITEM</b>	<b>(79)</b>	<b>10</b>	<b>(19)</b>	<b>(25)</b>	<b>7</b>	<b>7</b>	<b>(20)</b>	<b>(13)</b>	<b>(25)</b>
Totals may not add due to rounding									



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### STATISTICAL ANNEXE

### BALANCE OF PAYMENTS COMMENTARY

#### Introduction

The balance of payments figures are, to a large extent, based on estimated and historical data; they should therefore be interpreted with a suitable degree of caution.

#### Current Account

Provisional estimates for the first quarter of 2003 recorded a deficit on **current account** of \$19 million, compared to a deficit of \$24 million in the corresponding quarter of 2002.

- **Payments**  
Payments in the first quarter of 2003 increased by \$9 million compared to the first quarter of 2002.
- **Receipts**  
Receipts in the first quarter of 2003 increased by \$14 million compared to the first quarter of 2002.

#### Capital and Financial Account

The **capital and financial account**, which comprises **capital transfers**, **long term investment** and **short term investment**, recorded an estimated net inflow of \$44 million in the first quarter of 2003 resulting from: -

- **net long term investment** inflow of \$5 million; and
- **net short term investment** inflow of \$39 million, attributable to decreases of \$29 million and \$10 million in the external holdings of authorised dealers and the Bermuda Monetary Authority respectively.

#### Note

Where Bermudian exempted companies do not carry on business in Bermuda, their financial flows (other than direct purchases of goods and services from, and their capital account transactions with, Bermuda residents) are excluded from these estimates.



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### COMPANIES, PARTNERSHIPS AND PERMITS STATISTICS

#### APPLICATIONS APPROVED SUMMARY

	2001-Q4	2002-Q1	2002-Q2	2002-Q3	2002-Q4	2003-Q1
<b>Exempted Companies</b> (Bermuda companies exempted from the 60% Bermudian ownership requirement)	313	283	232	256	274	203
<b>Exempted Partnerships</b> (partnerships established in Bermuda to carry on business in or from within Bermuda)	26	7	18	23	15	6
<b>Overseas Partnerships</b> (overseas partnerships applying for permits to carry on business in or from within Bermuda)	1	3	0	0	0	0
<b>Overseas Permit Companies</b> (overseas companies applying for permits to carry on business in or from within Bermuda)	20	11	22	6	16	10
<b>Unit Trusts</b>	8	14	1	10	6	18
<b>Continuation Companies</b> (companies from other jurisdictions continuing into Bermuda as exempted companies)	4	4	3	4	21	5
<b>Unlimited Liability Companies</b>	0	0	0	1	1	0
<b>Local Companies</b>	43	50	54	39	51	53
<b>Total Applications Approved</b>	<b>415</b>	<b>372</b>	<b>330</b>	<b>339</b>	<b>384</b>	<b>295</b>

Statistics for earlier periods have been revised to reflect more recent data.  
Detailed statistics may be accessed on the Authority's website [www.bma.bm](http://www.bma.bm)



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**ADDITIONS TO THE INSURANCE REGISTER**

	2002 Q1	2002 Q2	2002 Q3	2002 Q4	2003 Q1
<b>Class 1</b> Single-parent captive insuring only risks of its owners or affiliates of the owners	5	8	9	13	8
<b>Class 2</b> (a) a multi-owner captive insuring risks of its owners or affiliates of the owners; (b) a single-parent and multi-owner captive: (i) insuring the risks related to or arising out of the business or operations of the owners and affiliates, and/or (ii) deriving up to 20 percent of its net premiums from unrelated risks	6	4	4	3	3
<b>Class 3</b> Insurers not included in Class 1, 2 or 4, such as i) Reinsurers writing third party business; ii) Insurers writing direct policies with third party individuals; iii) Single parent, group, association, or joint venture captives where more than 20% of their net premiums written arises from risks which are unrelated to the business of the owners; iv) Finite reinsurers and rent-a-captives	7	6	4	17	6
<b>Class 4</b> Insurers and reinsurers capitalised at a minimum of \$100 million underwriting direct excess liability and/or property catastrophe reinsurance risk	0	1	1	1	0
<b>Long-Term Insurers</b> Insurers writing long-term (or life) business	1	0	1	2	0
<b>Composites</b> Insurers writing combination of long-term (or life) business and Class 1, 2, 3 or 4 business	2	0	1	0	0
<b>Total additions during quarter</b>	<b>21</b>	<b>19</b>	<b>20</b>	<b>36</b>	<b>17</b>



BERMUDA MONETARY AUTHORITY  
Quarterly Update

July 2003

STATISTICAL ANNEXE

COLLECTIVE INVESTMENT SCHEMES STATISTICS

	2001-Q4	2002-Q1	2002-Q2	2002-Q3	2002-Q4	2003-Q1
Mutual Funds	675	666	707	741	688	685
Sub-Funds	377	442	450	459	324	302
Umbrella Funds	49	39	48	50	50	47
Sub-Funds	127	125	124	124	157	157
Feeder-Funds	73	85	80	90	75	78
Segregated Account Companies*	0	0	0	0	0	3
Segregated Accounts	0	0	0	0	0	7
<b>Total Mutual Funds</b>	<b>1,301</b>	<b>1,357</b>	<b>1,409</b>	<b>1,464</b>	<b>1,294</b>	<b>1,279</b>
Unit Trusts	83	95	96	96	76	70
Umbrella Trusts	9	6	6	7	21	29
Sub-Trusts	27	19	19	22	33	33
Feeder Trusts	1	0	0	1	2	2
<b>Total Unit Trusts</b>	<b>120</b>	<b>120</b>	<b>121</b>	<b>126</b>	<b>132</b>	<b>134</b>
<b>TOTAL</b>	<b>1,421</b>	<b>1,477</b>	<b>1,530</b>	<b>1,590</b>	<b>1,426</b>	<b>1,413</b>
<b>TOTAL NET ASSET VALUE (IN BILLIONS)</b>	<b>\$55.99</b>	<b>\$60.28</b>	<b>\$64.16</b>	<b>\$61.26</b>	<b>\$68.10</b>	<b>\$71.34</b>

\* The Segregated Account Companies category records the schemes that have been established under the Segregated Account Companies Act 2000. The amendment to the legislation allowing schemes to take advantage of the Segregated Account Companies Act was introduced with effect 14 June 2002.