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## PRESS RELEASE

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### **THE BERMUDA MONETARY AUTHORITY LAUNCHES 2009 BUSINESS PLAN AT FIRST ANNUAL MEETING**

**Areas of focus to be continued active management of financial crisis;  
Work towards mutual recognition in key overseas markets;  
Implementation of new anti-money laundering standards**

The Bermuda Monetary Authority today introduced its 2009 Business Plan, at its inaugural Annual Meeting. The Business Plan sets out the organisation's strategic priorities and work plan for the coming year.

Publishing the Business Plan demonstrates the BMA's on going commitment to improving transparency around the work of the Authority, and explains to stakeholders what enhancements to Bermuda's regulatory regimes will take place in the near future.

Chief Executive Officer, Matthew Elderfield said: "This is the second year that the BMA has published a business plan. This year's Plan builds on the foundation established in 2008, where we successfully completed an ambitious set of initiatives for the development of Bermuda's regulatory framework."

The 2009 Plan outlines four broad areas of focus for the BMA including: continuing to manage the financial crisis; focus on achieving mutual recognition for Bermuda's regulatory framework; implementing new anti-money laundering standards; and continued improvement of operational efficiency.

"In common with other financial services regulators, 2008 was a particularly challenging year for the Authority, given the need to both manage the prevailing financial crisis and maintain our focus on our regulatory agenda. This year we face the same challenge, as the financial crisis moves into a new phase, with a broader impact on the economy," Mr. Elderfield added.

#### **Managing the Financial Crisis**

Bermuda's financial markets have proved resilient in the face of the financial crisis, although some sectors and market participants have, and will continue to face challenges. In the year ahead the BMA plans to continue its active supervisory approach managing these challenges.



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“The initiatives set out in the Business Plan will strengthen the Authority’s ability to respond to the crisis as it moves into a new phase, such as the implementation of the Basel 2 Accord for banks and some investment businesses and further enhancements to our solvency framework for insurers,” said Mr. Elderfield. “Much of our effort will by necessity remain behind the scenes, as we work with challenged firms and use a combination of market surveys, stress test and on-sites to identify firms for close monitoring.”

### Focus on Mutual Recognition

The Plan details the Authority’s work toward the important medium-term goal of achieving mutual recognition for Bermuda, with a focus on the European and US markets, and in particular for insurance regulation.

The benefit to Bermuda and firms of accomplishing mutual recognition is that it assists in maintaining the jurisdiction’s competitiveness and will enable Bermuda companies to conduct business with international markets on non-discriminatory terms and avoid duplicative regulation and capital charges.

“The Authority is well advanced in its work on mutual recognition. We started from a strong point of being highly compliant with international standards, as acknowledged by the International Monetary Fund. This year the Authority will build upon the foundation established in 2008, in particular with enhancements to the regulatory framework for large commercial insurers and reinsurers,” said Mr. Elderfield. “We will avoid xeroxing overseas standards but will instead adapt them intelligently for the Bermuda market through consultation with market participants.”

The Plan highlights work to develop a framework for group supervision, enhancements of supervisory and public disclosure standards and consultation on aspects of Pillar 2 of Europe’s Solvency II Directive, namely qualitative review of risk management by both firms and supervisors.

### Implementing New Anti-Money Laundering Standards

Following the enactment of a suite of legislation that enhanced Bermuda’s anti-money laundering and anti-terrorism financing (AML/ATF) provisions in late 2008, the BMA now has broader supervisory and enforcement powers with regard to AML/ATF.

“This year the Authority’s work will shift from policy making to focused on-site reviews of AML standards. The Business Plan sets out our plans for a dedicated team to conduct reviews on AML compliance. These reviews will provide a basis for feedback to the market on progress in implementing



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the new standards and will also establish a benchmark for follow up enforcement activity, if deemed necessary,” Mr. Elderfield said.

### Improving Operational Efficiency

The Plan outlines the tools the Authority will employ to ensure a high level of service to stakeholders. “The Authority is cognizant of the pressures the current economic environment places on the budget of fee-paying financial firms and we are committed to delivering our services efficiently and economically,” Mr. Elderfield said. “For the first time we will be publishing service standards with regard to specific regulatory transactions and we will report on the performance against those standards in future Annual Reports.”

In addition, the Authority looks to improving efficiency within the regulatory transaction areas by leveraging information technology and will introduce e-filing, starting with the corporate authorisations function.

A copy of the Business Plan is available to download on the Authority’s website at [www.bma.bm](http://www.bma.bm).

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