



3 July 2018

Dear Industry Stakeholders:

**Re: Discussion Paper Entitled “Proposed Enhancements To Investment Business, Investment Funds and Fund Administration Regimes” (the Discussion Paper or the paper)**

The Bermuda Monetary Authority (the Authority) would like to thank its stakeholders for their continued support on this key initiative and for their responses to the Discussion Paper.

On 29 March 2018, the Authority issued the Discussion Paper, which proposed a series of potential enhancements to the Investment Business, Investment Funds and Fund Administration regimes (the Investment Regimes). The intent of the paper was to seek feedback from stakeholders within the financial services sector on proposals related to the respective frameworks. The Authority appreciates the feedback provided and is committed to working closely with relevant stakeholders to ensure Bermuda’s regulatory regime is effective and aligned with international standards and best practice.

The overall feedback on the Discussion Paper was favourable, with respondents generally supportive of the rationale for, and merits of, the proposed enhancements to the Investment Regimes. Stakeholders clearly expressed their wishes to be consulted with by the Authority as we seek to advance more definitive proposals. In addition, stakeholders requested that the competitiveness of Bermuda as a jurisdiction within the global industry be considered throughout the deliberation process, and that amendments to the Investment Regimes be of a reasonable and proportionate nature.

The Authority notes the views expressed and will consider these as it takes steps to progress this initiative. The Authority is committed to working with its stakeholders to ensure the Investment Regimes comply with international standards while retaining Bermuda’s competitiveness. It should be noted the Authority will, in the first instance, be moving forward with proposals related to fund administration via the development of a standalone legislative framework for Fund Administrators by year-end 2018. Given the complexities associated with Investment Funds and Investment Businesses, the Authority will take more time to deliberate on an appropriate regulatory framework for these two sectors and will engage with affected stakeholders during the process.

Sincerely,

**The Bermuda Monetary Authority**