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## PRESS RELEASE

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### **Bermuda Monetary Authority Act 1969 Amended to Expand Bermuda Monetary Authority's Mandate**

HAMILTON, BERMUDA – Bermuda's Governor has provided assent to a bill to amend the Bermuda Monetary Authority Act 1969 (BMA Act) by adding a principal object to cover matters related to the conduct of business by financial institutions.

The BMA Act is the statute that established the Bermuda Monetary Authority (Authority or BMA) and that guides its functions and powers. Since it initially became operative, the BMA Act has been amended on occasion to allow the Authority's role to evolve to both lead and respond to the changing needs of the Bermuda financial services industry. In 2020, the Authority conducted an internal review of its objectives and statutory mandate, which identified the need for a risk-based regulatory framework to enhance customer protection for customers of Bermuda's regulated financial services providers. The Authority subsequently commenced a multi-year strategy to establish and implement, through comprehensive consultation with industry and other stakeholders, a conduct of business regulatory regime for Bermuda's financial services industry.

The passing of this amendment provides the Authority with the express mandate and powers to provide a new avenue of protection for customers using products and services provided by Bermuda's regulated financial services providers. The Authority has always viewed consumer protection as a necessity to the growth and confidence of the financial services industry in Bermuda. In this regard, historically the Authority focused on prudential matters, such as risk management, governance and general solvency issues, including breaches of law. However, this amendment will expand the Authority's regulatory remit to encompass the oversight of the conduct of business by financial institutions with the aim of promoting fair outcomes for customers. The Authority's approach will now include requiring greater transparency on the part of financial institutions, as well as their use of effective policies, procedures and internal structures to treat customers fairly and, in particular, to handle their customers' complaints through appropriate mechanisms. Resolution of individual customer complaints will remain outside of the Authority's regulatory remit.

The regime will commence with issuing new or revised codes covering the conduct of business to each financial services sector. These new or revised sectoral codes will be issued on a phased basis and will allow for an appropriate transition period to ensure compliance, beginning with the insurance and banking sectors. The newly-issued banking sector code has been published today <https://www.bma.bm/notices> and will have a six-month transition period. The revised insurance sector code and its effective date will be communicated by the Authority in due course. The relevant consultation paper may be found on the Authority's website ([www.bma.bm](http://www.bma.bm)).

Craig Swan, the Authority's Chief Executive Officer, stated, "This amendment of the BMA Act marks a key milestone for the Authority's customer protection strategy, demonstrating the jurisdiction's commitment to the highest financial services standards through enhancing the Authority's mandate with the aim of promoting fair outcomes for customers of Bermuda's financial services providers. We appreciate the engagement of Government, industry and the general public on this matter and we look forward to continuing to work with the Authority's regulated institutions to support their compliance with the letter and spirit of the codes."

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