



5 December 2023

NOTICE

Investment Funds Amendment Act 2023 and Updates to the Related Rules

In April 2023, the Bermuda Monetary Authority (Authority or BMA) published a Consultation Paper discussing Enhancements to the Supervisory Powers stated in the Investment Funds Act 2006 (Act), inviting all stakeholders to provide feedback on the proposed enhancements.

The objective of the proposed changes was to introduce enhanced supervisory powers that strengthen the Authority's ability to take targeted corrective action that is proportionate to the nature of breaches identified. Such breaches may not, in isolation, be severe enough to warrant the winding up of a fund but will require some level of regulatory intervention to facilitate compliance with the funds' legislation and to dissuade non-compliance.

The feedback obtained by the Authority during the consultation process culminated amendments to the Investment Funds Act 2006, The Investment Fund Rules 2019, and the Investment Fund Offering Document Rules 2019 (collectively referred to as the funds legislation). Amendments to the funds legislation in 2023 extend across the following broad categories:

- Clarification on the obligations of the operators of an investment fund
- Expansion of the power to use late fees for non-compliance by operators of an investment fund with certain time-barred requirements stated in the Act or the related Rules
- Powers related to the granting of filing deadline extensions, in line with the manner in which other financial sectors are regulated for such matters
- Expansion of the range of directions the Authority may issue in relevant circumstances
- Requirement for appointed auditors to communicate certain matters to the Authority
- Housekeeping updates

The funds legislation is accessible here: <https://www.bma.bm/legislation>. In order to ensure the funds sector understands the impact of the changes to the fund's legislation that came into effect in 2023, the Authority has updated *The Investment Fund Guidelines* published on its website at

<https://www.bma.bm/document-centre/reporting-forms-and-guidelines-investment-funds>.

Should you have any questions concerning the 2023 amendments to the Investment Funds Act 2006 and the related Rules, please contact funds@bma.bm.