



BERMUDA MONETARY AUTHORITY

**CONSULTATION PAPER**

PROPOSED BERMUDA MONETARY AUTHORITY ACT 1969 GENERAL  
POWERS AND FEE-RELATED CHANGES

10 JULY 2024

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Stakeholders are invited to submit their views on the proposals set out in this paper. Comments should be sent to the Bermuda Monetary Authority (Authority or BMA) and addressed to [policy@bma.bm](mailto:policy@bma.bm) no later than **16 August 2024**.

## **I. Introduction**

1. The purpose of this consultation paper is to convey proposed amendments to the Bermuda Monetary Authority Act 1969 (Act) to:
  - i. Clarify the powers of the Bermuda Monetary Authority (Authority or BMA) in relation to how it manages its general, external and local reserves and its operations;
  - ii. Allow the Authority to reduce or waive fees under the Innovation Hub Bermuda Monetary Authority Act 1969 fee schedule upon request from applicants in certain circumstances and reduce the fees for Innovation Hub applicants;
  - iii. Make clarificatory changes to the Insurance Act 1978 fees schedule relating to the wording used in the metrics for fee calculations for Class 3A, 3B, and 4 insurers and designated insurers registered to carry on run-off general business;
  - iv. Make administrative amendments to the Insurance Act 1978 fees schedule relating to Class IIGB and IILT insurers and clarificatory guidance relating to non-resident insurance undertakings;
  - v. Introduce a fee payable upon application for a recognition certificate and an annual fee for Recognised Bodies (Investment Exchanges and Clearing Houses) under Part IV of the Investment Business Act 2003 and increase application and annual fees for those Investment Providers licensed pursuant to the Investment Business Act 2003 offering Over-the-Counter (OTC) leveraged products to retail clients;
  - vi. Make an administrative amendment in relation to registered Professional Class B funds in the Investment Funds Act 2006 fees schedule; and
  - vii. Update the Proceeds of Crime (Anti-Money Laundering and Anti-Terrorist Financing Supervision and Enforcement) Act 2008 fees schedule to reflect the supervision cost accurately.

The proposed amendments to the Act are set out in the draft illustrative instrument in Annex I. The Authority is proposing that the changes to the body of the Act come into force on assent and the changes to the Fourth Schedule and Fifth Schedule on 1 January 2025.

## **II. Background**

2. The Authority regulates the financial services industry and protects customers of financial services by maintaining an effective regulatory framework. In accordance with the continued effort to ensure that the regulatory framework remains fit for purpose, the Authority is proposing amendments to allow for greater clarity on how it operates and manages its reserves and in relation to fee charges in several sectors. These amendments are made to ensure prudence and transparency in how the Authority functions and that the fees charged by the Authority reflect and align with the cost of appropriately overseeing regulated financial institutions and enable the efficient facilitation of supervisory activities.

### **III. Proposed Changes to the Act**

#### **A. Management of BMA General, External and Local Reserves and Operations**

3. Section 19 of the Act requires the Authority to maintain a reserve of external and local assets that shall be, in value, not less than an amount equivalent to 50% of the total liabilities of the Authority in relation to the face value of currency notes and coins in circulation. Accordingly, the Authority maintains a reserve of external and local assets and ensures that they are invested prudently in accordance with the requirements of the Act.
4. In 2022, the Act was amended to update the range of permitted securities in which such reserves could be held. This change allowed the Authority's Board of Directors to adjust such securities as required to react to future market conditions in accordance with the Act.
5. Out of an abundance of caution, the Authority proposes to further refine the types of securities that the Authority may purchase and hold by expressly precluding investment in firms that the Authority regulates.
6. To avoid doubt, the Authority has never traded in equities, currently has no appetite to do so, and has never sought to invest in firms that it regulates. It is not, nor has it ever been, the Authority's intention to run the risk of having conflicts of interest regarding its investments. The change being consulted would clarify that the BMA will not invest in any entities it regulates.
7. Moreover, the BMA is required to obtain and maintain bank accounts and insurance coverage to conduct its day-to-day business affairs and operations. In this regard, the BMA maintains current chequing and savings/deposit accounts to manage its receivables, payables and liquidity and has entered various insurance policies to protect, inter alia, its employees, directors, assets and operations. Therefore, it maintains a commercial relationship with certain local banks and insurers.
8. Section 8 of the Act requires the Authority to establish and maintain a General Reserve to which shall be transferred or deducted any net profit or loss of the Authority respectively at the end of each year. Section 24 of the Proceeds of Crime (Anti-Money Laundering and Anti-Terrorist Financing Supervision and Enforcement) Act 2008 (SEA) provides that the Authority, as a competent authority, must apply amounts paid to it by way of penalties imposed pursuant to SEA towards its costs of anti-money laundering/anti-terrorist financing supervision. The proposed amendment to the BMA Act will clarify that these funds must be subtracted prior to calculating any net profit of the Authority as they must be retained and applied in accordance with SEA.

## **B. Innovation Hub**

9. The BMA recognises the importance of innovation in the financial services industry and the critical role that innovation plays in promoting efficiency and enhancing competitiveness in the market. The Innovation Hub was set up to foster such innovation and is an option for companies looking to test new technologies or business models
10. The Authority generally has the power to reduce or waive fees in the sectors that it regulates. However, this is currently not the case with the Innovation Hub. The Authority believes it is appropriate that such a power exists within the Innovation Hub so that it may be exercised at the discretion of the Authority, in certain circumstances upon request from the applicant.
11. In addition to the benefits for the marketplace and Bermuda, the BMA also benefits from the Innovation Hub by learning about potential new products and business models, including how to regulate them effectively.
12. These innovations often come from start-ups where funding can be limited and the Authority would not wish to see innovation stifled where it may otherwise have been possible. Therefore, in certain circumstances, it would be beneficial for the Authority to have the power to reduce or waive fees in this realm.
13. At the same time, the Authority intends to reduce the application and extension fees for the Innovation Hub to \$1,000 to reduce any possible barriers to innovation.

## **IV. Proposed Changes to the Fees Schedules**

### **C. The Insurance Sector**

14. The proposed changes clarify the wording in the Fifth Schedule related to the metrics used in the annual fee calculations payable by Class 3A, 3B, and 4 insurers and a designated insurer registered to carry on run-off general business on behalf of an insurance group in accordance with section 27B of the Insurance Act 1978. A note has been added to clarify that the higher fee amount would apply when a registrant falls into more than one tier. The changes should avoid any inconsistencies or uncertainty in determining the correct tier and associated fee. The respective fee amounts themselves remain unchanged.
15. The Authority also proposes to make some administrative changes to the Fifth Schedule relating to the addition of Classes IIGB and IILT where applicable and to clarify the note pertaining to which supplementary annual fees under Parts 7A and 7B of the Schedule are payable by non-resident insurance undertakings.

### **D. The Investment Business Sector**

16. The Authority proposes to introduce a fee in respect of an application for a recognition certificate and annual business fees for recognised bodies payable upon the commencement of the Investment Business Amendment Act 2024. The proposed fees of \$2,840 and \$10,000, respectively, take into account the existing fees for investment providers under the Investment Business Act 2003 (IBA) and the nature of regulated activities of recognised bodies. There is currently one recognised body in Bermuda, namely the Bermuda Stock Exchange.
17. In 2022, the Authority signalled to the market that the fees applicable to certain investment providers would be kept under review, given the nature and complexity of the products and service offerings of an in-scope entity.
18. In line with this, the Authority proposes to increase the application and annual fees for Investment Providers licensed pursuant to the IBA offering Over-the-Counter (OTC) leveraged products to retail clients to \$25,000 and \$100,000, respectively.
19. The Authority has found that the time required to review such applications is significantly higher than that required for other licence applications for several reasons. These include the quality of the initial application, the inherently high-risk nature of the activity taking place and the subsequent scrutiny by the Authority. The proposed increased application fee for applicants choosing to offer these products reflects this additional effort.
20. The current IBA annual fee applicable to investment providers offering OTC leveraged products to retail clients is not aligned with the comparable annual fee under the Digital Asset Business Act 2018 (DABA) framework (where the activity is the same under both regimes but relates to Digital Assets and Investments). For example, an investment provider offering OTC leveraged products to retail clients licensed under both the IBA and DABA would be subject to an annual fee of \$13,560 under the IBA and a minimum fee of \$100,000 under the DABA framework.
21. The current fee does not sufficiently account for supervisory efforts for providers of OTC leveraged products to retail clients. Recent updates to the IBA include enhanced requirements for providers of OTC leveraged products with retail clients. These enhanced requirements have contributed to the elevation in the nature and extent of supervisory activities relating to these firms, including the expertise required to ensure effective supervision.
22. Given the retail client profile and the complexity of the products offered (i.e., OTC leveraged products), there is a need for more frequent supervisory reviews, such as on-site and prudential reviews (relative to licensees whose investment activities do not relate to derivatives). This is in addition to more detailed and ongoing desk-based reviews and risk assessments. For example, contracts for difference providers are required to submit

quarterly client trading information to the Authority. The information is then reviewed to assess ongoing compliance with and implementation of the safeguards built into the regime to reduce and limit customer harm and losses (e.g., negative balance protection, automatic close out and margin requirements).

23. The proposed annual business fee more accurately reflects the supervisory efforts in this area and also brings it in line with that charged under DABA for similar activities.

#### **E. The Investment Funds Sector**

24. As an administrative measure, the Fourth Schedule, under the heading 'Investment Funds Act 2006', is proposed to be amended in paragraph 10. Currently, this paragraph applies a transaction fee for Section 25 changes and notifications and Section 6 notifications. The notification of Exclusion under Section 6 was repealed some time ago; therefore, this reference should be removed and the inclusion of Section 8A(8) changes should be added in its place. Section 8A(8) changes pertain to the requirements for registered Professional Class B funds to obtain prior approval for changes to the director/service provider. This is not a new provision; however, not including the fee on the schedule was an oversight and this amendment will align the section with similar provisions in the Investment Funds Act 2006 that incur a processing fee in relation to notification of changes. The transaction fee itself remains unchanged.

#### **F. Anti-Money Laundering (AML) and Anti-Terrorist Financing (ATF) Fees**

25. The Authority proposes revising these fees to more accurately reflect the actual cost of supervision. The fees for Non-Licensed Persons will be amended to a registration fee of \$150 and an annual fee of \$1,000. The increase is very modest, reflecting current economic conditions and the fact that these fees have not been modified for several years.

#### **V. Conclusion**

26. The proposed changes to the Act and the fees revisions seek to enshrine prudence and transparency in how the BMA uses its investment powers, operational logistics and respective fee regimes to support the effective regulation of the sectors specified.
27. As is its normal practice, the Authority may issue additional guidance in relation to fees should this prove necessary. Such guidance will take into consideration the stakeholder feedback received as a result of this consultation. The guidance will be issued with the implementation of the 2025 fees.
28. Stakeholders who have comments on the proposals set out in this paper are kindly requested to send them in writing to [policy@bma.bm](mailto:policy@bma.bm) no later than **16 August 2024**.

**A BILL**

**entitled**

**BERMUDA MONETARY AUTHORITY  
AMENDMENT ACT 2024**

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WHEREAS it is expedient to amend the Bermuda Monetary Authority Act 1969 to clarify non-permitted investments, to clarify how certain penalties payable to the Authority will be applied, fees and for related and connected matters;

Be it enacted by The King's Most Excellent Majesty, by and with the advice and consent of the Senate and the House of Assembly of Bermuda, and by the authority of the same, as follows:—

**Citation**

1 This Act, which amends the Bermuda Monetary Authority Act 1969 (the “principal Act”), may be cited as the Bermuda Monetary Authority Amendment Act 2024.



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**Amends section 1**

2 The principal Act is amended in section 1 in paragraph (f) of the definition of “specified securities”, by inserting after the word “incorporated” the words “excluding securities issued by a financial institution that is registered or licensed by the Authority”.

**Amends section 8**

3 The principal Act is amended in section 8 by inserting after subsection (5) the following—

“(6) No civil penalty, penalty or fine that is payable to the Authority in accordance with the requirements of the Proceeds of Crime (Anti-Money Laundering and Anti-Terrorist Financing Supervision and Enforcement) Act 2008 shall constitute net profit of the Authority for the purposes of subsection (3), and is not payable into the Consolidated Fund.”.

**Amends section 20H**

4 The principal Act is amended in section 20H as follows—

(a) by renumbering the existing provision as subsection (1);

(b) by inserting after subsection (1) the following—

“(2) Subject to subsection (4), the Authority may, where it has made a determination—

(a) exempt an applicant or undertaking from the requirement to pay any fee under this section as may be prescribed under this Act; or

(b) reduce any fee required to be paid by an applicant or undertaking under this section by such amount as it considers appropriate as may be prescribed under this Act.

(3) In granting an exemption from, or reduction of, any fee payment under subsection (1), the Authority may impose any condition on such exemption or reduction, as it may determine appropriate.

(4) The Authority shall not grant an exemption from, or reduction of, any fee payment under subsection (1) unless it is satisfied that it is appropriate to do so having regard to the nature, scale and complexity of the business carried on, or to be carried on, by the undertaking or applicant.”.

**Amends Fourth Schedule**

5 Schedule 1, which amends the Fourth Schedule to the principal Act, has effect.

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**Amends Fifth Schedule**

6 Schedule 2, which amends the Fifth Schedule to the principal Act, has effect.

**Commencement**

7 (1) Sections 1, 2, 3 and 4 shall come into operation on Assent.

(2) Sections 5 and 6, and Schedules 1 and 2, shall come into operation on 1 January 2025.

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**SCHEDULE 1**  
**AMENDS FOURTH SCHEDULE**

**(section 5)**

The Fourth Schedule is amended as follows.

**Investment Business Act 2003**

1 The Fourth Schedule is amended under the Heading Investment Business Act 2003 as follows—

- (a) by inserting after paragraph 2 the following—

2A	Applying for a licence pursuant to section 16 to engage in investment activities relating to contracts for difference in respect of retail leveraged products	\$25,000
2B	Applying for issue of a recognition certificate for a recognised body under section 70A(1)(a)	\$2,840

- (b) by inserting after paragraph 3(c) the following—

(ca)	Annual fee under section 19(1)(b) where an investment provider carries on investment activities relating to contracts for difference in respect of retail leveraged products	\$100,000
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- (c) by inserting after paragraph 3(e) the following—

(f)	Annual fee for issue of a recognition certificate for a recognised body under section 70A(1)(b)	\$10,000
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**Investment Funds Act 2006**

2 The Fourth Schedule is amended under the Heading Investment Funds Act 2006 in paragraph 10 in the description—

- (a) by deleting the words “section 25 changes” and substituting the words “section 8A(8) changes, section 25 changes and notifications”;
- (b) by deleting the words “and section 6 notifications”.

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**Proceeds of Crime (Anti-Money Laundering and Anti-Terrorist Financing Supervision and Enforcement) Act 2008**

3 The Fourth Schedule is amended under the Heading Proceeds of Crime (Anti-Money Laundering and Anti-Terrorist Financing Supervision and Enforcement) Act 2008 as follows—

- (a) in paragraph 1, by deleting “\$108” and substituting “\$150”;
- (b) in paragraph 2, by deleting “\$850” and substituting “\$1,000”.

**Bermuda Monetary Authority Act 1969 – Innovation Hub**

4 The Fourth Schedule is amended under the Heading Bermuda Monetary Authority Act 1969 — Innovation hub as follows—

- (a) in paragraph 1, by deleting “\$3,000” and substituting “\$1,000”;
- (b) in paragraph 2, by deleting “\$1,500” and substituting “\$1,000”.

**SCHEDULE 2** **(section 6)**  
**AMENDS FIFTH SCHEDULE**

The Fifth Schedule to the principal Act is amended in PART B (2025), as set forth below.

**Amends paragraph 2**

- 1 The Fifth Schedule is amended in PART B (2025), paragraph 2 as follows—
- (a) in subparagraph (c)—
    - (i) in subparagraph (i), by deleting “Class 3A, C and D insurers:” and substituting “Class IIGB, 3A, C, IILT and D insurers:”;
    - (ii) in subparagraph (iii), by deleting “Class 1, 2, 3, A, B insurers, innovative insurers and Special Purpose Insurers:” and substituting “Class 1, 2, 3, A, B insurers, Collateralized Insurers and Special Purpose Insurers:”;
  - (b) in subparagraph (g), by deleting “a Class 3A, 3B, 4, C, D and E” and substituting “a Class IIGB, 3A, 3B, 4, IILT, C, D and E”;
  - (c) in subparagraph (l)(ii), by deleting “Class 3A, 3B, 4, C, D and E insurers” and substituting “Class IIGB, 3A, 3B, 4, IILT, C, D and E insurers”;
  - (d) in subparagraph (x), by deleting “Class 3A, C and D insurers:” and substituting “Class IIGB, 3A, IILT, C and D insurers:”;
  - (e) in subparagraph (z), by deleting “Class 3A, C and D insurers:” and substituting “Class IIGB, 3A, IILT, C and D insurers:”;

**Amends paragraph 3**

- 2 The Fifth Schedule is amended in PART B (2025), paragraph 3—
- (a) in subparagraph (a)(xiv), (xv) and (xvi) by repealing and replacing the descriptions as follows—

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(xiv) Class 3A insurer carrying on run-off general business where:
(A) gross reserves do not exceed \$7.5 million or assets do not exceed \$15 million
(B) gross reserves do not exceed \$25 million or assets do not exceed \$50 million
(C) gross reserves do not exceed \$35 million or assets do not exceed \$70 million
(D) gross reserves do not exceed \$100 million or assets do not exceed \$200 million
(E) gross reserves exceed \$100 million, or assets exceed \$200 million
(xv) Class 3B insurer carrying on run-off general business where:
(A) gross reserves do not exceed \$200 million or assets do not exceed \$400 million
(B) gross reserves do not exceed \$500 million or assets do not exceed 1 billion
(C) gross reserves do not exceed \$3 billion or assets do not exceed \$6 billion
(D) gross reserves do not exceed \$9 billion or assets do not exceed \$18 billion
(E) gross reserves exceed \$9 billion or assets exceed \$18 billion”
(xvi) Class 4 insurer carrying on run-off general business where:
(A) gross reserves do not exceed \$200 million or assets do not exceed \$400 million
(B) gross reserves do not exceed \$500 million or assets do not exceed \$1billion
(C) gross reserves do not exceed \$3 billion or assets do not exceed \$6 billion
(D) gross reserves do not exceed \$9 billion or assets do not exceed \$18 billion
(E) gross reserves exceed \$9 billion or assets exceed \$18 billion
NOTE: Where an insurer falls within more than one tier, the higher fee will apply.

(b) in paragraph 3(b)(xiii), by deleting the words “for each Class IIGB insurer managed” and substituting the words “for each Class IIGB insurer and each Class IILT insurer managed”.

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**Amends paragraph 7**

3 The Fifth Schedule is amended in PART B (2025), paragraph 7 as follows—

(a) in subparagraph (b)(xiii), by repealing and replacing the description as follows—

“(xiii) for each Class IIGB and each Class IILT insurer managed”;

(b) by inserting after subparagraph (b)(xiv) the following—

	(xv) for each innovative insurer managed	\$150
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(c) by repealing and replacing the descriptions in subparagraph (e)(i), (ii) and (iii) as follows—

(i) Class 3A insurer where:
(A) gross reserves do not exceed \$7.5 million or assets do not exceed \$15 million
(B) gross reserves do not exceed \$25 million or assets do not exceed \$50 million
(C) gross reserves do not exceed \$35 million or assets do not exceed \$70 million
(D) gross reserves do not exceed \$100 million or assets do not exceed \$200 million
(E) gross reserves exceed \$100 million or assets exceed \$200 million
(ii) Class 3B insurer where:
(A) gross reserves do not exceed \$200 million or assets do not exceed \$400 million
(B) gross reserves do not exceed \$500 million or assets do not exceed \$1 billion
(C) gross reserves do not exceed \$3 billion, or assets do not exceed \$6 billion
(D) gross reserves do not exceed \$9 billion, or assets do not exceed \$18 billion
(E) gross reserves exceed \$9 billion, or assets exceed \$18 billion

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(iii) Class 4 insurer where:
(A) gross reserves do not exceed \$200 million or assets do not exceed \$400 million
(B) gross reserves do not exceed \$500 million or assets do not exceed \$1billion
(C) gross assets do not exceed \$3 billion or assets do not exceed \$6 billion
(D) gross reserves do not exceed \$9 billion or assets do not exceed \$18 billion
(E) gross reserves exceed \$9 billion or assets exceed \$18 billion”.
NOTE: Where an insurer falls within more than one tier, the higher fee will apply.

**Amends paragraph 7A**

- 4 The Fifth Schedule is amended in PART B (2025), paragraph 7A as follows—
- (a) by deleting the words “Supplementary fee” and substituting the words “Supplementary annual fee”;
  - (b) by adding the following note:

“Note: Where an insurer is a non-resident insurance undertaking under the Non-Resident Insurance Undertakings Act 1967, the supplementary fees under this paragraph apply.”

**Amends paragraph 7B**

- 5 The Fifth Schedule is amended in PART B (2025), paragraph 7B as follows—
- (a) by deleting the words “Supplementary fee to be paid by a Class C, Class D and Class E insurer” and substituting the words “Supplementary annual fee to be paid by a Class IILT, Class C, Class D and Class E insurer”;
  - (b) by adding the following to the Note:

“Where an insurer is a non-resident insurance undertaking under the Non-Resident Insurance Undertakings Act 1967 which pays supplementary fees under paragraph 7A, the supplementary fee under this paragraph does not apply.”



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**Amends paragraph 8**

6 The Fifth Schedule is amended in PART B (2025), paragraph 8(c)(i), (ii) and (iii) by repealing and replacing the descriptions as follows—

(i) gross reserves of the insurance group did not exceed \$9 billion or assets of the insurance group did not exceed \$30 billion
(ii) gross reserves of the insurance group did not exceed \$15 billion or assets of the insurance group did not exceed \$30 billion
(iii) gross reserves of the insurance group exceeded \$15 billion or assets of the insurance group exceeded \$30 billion
NOTE: Where an insurer falls within more than one tier, the higher fee will apply.

The Fifth Schedule to the principal Act is amended in PART C (2026), as set forth below.

**Amends paragraph 2**

7 The Fifth Schedule is amended in PART C (2026), paragraph 2 as follows—

- (a) in subparagraph (c)—
  - (i) in subparagraph (i), by deleting “Class 3A, C and D insurers:” and substituting “Class IIGB, 3A, C, IILT and D insurers:”;
  - (ii) in subparagraph (iii), by deleting “Class 1, 2, 3, A, B insurers, innovative insurers and Special Purpose Insurers:” and substituting “Class 1, 2, 3, A, B insurers, Collateralized Insurers and Special Purpose Insurers:”;
- (b) in subparagraph (g), by deleting “a Class 3A, 3B, 4, C, D and E” and substituting “a Class IIGB, 3A, 3B, 4, IILT, C, D and E”;
- (c) in subparagraph (l)(ii), by deleting “Class 3A, 3B, 4, C, D and E insurers” and substituting “Class IIGB, 3A, 3B, 4, IILT, C, D and E insurers”;
- (d) in subparagraph (x), by deleting “Class 3A, C and D insurers:” and substituting “Class IIGB, 3A, IILT, C and D insurers:”;
- (e) in subparagraph (z), by deleting “Class 3A, C and D insurers:” and substituting “Class IIGB, 3A, IILT, C and D insurers:”.

**Amends paragraph 3**

8 The Fifth Schedule is amended in PART C (2026), paragraph 3 as follows—

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(a) in subparagraph (a)(xiv), (xv) and (xvi) by repealing and replacing the descriptions as follows—

(xiv) Class 3A insurer carrying on run-off general business where:
(A) gross reserves do not exceed \$7.5 million or assets do not exceed \$15 million
(B) gross reserves do not exceed \$25 million or assets do not exceed \$50 million
(C) gross reserves do not exceed \$35 million or assets do not exceed \$70 million
(D) gross reserves do not exceed \$100 million or assets do not exceed \$200 million
(E) gross reserves exceed \$100 million, or assets exceed \$200 million
(xv) Class 3B insurer carrying on run-off general business where:
(A) gross reserves do not exceed \$200 million or assets do not exceed \$400 million
(B) gross reserves do not exceed \$500 million or assets do not exceed 1 billion
(C) gross reserves do not exceed \$3 billion or assets do not exceed \$6 billion
(D) gross reserves do not exceed \$9 billion or assets do not exceed \$18 billion
(E) gross reserves exceed \$9 billion or assets exceed \$18 billion”

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(xvi) Class 4 insurer carrying on run-off general business where:
(A) gross reserves do not exceed \$200 million or assets do not exceed \$400 million
(B) gross reserves do not exceed \$500 million or assets do not exceed \$1billion
(C) gross reserves do not exceed \$3 billion or assets do not exceed \$6 billion
(D) gross reserves do not exceed \$9 billion or assets do not exceed \$18 billion
(E) gross reserves exceed \$9 billion or assets exceed \$18 billion
NOTE: Where an insurer falls within more than one tier, the higher fee will apply.

- (b) in paragraph 3(b)(xiii), by deleting the words “for each Class IIGB insurer managed” and substituting the words “for each Class IIGB insurer and each Class IILT insurer managed”..

**Amends paragraph 7**

9 The Fifth Schedule is amended in PART C (2026), paragraph 7 as follows—

- (a) in subparagraph (b)(xiii), by repealing and replacing the description as follows—

“(xiii) for each Class IIGB and each Class IILT insurer managed”;

- (b) by inserting after subparagraph (b)(xiv) the following—

	(xv) for each innovative insurer managed	\$150
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- (c) by repealing and replacing the descriptions in subparagraph (e)(i), (ii) and (iii) as follows—

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(i) Class 3A insurer where:
(A) gross reserves do not exceed \$7.5 million or assets do not exceed \$15 million
(B) gross reserves do not exceed \$25 million or assets do not exceed \$50 million
(C) gross reserves do not exceed \$35 million or assets do not exceed \$70 million
(D) gross reserves do not exceed \$100 million or assets do not exceed \$200 million
(E) gross reserves exceed \$100 million or assets exceed \$200 million
(ii) Class 3B insurer where:
(A) gross reserves do not exceed \$200 million or assets do not exceed \$400 million
(B) gross reserves do not exceed \$500 million or assets do not exceed \$1 billion
(C) gross reserves do not exceed \$3 billion, or assets do not exceed \$6 billion
(D) gross reserves do not exceed \$9 billion, or assets do not exceed \$18 billion
(E) gross reserves exceed \$9 billion, or assets exceed \$18 billion
(iii) Class 4 insurer where:
(A) gross reserves do not exceed \$200 million or assets do not exceed \$400 million
(B) gross reserves do not exceed \$500 million or assets do not exceed \$1 billion
(C) gross assets do not exceed \$3 billion or assets do not exceed \$6 billion
(D) gross reserves do not exceed \$9 billion or assets do not exceed \$18 billion
(E) gross reserves exceed \$9 billion or assets exceed \$18 billion”
NOTE: Where an insurer falls within more than one tier, the higher fee will apply.

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**Amends paragraph 7A**

10 The Fifth Schedule is amended in PART C (2026), paragraph 7A as follows—

- (a) by deleting the words “Supplementary fee” and substituting the words “Supplementary annual fee”;
- (b) by adding the following note:

“Note: Where an insurer is a non-resident insurance undertaking under the Non-Resident Insurance Undertakings Act 1967, the supplementary fees under this paragraph apply.”

**Amends paragraph 7B**

11 The Fifth Schedule is amended in PART C (2026), paragraph 7B as follows—

- (a) by deleting the words “Supplementary fee to be paid by a Class C, Class D and Class E insurer” and substituting the words “Supplementary annual fee to be paid by a Class IILT, Class C, Class D and Class E insurer”;
- (b) by adding the following to the Note:

“Where an insurer is a non-resident insurance undertaking under the Non-Resident Insurance Undertakings Act 1967 which pays supplementary fees under paragraph 7A, the supplementary fee under this paragraph does not apply.”

**Amends paragraph 8**

12 The Fifth Schedule is amended in PART C (2026), paragraph 8(c)(i), (ii) and (iii) by repealing and replacing the descriptions as follows—

(i) gross reserves of the insurance group did not exceed \$9 billion or assets of the insurance group did not exceed \$30 billion
(ii) gross reserves of the insurance group did not exceed \$15 billion or assets of the insurance group did not exceed \$30 billion
(iii) gross reserves of the insurance group exceeded \$15 billion or assets of the insurance group exceeded \$30 billion
NOTE: Where an insurer falls within more than one tier, the higher fee will apply.

**BERMUDA MONETARY AUTHORITY AMENDMENT BILL 2024**  
**Illustrative Draft**

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**BERMUDA MONETARY AUTHORITY AMENDMENT BILL 2024**

**EXPLANATORY MEMORANDUM**

This Bill seeks to amend the Bermuda Monetary Authority Act 1969 (the “Act”) to clarify the securities that the Bermuda Monetary Authority (the “Authority”) is permitted to invest in, to clarify how certain penalties that are payable to the Authority shall be applied and amend the Fourth and Fifth Schedules with respect to fees.

2 Clause 1 of the Bill provides a title to the Bill.

3 Clause 2 amends section 1 of the Act in the definition of “specified securities” to exclude investments in securities issued by financial institutions that are registered or licensed by the Authority.

4 Clause 3 amends section 8 of the Act to clarify that penalties which are payable to the Authority in accordance with the Proceeds of Crime (Anti-Money Laundering and Anti-Terrorist Financing Supervision and Enforcement) Act 2008, do not constitute net profit of the Authority and are not payable into the Consolidated Fund.

5 Clause 4 amends section 20H of the Act to make provision for waiver or reduction of fees payable in relation to the innovation hub.

6 Clause 5 and Schedule 1 effect amendments to the Fourth Schedule to the Act in relation to fees under the Investment Business Act 2003, the Investment Funds Act 2006, the Proceeds of Crime (Anti-Money Laundering and Anti-Terrorist Financing Supervision and Enforcement) Act 2008 and in relation to the Innovation hub.

7 Clause 6 and Schedule 2 effect amendments to the Fifth Schedule to the Act in respect of certain fees under the Insurance Act 1978 for 2025 and 2026.

8 Clause 7 provides for commencement.