

31 October 2024

## NOTICE

### **Blue Nile Services Limited**

HAMILTON, BERMUDA – The Bermuda Monetary Authority (Authority or BMA) has revoked the money service business (MSB) licence of Blue Nile Services Limited (BNSL) in accordance with its powers under the provisions of the Money Service Business Act 2016 (MSB Act).

The Authority imposed disciplinary measures on BNSL over a number of years for non-compliance with certain obligations required of it, pursuant to the Proceeds of Crime (Anti-Money Laundering & Anti-Terrorist Financing) Regulations 2008 (AML/ATF Regulations), International Sanctions Regulations 2013 (International Sanctions), Bermuda Monetary Authority (Financial Institutions)(Control) Regulations 1994 (Regulations 1994) and the MSB Act. Such disciplinary measures included the following:

1. A Public Censure issued by the Authority on 21 September 2020 due to continued non-compliance by BNSL with the AML/ATF Regulations and International Sanctions.
2. Urgent Restrictions imposed on 23 April 2021 on BNSL, following its failure to meet minimum criteria for licencing (MCL) obligations regarding: (i) the minimum requirement for the number of directors; (ii) failing to maintain minimum net assets; (iii) repeated failure to file statutory filings within the specified timeframe, and (iv) failure to notify the Authority of persons ceasing to be officers of BNSL in accordance with the MSB Act. Further, for a failure to notify the Authority in writing of the closure of BNSL between October 2020 and February 2021 in breach of section 4 of the Regulations 1994.

As a consequence of the foregoing, BNSL was restricted from carrying on money service business activities from 12 June 2023. Such restrictions were required to be in place until BNSL was able to demonstrate to the Authority its ability to comply with its requirements under the MSB Act and the AML/ATF Regulations (enhanced supervision).

During the period of enhanced supervision, BNSL was afforded sufficient time by the Authority to remedy ongoing breaches of the MSB Act and the AML/ATF Regulations. However, failed to

take appropriate steps to regain compliance. The Authority therefore determined that it was appropriate to give notice to BNSL of its decision to revoke its MSB licence with effect from 14 October 2024. In exercising its powers to revoke BNSL's licence pursuant to section 17 of the MSB Act, i.e., to provide notice of revocation of licence, the Authority was satisfied that the following requirements of section 15, revocation of licence, of the MSB Act applied to BNSL:

1. Section 15(a) – the minimum criteria had not been fulfilled.
2. Section 15(b) – BNSL failed to comply with obligations imposed on it by the MSB Act.

The Authority has taken this action to safeguard the interests of clients and potential clients of BNSL.

Once the enforcement action was initiated, the statutory process was followed. BNSL did not appeal the Authority's decision, and the revocation accordingly came into effect on 14 October 2024.



