



# Bermuda regulatory updates Q3 2025

**This quarter saw a significant volume of regulatory activity across Bermuda’s financial services landscape. The Bermuda Monetary Authority (“BMA”) continued to update sanctions and supervisory guidance, advanced several consultation papers, and progressed work on digital assets, operational resilience, and artificial intelligence oversight. The Bermuda Government also introduced important legislative proposals, including developments in beneficial ownership and tax credit reforms. The following summary outlines the key updates and upcoming deadlines that regulated entities should be aware of for the months ahead.**

### **BMA: Financial sanctions updates**

- Financial sanctions have been published/updated by the BMA for the following: Russia; Chemical Weapons (for persons who are, or have been, involved in a prohibited activity related to chemical weapons); Haiti; Democratic Republic of Congo; Iran; Iraq; and cyber regimes (see [International Sanctions - BMA](#)).

### **BMA: AML/ATF Ministerial Advisory 2, 2025 (published July 2025)**

- Updated lists from the Financial Action Task Force (“FATF”):
  - [High-risk jurisdictions subject to a call for action - June 13, 2025](#)
  - [Jurisdictions under increased monitoring - June 13, 2025](#)

### **Consultation paper on amendments to Bermuda’s Proceeds of Crime Act (“POCA”); POCA Supervision and Enforcement Act (“POCA SEA”); and the POCA Regulations ([Bermuda Legislations Discussion and Consultation Papers - BMA](#))**

- The National Anti-Money-Laundering Committee (“NAMLC”) requested industry feedback on proposed amendments to Bermuda’s Proceeds of Crime framework, which aim to align Bermuda with new global standards ahead of its 2026 FATF mutual evaluation.
- *The key proposed amendments include requirements for:*
  - Bermuda to conduct a proliferation financing (“PF”) risk assessment to identify, assess, and understand the risks tied to funding weapons of mass destruction, as well as to take commensurate action aimed at ensuring that these risks are mitigated effectively.
  - Publication of a notice of cancellation of registration for non-licensed AML/ATF regulated financial institutions (“FIs”), regulated non-financial businesses, and professions in the Official (Royal) Gazette of Bermuda (as well as for licensed FIs).
  - Granting competent authorities broader power to impose civil penalties for all breaches of the POCA Regulations, including for any potential additional regulations.

- Amending POCA to reflect that correspondent relationships may be offered by any regulated financial institution (not just banking relationships), to capture other types of financial institutions, including digital asset businesses, such as Virtual Asset Service Providers (“VASPs”).
- Expanding suspicious activity reporting requirements to ensure that the obligations to report suspicious activity extends to non-professional trustees.

### **NAMLC: Consultation bill – Proceeds of Crime (Miscellaneous) Act 2025 (AML/ATF - Discussion/Consultation Papers - BMA)**

- This Consultation Bill was shared with stakeholders in August 2025, so that they could review more detailed provisions to amend the POCA, POCA SEA, and POCA regulations
- *Proposed amendments and additions on the Bill (in addition to those provided in the Consultation Paper referred to above) include:*
  - AML/ATF regulated financial institutions (“RFIs”); financial groups, real estate brokers, real estate agents, regulated non-financial businesses or professions that fail to comply with any requirement of the POCA or its regulations being subject to disciplinary action and civil penalties.
  - A correspondent relationship, meaning a business arrangement between two institutions where one entity (the correspondent) provides financial or similar services to, or facilitates transactions on behalf of, another entity (the respondent), allowing the respondent to access financial markets, payment systems, or services that it cannot directly provide or access on its own.
  - RFIs must take appropriate measures to ensure that they don’t enter into or continue a correspondent banking relationship with a bank that is known to permit its accounts to be used by a shell bank.

### **BMA: Consultation paper on regulation of digital identity service provider (“DISP”) business – part II (Digital Identity Service Provider Business - Discussion/Consultation Papers - BMA)**

- This paper aims to gather further stakeholder feedback to refine and finalise the proposed regulatory framework for licensing DISPs in Bermuda, which is key to enhancing user confidence and strengthening Bermuda’s strategic position as a trusted digital hub.

**BMA: Discussion paper (“DP”) on the responsible use of artificial intelligence (“AI”) in Bermuda’s financial services sector** ([Bermuda Legislations Discussion and Consultation Papers - BMA](#))

- The DP on AI covers the following:
  - a) An overview of the potential application of AI across Bermuda’s various financial services business sectors (see section VI for further details);
  - b) A general assessment of global regulatory approaches to AI;
  - c) Identification of sector-specific risks and opportunities presented by AI;
  - d) An outline of potential pathways for developing an appropriate regulatory framework.
- The BMA aims to address the challenges and opportunities that AI presents for all of Bermuda’s financial services sectors.
- The target date for the final proposal of the outcomes-based regulatory framework for AI is Q3 2026, after the BMA has analysed feedback from the DP and held follow-up consultations, as well as industry workshops expected to be held in Q1 2026.

**BMA: Digital asset business – thematic review** ([Digital Asset - Discussion/Consultation Papers - BMA](#))

- The thematic review is a form to be completed by Digital Asset Businesses (“DABs”) so that the BMA can gather market-wide data on key operational and regulatory aspects to identify patterns, trends, and emerging risks that affect the industry.

**BMA: Operational resilience and outsourcing – guidance notes and code** (<https://www.bma.bm/document-centre/policy-and-guidance-outsourcing>)

- These documents were published by the BMA on September 15, 2025, and the Code will come into effect for Relevant Entities (“Res”) on March 31, 2028.

**BMA: Digital asset business – guidance notes for prospective applicants** (<https://www.bma.bm/document-centre/policy-and-guidance-digital-asset-business>)

- Outlines the BMA’s expectations for those seeking a license under the Digital Asset Business Act (“DABA”), which vary based on the class of license being sought (Class T, M, or F) and the nature, scale, complexity, and risk profile of the proposed business (published on September 8, 2025).

### **BMA: Consultation paper – Proposed Payment Services Act 2025**

- The proposed Payment Services Act 2025 aims to establish a consistent regulatory regime for Payment Service Providers (“PSPs”).

### **Bermuda Government – Beneficial Ownership Act 2025 ([ASSENT BENEFICIAL OWNERSHIP ACT 2025 | Government of Bermuda](#))**

- The Beneficial Ownership Act 2025 (the “BO Act”) received Royal Assent on September 28, 2025 (see: [Beneficial Ownership Act 2025 - Replacement Copy.pdf](#)).
- The Act includes provisions to enhance Bermuda’s beneficial ownership regime in accordance with the revised Financial Action Task Force international standards; to transfer the central register of beneficial ownership information (“BOI”) from the BMA to the Registrar of Companies (“RoC”); and to extend access to the central register to certain competent authorities, financial institutions, and designated non-financial businesses and professions regulated by the BMA, to facilitate customer due diligence and discrepancy reporting obligations for them.
- Entities granted access to the BO register will be prohibited from disclosing BOI to anyone, or for any purpose other than that for which access was granted.
- Sanctions and penalties for breaches of the BO Act and Regulations are consolidated in the existing Registrar of Companies (Compliance Measures) Act 2017.
- Due to the planned transfer of the central register from the BMA to the RoC on November 3, 2025, the BMA will not be accepting any applications as of 5:00 pm on Tuesday October 28, 2025, to allow for the processing of all applications submitted prior to the transfer date.
- The Beneficial Ownership Regulations 2025, and related Guidance Notes, are expected to be published soon and will be implemented on or around November 3, 2025.

### **Bermuda Government: Consultation paper on tax credit legislation ([Substance Based Tax Credits Public Consultation - August 2025.pdf](#))**

- The Tax Reform Commission [Report \(Project: Tax Reform Commission Report 2025 | The Government of Bermuda\)](#), published by the Ministry of Finance on August 27, 2025, contains recommendations about Bermuda’s tax system, including the proposed introduction of three tax credits (a substance-based tax credits for regulated insurers, a community benefit credit, and a utilities infrastructure benefit).

### **BMA: Regulatory update and notices:**

- Q2 2025 Regulatory Update ([Regulatory Updates - BMA](#))
- **Notices** (<https://www.bma.bm/notices>):
  - Mr. Martin Pitoňák has been prohibited from being a controller, operator, officer, chief executive of, or acting as a service provider to any investment fund that is authorised, registered, or designated under the Investment Funds Act for five years starting from June 20, 2025 (the date of the BMA's Decision Notice).
  - Emails were sent from a spoofed email account using the domain [@bma-bm.com](#) to misdirect payments intended for the BMA from a regulated entity to an account in the name of "BMA Gulf" in another jurisdiction. As part of the scheme, the fraudsters also created and provided false payment instructions to a regulated entity that appeared to have been issued by the BMA.

### **Privy Council: Ruling abolished the shareholder rule** (see [Jardine Strategic Limited \(Appellant\) v Oasis Investments II Master Fund Ltd and 80 others \(Respondents\) No 2 \(Bermuda\) - JCPC](#))

- On July 24, 2025, the Judicial Committee of the Privy Council delivered a decision that abolished the rule that a company cannot, in the course of litigation between it and its shareholders, withhold documents from inspection on the ground that the documents are covered by legal advice privilege (also known as "the Shareholder Rule").
- This decision is binding on countries over which the Privy Council has jurisdiction, including Bermuda; other UK Overseas Territories and Crown dependencies; and over the Courts of England and Wales.

### **Deadlines for Q4 2025:**

- **BMA**
  - December 31, 2025 – Statement of Compliance for funds whose year-end is June 30, 2025
- **Registrar of Companies:**
  - December 31, 2025 – Economic Substance Declarations for in-scope entities whose year-end is June 30, 2025