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**BERMUDA NATIONAL ANTI-MONEY
LAUNDERING/ANTI-TERRORIST
FINANCING/COUNTER- PROLIFERATION
FINANCING POLICY**

2025

NATIONAL ANTI-MONEY LAUNDERING COMMITTEE

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Table of definitions

AGC	Attorney-General's Chambers
AML/ATF/CPF	Anti-Money Laundering /Anti-Terrorist Financing /Counter-Proliferation Financing
AML/ATF Guidance Notes	Guidance Notes for Anti-Money Laundering & Anti-Terrorist Financing (AML/ATF) Regulated Financial Institutions on AML/ATF
ATFA 2004	Anti-Terrorism (Financial and Other Measures) Act 2004
BMA	Bermuda Monetary Authority
BPS	Bermuda Police Service
CFATF	Caribbean Financial Action Task Force
Civil Asset Recovery Authority	Minister of Justice/Attorney-General's Chambers
CJBA	Criminal Justice (International Cooperation) (Bermuda) Act 1994
Competent Authorities	All Government and other Authorities with AML/ATF/CPF responsibilities, including: Supervisory Authorities, Law Enforcement, the Financial Intelligence Agency and the prosecuting authority
CSP	Corporate Service Provider
DNFBP	Designated Non-Financial Business or Profession
DPP	Department of Public Prosecutions
FATF	Financial Action Task Force
FIA	Financial Intelligence Agency
FSIU	Financial Sanctions Implementation Unit
FIAA 2007	Financial Intelligence Agency Act 2007
GDP	Gross Domestic Product
Intelligence Agency or FIA	Financial Intelligence Agency
Law Enforcement or BPS	Bermuda Police Service
LEA	Law Enforcement Agencies

ML/TF/PF	Money Laundering/Terrorist Financing/Proliferation Financing
MoF	Ministry of Finance
MoJ	Ministry of Justice
MSB	Money Service Business
NAMLC	National Anti-Money Laundering Committee
NRA	National Risk Assessment
OTC	Office of the Tax Commissioner
PEP	Politically Exposed Persons
PF	Proliferation Financing
POCA	Proceeds of Crime Act 1997
POCDO 2012	Proceeds of Crime (Anti-Money Laundering and Anti-Terrorist Financing Supervision and Enforcement) Designation Order 2012
POCO 1998	Proceeds of Crime (Designated Countries and Territories) Order 1998
POC Regulations	Proceeds of Crime (Anti-Money Laundering and Anti-Terrorist Financing) Regulations 2008
POC SEA 2008	Proceeds of Crime (Anti-Money Laundering and Anti-Terrorist Financing Supervision and Enforcement) Act 2008
Predicate Offence	Underlying criminal activities, the proceeds from which are laundered, thereby amounting to ML. Includes drug trafficking, tax crimes, fraud, corruption etc.
Prosecuting Authority or DPP	Department of Public Prosecutions
PTC	Private Trust Companies
RFIs	Regulated Financial Institutions
RG	Registrar General
RoC	Registrar of Companies
SAR	Suspicious Activity Report
SoRE	Superintendent of Real Estate

Supervisory Authorities	Together, the Bermuda Monetary Authority, The Barristers & Accountants AML/ATF Board, the Bermuda Gaming Commission, Superintendent of Real Estate, Registrar of Companies and
TFS	Targeted Financial Sanctions
TSP	Trust Service Provider
UK	United Kingdom
UN	United Nations
UNSCR	United Nations Security Council Resolution
US	United States of America
WMD	Weapons of Mass Destruction

1. Introduction

(a) Objectives of the Policy

The **main objectives** of Bermuda’s National Anti-Money Laundering/Anti-Terrorist Financing/Counter-Proliferation Financing Policy (“National AML/ATF/CPF Policy”) are to:

1. Provide high level direction for the achievement of the national AML/ATF/CPF goal¹;
2. Through clearly articulated and well-documented detailed policies, provide the basis for the national AML/ATF/CPF strategies and actions to be aligned with the national policy;
3. Facilitate the enhancement of operational policies and legislation;
4. Provide a documented framework for the Supervisory Authorities, the Financial Intelligence Agency, Law Enforcement, Prosecuting and Civil Asset Recovery Authorities and other relevant government departments (collectively “Competent Authorities”) to develop appropriate risk-based institutional policies and action plans; and to implement operational strategies to enhance the effectiveness of their AML/ATF/CPF programmes;
5. Provide clarity and direction for national cooperation in addressing ML/TF/PF threats; and for the roles to be played by NAMLC working groups; and
6. Commit the Government and Competent Authorities to conduct regular reviews of the AML/ATF/CPF framework, and to consider the continued adequacy and suitability of the national AML/ATF/CPF policy and strategy.

The National AML/ATF/CPF Policy has been formulated to provide the framework to:

- strengthen the effectiveness of Bermuda’s AML/ATF/CPF regime
- enhance Bermuda’s reputation as an international financial centre committed to quality and integrity
- provide direction to AML/ATF/CPF stakeholders in developing and implementing Bermuda’s AML/ATF/CPF strategies
- support compliance with international standards and the associated domestic legal and regulatory framework
- facilitate Bermuda’s work to effectively participate in the global AML/ATF/CPF effort.

It also summarises the Government of Bermuda’s (“the Government”) approach to addressing the risks associated with money laundering (“ML”), terrorist financing (“TF”) and proliferation financing (“PF”) in the jurisdiction, as identified through periodic National Risk Assessments and from other sources.

The National AML/ATF/CPF Policy statements outlined in this document are informed by the findings of the most recent National Risk Assessments (“NRAs”), conducted by the National Anti-Money Laundering Committee (“NAMLC”) in 2024 and 2025. The NRA process enables Bermuda to identify any gaps in its

¹ See page 19 for the overarching AML/ATF/CPF goal

regulatory framework, guiding the Government and all relevant stakeholders to enhance strategies and policies and allocate resources effectively.

The Policy is also informed by the findings documented in the 2020 report on Bermuda's Fourth Round Mutual Evaluation², conducted by the Caribbean Financial Action Task Force ("CFATF") and in the First Follow Up Report of 2022.

This Policy, and Bermuda's AML/ATF/CPF legislative framework, are informed by the Financial Action Task Force 40 Recommendations³ ("FATF Recommendations") setting out minimum standards, whilst encouraging international best practice, in the combatting of ML/TF/PF. The FATF Recommendations and associated FATF publications provide guidance for the enhancement of the criminal justice system and the empowerment of law enforcement agencies, the financial system and its regulation, and international cooperation. The FATF has recently made revisions to several Recommendations, their Interpretive Notes and the Glossary with significant changes to the technical compliance requirements in relation to assessing PF risk, strengthening the risk-based approach and financial inclusion (Rec 1) beneficial ownership (Recs 24 and 25), NPOs (Rec.8), global asset recovery (Recs. 4, 38, as well as revisions to R.30, R.31, and the interpretive notes of R.40 which flow from the changes to R.4 and R.38)and other matters. The FATF Methodology for assessing compliance with the FATF Recommendations has been updated to reflect these changes. The FATF has revised its Guidance on several areas, including Beneficial Ownership of Legal Persons⁴, Beneficial Ownership and transparency of Legal Arrangements⁵, Best Practices on Combating the Abuse of Non-Profit Organisations⁶, Guidance relating to Proliferation Financing, Guidance on Complex Proliferation Financing and Sanctions Evasion Schemes, Guidance relating to Financial Inclusion and has conducted research projects and published reports concerning several risk matters including a Report on Crowdfunding for Terrorism Financing⁷. These revisions also inform this Policy and Bermuda's AML/ATF/CPF legislative framework.

The Government of Bermuda has expressed its continued commitment towards the AML/ATF/CPF efforts in the jurisdiction which is evidenced through the enactment of various pieces of legislation and its ongoing support of the National Anti-Money Laundering Committee ("NAMLC"), a statutory committee, established under section 49(1) of the Proceeds of Crime Act, 1997 ("POCA") with the following functions:

- advising the Minister of Justice and the Minister of Finance in relation to the detection and prevention of money laundering, terrorist financing and the financing of proliferation, and on the development of a national plan of action to include recommendations on effective mechanisms to

² Bermuda's 2020 Mutual Evaluation Report January 2020 is available at <http://www.fatf-gafi.org/media/fatf/documents/reports/mer-fsrb/CFATF-Mutual-Evaluation-Report-Bermuda-2020.pdf>

³ The FATF Recommendations can be read in full on the FATF website at: [FATF Recommendations 2012.pdf.coredownload.inline.pdf \(fatf-gafi.org\)](https://www.fatf-gafi.org/content/dam/fatf-gafi/recommendations/FATF-Recommendations-2012.pdf.coredownload.inline.pdf)

⁴ FATF's Guidance on Beneficial Ownership of Legal Persons can be read in full on the FATF website at: <https://www.fatf-gafi.org/content/fatf-gafi/en/publications/Fatfrecommendations/Guidance-Beneficial-Ownership-Legal-Persons.html>

⁵ FATF's Guidance on Beneficial Ownership and Transparency of Legal Arrangements can be read in full on the FATF website at: <https://www.fatf-gafi.org/content/dam/fatf-gafi/recommendations/Guidance-Beneficial-Ownership-Transparency-Legal-Arrangements.pdf.coredownload.inline.pdf>

⁶ FATF's Guidance on Best Practices on Combating the Abuse of Non-Profit Organisations can be read in full on the FATF website at: [Best Practices on Combating the Abuse of Non-Profit Organisations \(fatf-gafi.org\)](https://www.fatf-gafi.org/content/dam/fatf-gafi/recommendations/Best-Practices-on-Combating-the-Abuse-of-Non-Profit-Organisations.pdf.coredownload.inline.pdf)

⁷ FATF's Report on Crowdfunding for Terrorism Financing can be read in full on the FATF website at: <https://www.fatf-gafi.org/content/fatf-gafi/en/publications/Methodsandtrends/crowdfunding-for-terrorism-financing.html>

enable the competent authorities in Bermuda to coordinate with each other concerning the development and implementation of policies and activities to combat money laundering, terrorist financing and the financing of proliferation;

- advising the Minister of Justice and the Minister of Finance as to the participation of Bermuda in the international effort against money laundering, terrorist financing and the financing of proliferation;
- advising the Minister of Justice and the Minister of Finance in the development of policies to combat money laundering, terrorist financing and the financing of proliferation; and
- coordinating activities to identify, assess and understand Bermuda's money laundering, terrorist financing and proliferation financing risks and taking the necessary steps.

NAMLC is comprised of a number of Government ministries and departments and other public authorities. This includes Supervisory Authorities, the Financial Intelligence Agency, the Bermuda Police Service, Customs Department, the Attorney-General's Chambers and the Department of Public Prosecutions. It is responsible for overseeing and updating the National AML/ATF/CPF Policy, for the purpose of strengthening the effectiveness of the regime for combating ML/TF/PF in Bermuda by:

- Ensuring the detection and prevention of these activities through coordination of Bermuda's Competent Authorities' AML/ATF/CPF initiatives;
- Developing policies, in concert with the Competent Authorities, to combat ML/TF/PF threats;
- Creating and maintaining a national action plan to strengthen Bermuda's ability to identify and combat ML/TF/PF activities; and
- Ensuring Bermuda's participation in international efforts against ML/TF/PF activities.

There is also a NAMLC Cabinet Committee established since 2017 which oversees AML/ATF/CPF matters and the overall strengthening of the framework. The Government remains committed to the allocation of resources to competent authorities to ensure that they have the resources required to perform their AML/ATF/CPF duties on a risk-based approach.

The Minister of Justice and the Minister of Finance may authorise payments from the Confiscated Assets Fund ("CAF") established under section 55A of the POCA for purposes related to law enforcement, including in particular the investigation of suspected cases of drug trafficking, terrorist financing and money laundering, training of officials in the effective implementation of the provisions of the Proceeds of Crime Act, the Anti-Terrorism (Financial and Other Measures) Act and matters of civil recovery. The Fund can also be used to meet the expenses of NAMLC and has already been utilized for the purpose of the 2024/2025 ML/TF/PF NRAs.

This National Policy reflects Bermuda's rigorous AML/ATF/CPF regime that targets the identified national risks and is consistent with the relevant international standards. The Government is committed to maintaining and updating this regime and exercises a zero-tolerance approach to ML, TF, PF activities within the jurisdiction. The National AML/ATF/CPF Policy has therefore been developed to, *inter alia*, mitigate national threats and vulnerabilities, focusing on the highest risk sectors in, and the most significant threats to, the

economy.

The National AML/ATF/CPF Policy is approved by Cabinet. Any subsequent amendments made to this Policy will require endorsement by the Cabinet Committee responsible for National Anti-Money Laundering matters. The National AML/ATF/CPF Policy will be subject to annual review and approval, led and coordinated by NAMLC.

Bermuda's National AML/ATF/CPF Policy has been developed to ensure a two-tier approach to risk-based compliance with the relevant international standards and local requirements:

- The FATF, other relevant international standards⁸, and other relevant requirements; and
- At national and sectoral levels, with the obligations set out in the legislation, regulations, recommendations and relevant industry guidance.

This includes the effective implementation of risk-based strategies, systems and controls to mitigate the risk of the jurisdiction being used as a conduit for ML/TF/PF and other illicit business activity. All relevant entities should meet the minimum requirements set out in the international standards to ensure that AML/ATF/CPF measures are being effectively implemented and maintained, through appropriate legislation, regulation, and risk-mitigation systems. Further controls and measures should be implemented in line with the identified risks.

The effectiveness of Bermuda's National AML/ATF/CPF Policy is measured by the extent to which the high-level outcomes outlined in this document are being achieved.

(b) AML/ATF/CPF Concepts and Definitions, Introduction to FATF/CFATF and the FATF 40 Recommendations

What is Money Laundering?

ML is the process by which illegitimate or criminally derived money is made to appear legitimate. The result is achieved through a series of financial transactions designed to conceal the identity, source and/or destination of the criminally derived money. The process uses legal channels to conceal the criminal origins of illegal funds. If undertaken successfully, it also allows perpetrators to maintain control over these proceeds and, ultimately, to provide a legitimate cover for their source of income. The need to launder the proceeds of criminal activities through the financial system is vital to the success of criminal operations.

The stages of ML include:

- **Placement** – the physical placement or insertion of illegal money into the legitimate financial system. This stage deals primarily with cash proceeds of crime. This includes, for example, funds

⁸ Without being exhaustive, these Standards include requirements developed internationally for the operation of financial intelligence units, central authorities for mutual legal assistance, for customs and border authorities; and for the regulation of Core Principles for financial institutions and designated non-financial businesses and professions.

deposited into an account or funds used as payment for goods and services.

- **Layering** multiple layers of transactions which separate the funds from their illegal origin by disguising or confusing the audit trail.
- **Integration** – this is the final stage of ML in which criminal proceeds re-enter the legitimate economy, appearing to be derived from a legitimate source. If the layering process has succeeded, the money appears to be clean and safe.

What is Terrorist Financing?

TF is the direct or indirect solicitation, collection or provision of financial or other material assistance for terrorism or for terrorist organisations or persons who encourage, plan or engage in terrorism, as defined by the applicable UN Conventions, and UN Security Council Resolutions and to be reflected in a country's domestic legislation.

TF could involve funds raised from legitimate sources, such as personal or institutional donations and profits from businesses, or funds from criminal sources, such as the drug trade⁹, arms smuggling, fraud, abduction and corruption. The primary objective of persons seeking to finance terrorism is not to conceal the source of funds, but to conceal the financing and illicit nature of the financed activity.

What is Proliferation Financing?

Proliferation is the manufacture, possession, transfer, development, or use of nuclear, chemical or biological weapons and related materials in contravention of international or domestic laws and obligations. These weapons are commonly referred to as weapons of mass destruction (“WMD”).

PF is the provision of funds or financial services for the purpose of proliferation as defined above. This includes provision of funds for the delivery and provision of related materials required to produce such weapons.

Proliferators use formal and informal financial systems, including cash to trade while trying to avoid detection by the authorities. PF can contribute to global instability and catastrophic loss of life if WMD are developed and deployed.

⁹ Importantly, the ML NRA 2020 identified Bermuda as an end, not transit, destination for the trafficking of narcotics

FATF and CFATF

FATF is an inter-governmental body established in 1989 by the Ministers of its Member jurisdictions. The objectives of FATF are to set standards and promote effective implementation of legal, regulatory and operational measures for combating ML/TF/PF and other related threats to the integrity of the international financial system¹⁰.

Bermuda is a founding member of the regional FATF-Style body, known as the Caribbean Financial Action Task Force (“CFATF”), which is an associate member of FATF. As such Bermuda is required to implement the FATF Recommendations. As countries have diverse legal, administrative and operational frameworks and different financial systems, FATF recognises that not all countries can take identical measures to counter these threats. Each jurisdiction is therefore required to implement the FATF Recommendations through measures adapted to their particular circumstances.

The FATF Recommendations

The FATF Recommendations are designed to provide a complete set of countermeasures against ML, TF and PF, covering the criminal justice system and law enforcement, the financial system and its regulation, and international cooperation. These recommendations can be broken down into three broad categories:

- Legal systems (Recommendations 1 – 8);
- Preventive Measures to be implemented by Financial Institutions, Virtual Asset & Virtual Asset Service Providers (VA/VASPs), Designated Non-Financial Businesses and Professions (“DNFBPs”) to prevent ML/TF/PF (Recommendations 9 – 23); and
- Institutional and other systems necessary for combating ML/TF/PF (Recommendations 23 – 40).

The Government implements the FATF Recommendations by imposing a series of obligations on competent authorities, financial institutions and designated non-financial businesses and professions in Bermuda through a top-down chain of command:

- The Government analyses, accepts and commits to implementation of these Recommendations;
- Relevant legislation is enacted or amended where appropriate and implemented by competent authorities; and
- Implementation is enforced through sectoral regulatory/supervisory agencies; these agencies then request and enforce compliance from entities under their remit.

Based on the FATF Recommendations, key structural mitigating factors for ML/TF/PF risk in Bermuda include:

- Bermuda is a politically stable self-governing parliamentary democracy, and exists as a British Overseas Territory;
- Bermuda Law Enforcement agencies have the legislative means and operational independence to

¹⁰ <http://www.fatf-gafi.org/about/>

investigate ML,TF and PF offences and follow the proceeds of crime;

- Bermuda has an effective and independently functioning judiciary with ultimate recourse to the Privy Council of the United Kingdom; and
- Bermuda’s Supervisory Authorities have operational independence and hold entities under their remit to account.

The FATF Recommendations advise that countries should maintain an effective AML/ATF/CPF system to mitigate the risks and threats of ML/TF/PF and the financing of the proliferation of WMD. This could be in relation to the intended result of a given:

- Policy, law, or enforceable means;
- Programme of law enforcement, supervision, or intelligence activity; or
- Implementation of a specific set of measures to mitigate the ML/TF/PF risks and to combat the financing of WMD proliferation.¹¹

(c) A History of Bermuda’s Commitment to AML/ATF/CPF Issues

The Government has long-standing obligations which require AML/ATF/CPF regulated financial institutions (“RFIs”) and designated non-financial businesses and professions (“DNFBPs”) to maintain effective policies and procedures to prevent, detect and report suspicions of ML, TF and PF. The offence of ML was first criminalised in Bermuda in the Proceeds of Crime Act 1997 (“POCA 1997”) and the original obligations for Regulated Financial Institutions (“RFIs”)¹² were established in the Proceeds of Crime (Money Laundering) Regulations 1998. Those Regulations were later replaced by the Proceeds of Crime (Anti- Money Laundering and Anti-Terrorist Financing) Regulations 2008 (“POC Regulations”) the scope of which was expanded to cover regulated non-financial businesses and professions as defined.¹³

Requirements to combat TF were first introduced in the Anti-Terrorism (Financial and Other Measures) Act 2004 (“ATFA 2004”) and the preventive measures relevant to TF are also enshrined in the POC Regulations.

As Bermuda is an Overseas Territory of the UK, Bermuda also implements the targeted financial sanctions (“TFS”) obligations of the United Kingdom (“UK”) and as required by the FATF to combat TF and PF. The primary Bermuda laws that give effect to the international requirements related to TFS are the International Sanctions Act 2003 and the International Sanctions Regulations 2013. These regulations are amended from time to time as new measures are extended to Bermuda as a British Overseas Territory.

As a result of BREXIT, the existing international sanctions framework in the UK and Bermuda changed. Amendments were made to Bermuda’s International Sanctions Regulations 2013 in order to update Bermuda’s sanctions regime to comply with the changes made to the implementation of sanctions in the United Kingdom. As under the previous regime, the UK’s Overseas Territories Orders in Council (“OT Orders”),

¹¹ FATF: Methodology, ‘Assessing technical compliance with the FATF recommendations and the effectiveness of AML/CFT systems’ (p. 15).

¹² A regulated financial institution is an “AML/ATF Regulated Financial Institution”, as defined in the POC Regulations, and is subject to licensing and regulation by the BMA.

¹³ Real Estate brokers, Regulated Professional Firms (professional lawyers and accountants in independent practice); high value dealers and casino operators- Section 4 of the POC Regulations

which extend UK sanctions requirements to the OTs, do not automatically apply in Bermuda. For Bermuda to be compliant, OT Orders made under the UK's autonomous sanctions regime were brought into force domestically under the International Sanctions Regulations 2013 pursuant to the International Sanctions Act 2003. This is achieved by adding the OT Orders to the list of applicable Orders in the Schedule to the Regulations.

By way of background, from 31 December 2020 the UK commenced implementation of sanctions autonomously, pursuant to its Sanctions and Anti-Money Laundering Act 2018 (SAML A). This means that sanctions in the UK are no longer implemented via European Union ("EU") Regulations. Thus, all OT Orders previously implemented via EU Regulations have now been revoked and replaced with new OT Orders implemented pursuant to SAML A.

Under SAML A, the UK implements individual sanctions regimes, whether in compliance with the UN obligations or for other reasons, by means of various Sanctions Regulations made by the Secretary of State or other UK Ministers. These SAML A regulations under the various sanctions' regimes are modified by the UK and extended to British Overseas Territories by means of Orders in Council. Accordingly, SAML A regulations in force in Bermuda are referred to as 'Modified Regulations.

The Government's most recent National Action Plan to combat ML/TF was adopted in 2025. The ML/TF/National Action Plan has been iteratively developed following each successive NRA. The PF National Action Plan stemming from Bermuda's 2025 inaugural PF NRA will be submitted to Cabinet for approval once finalized. The process for developing the AML/ATF/CPF framework has been collaborative, piloted by NAMLC.

Bermuda's 2020 mutual evaluation highlighted the significant strengths in Bermuda's AML/ATF/CPF framework. Notable findings from this mutual evaluation include:

- i. the fact that Bermuda has a high level of technical compliance with the Standards, scoring 'Compliant' or 'Largely Compliant' in 39 of the 40 Recommendations;
- ii. the fact that Bermuda has an extremely robust and effective framework for the assessment of risks, the development and implementation of risk-based national policies and for national coordination. This is evidenced by a rating of 'Highly Effective' for Immediate Outcome 1; and
- iii. the conclusion that Bermuda has robust and effective systems for international cooperation, supervision of all regulated sectors, transparency of legal and beneficial ownership information for legal persons and arrangements, development and use of financial intelligence, investigation and prosecution of TF and Targeted Financial Sanctions for TF. This is evidenced by the ratings of 'Substantially Effective' in relation to Immediate Outcomes 2, 3, 5, 6, 9 and 10.

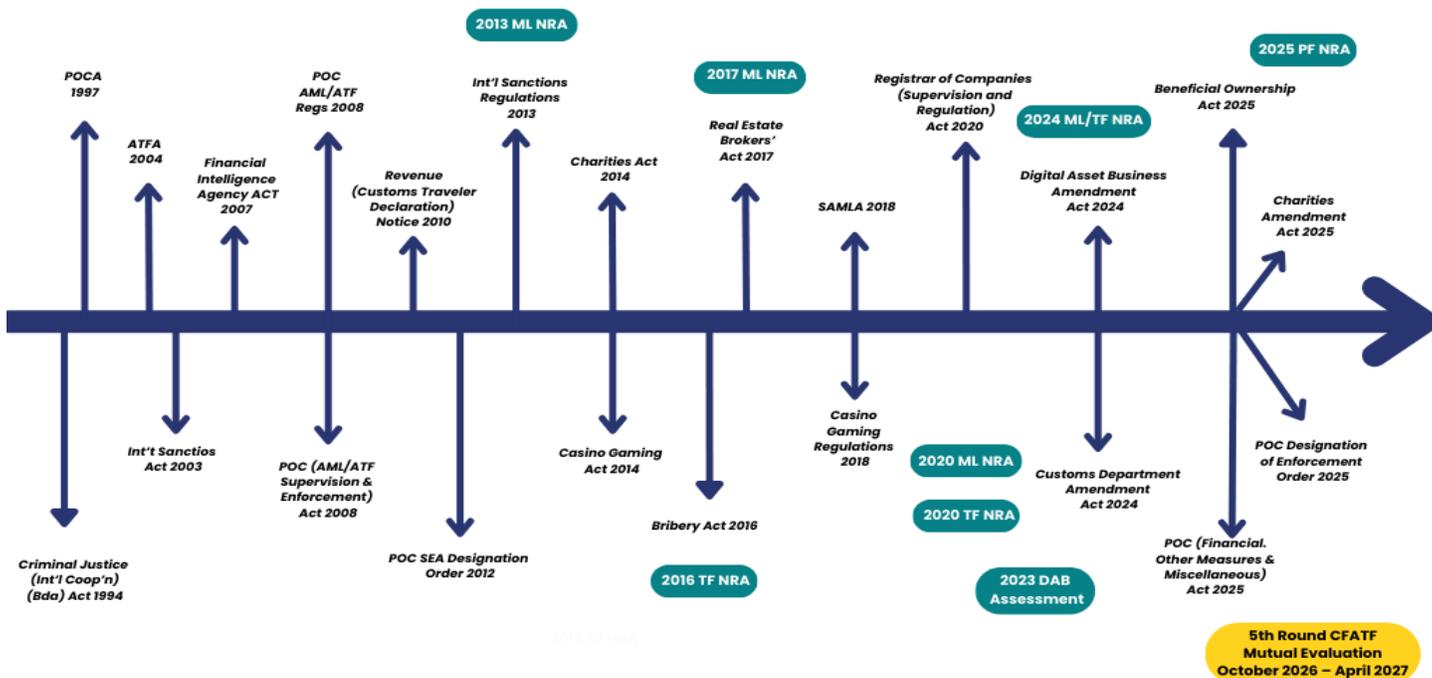
In addition, since the publication of Bermuda's last mutual evaluation report, significant progress has been made to update Bermuda's legislative and operational framework in line with the report's findings. This has included, but is not limited to:

- i. An increased focus on the recovery of the cross-border movement of the proceeds of crime, as identified by the NRA;
- ii. An increase outgoing international requests to pursue ML and the proceeds of crime by focusing on cross border ML investigations in line with Bermuda’s risk profile;
- iii. Enhanced relevant CPF training for technical personnel including Judges, customs officers, prosecutors, FIA and BPS officers and the BMA;
- iv. Increased focus on the understanding of PF and its implications.

The First Follow Up Report of 2022 showed that since Bermuda’s Mutual Evaluation, a number of legislative amendments have been enacted to address recommendations or shortcomings in the MER, or to strengthen areas of AML/ATF/CPF operations.

The timeline below illustrates the chronological order of the key AML/ATF/CPF legislative developments in Bermuda since 1994. The Proceeds of Crime Regulations as well as the Supervision and Enforcement legislation came into force in 2008.¹⁴ Further significant steps were taken in the following years to strengthen the AML/ATF/CPF legislative framework as shown in the diagram below.

Figure 1: Table of Key AML/ATF/CPF legislative developments in Bermuda since 1994



¹⁴ Amendments were also made at that time, to the POCA 1997 and the Anti-Terrorism (Financial and Other Measures) Act 2004. These amendments came into force on 15 November 2008.

The key legislation and relevant guidance notes to prevent, detect and respond to incidences of ML/TF/PF are set out below,.

Key Legislation and Relevant Guidance Notes:

- ❖ Revenue Act 1898¹⁵
- ❖ Order 115A of the Rules of the Supreme Court 1985 (Confiscation and Forfeiture in Connection with Criminal Proceedings)¹⁶
- ❖ Criminal Justice (International Cooperation) (Bermuda) Act 1994
- ❖ Proceeds of Crime Act 1997
- ❖ Proceeds of Crime Regulations 1998¹⁷
- ❖ Proceeds of Crime (Designated Countries and Territories) Order 1998
- ❖ International Sanctions Act 2003
- ❖ Anti-Terrorism (Financial and Other Measures) Act 2004
- ❖ Financial Intelligence Agency Act 2007
- ❖ Proceeds of Crime (Anti-Money Laundering and Anti-Terrorist Financing) Regulations 2008
- ❖ Proceeds of Crime (Anti-Money Laundering and Anti-Terrorist Financing Supervision and Enforcement) Act 2008
- ❖ Companies Act 1981
- ❖ Limited Liability Companies Act 2016
- ❖ Partnership Act 1902
- ❖ Registrar of Companies (Compliance Measures) Act 2017
- ❖ Enforcement Guide - Statement of Principles- and Guidance on the Exercise of Enforcement Powers 2018¹⁸
- ❖ Revenue (Customs Traveler Declaration) Notice 2010¹⁹
- ❖ Good Governance Act 2011²⁰
- ❖ Proceeds of Crime (Anti-Money Laundering and Anti-Terrorist Financing Supervision and Enforcement) Designation Order 2012²¹
- ❖ International Sanctions Regulations 2013
- ❖ Guidance on Detection & Prevention of ML/TF for Accounting Sector 2018²²
- ❖ Guidance on Detection & Prevention of ML/TF for Legal Sector 2018²³
- ❖ International Sanctions Regulations 2013
- ❖ Order 115B of the Rules of the Supreme Court 1985 (Civil Recovery Proceedings)²⁴

¹⁵Amended effective 10 August 2018 to expressly apply declaration and enforcement provisions to cash and Bearer Negotiable Instruments (BNI)

¹⁶ Operative as of the 23rd of January 1998 – Order 115A provides the procedure in which applications are made to the Supreme Court for confiscation orders, restraint order or charging orders as well as applications with respect to the registration of external confiscation orders and external forfeiture orders under the Criminal Justice (International Co-operation) (Bermuda) Act 1994

¹⁷ Repealed in 2008 and replaced with the 2008 Regulations

¹⁸ Issued by the BMA

¹⁹ Requirement for traveler declaration of >\$10K cross-border movement of cash and BNIs

²⁰ This legislation represented the earliest phase of legislative reform in relation to corruption in government processes, such as public procurement and related matters.

²¹ Designated The Barristers & Accountants AML/ATF Board as the Supervisor for Lawyers and Accountants in independent practice

²²An earlier version of Guidance Notes was published in 2012. The Guidance Notes were updated in March 2018

²³ An earlier version of Guidance Notes was published in 2012. The Guidance Notes were updated in March 2018

²⁴ Operative as of the 20th of November 2013 – Order 115B provides the procedure in which applications are made to the Supreme Court for property

- ❖ Casino Gaming Act 2014
- ❖ Charities Act 2014
- ❖ Charities Regulations 2014
- ❖ Charities (Anti-Money Laundering, Anti-Terrorist Financing and Reporting) Regulations 2014
- ❖ Revenue (Bermuda Customs Declaration) (Cash & Negotiable Instrument) Notice 2015²⁵
- ❖ General Guidance Notes for AML/ATF Regulated Entities (revised 2023)
- ❖ Sector-Specific AML/ATF Guidance Notes for Long-Term Insurers 2016²⁶
- ❖ Sector-Specific AML/ATF Guidance Notes for Trust Business (revised 2023)
- ❖ Sanctions Guidance Notes 2016²⁷
- ❖ Guidance for Charities on the Charities AML/ATF & Reporting Regulations 2018²⁸
- ❖ Bribery Act 2016
- ❖ AML/ATF Guidance Notes for High Value Dealers 2016
- ❖ Real Estate Brokers' Licensing Act 2017
- ❖ Sector-Specific Guidance Notes for the Securities Sector (revised 2023)
- ❖ Casino Gaming Regulations 2018
- ❖ Sector-Specific Guidance Notes for Corporate Service Provider (CSP) Business (revised 2023)
- ❖ Sector-Specific Guidance Notes for Money Service Business (revised 2023)
- ❖ AML/ATF Guidance Notes for Real Estate Brokers 2018
- ❖ Financial Sanctions Guidance 2018
- ❖ Sector-Specific AML/ATF Guidance Notes for Digital Assets Business 2018
- ❖ Investment Funds Amendment Act 2019²⁹
- ❖ Beneficial Ownership Requirements for Bermuda Companies, Limited Liability Companies and Partnerships - Guidance Note 2019³⁰
- ❖ Registrar of Companies (Supervision and Regulation) Act 2020³¹
- ❖ Segregated Accounts Companies Amendment Act 2021³²
- ❖ Financial Intelligence Agency's Guidance on submitting Suspicious Activity Reports (SARs) and Suspicious Transaction Reports (STRs) 2021³³
- ❖ Bermuda Financial Sanctions - General Guidance for Financial Sanctions 2021³⁴

freezing orders and civil recovery orders as well as production orders and search warrant in connection with a civil recovery investigation

²⁵ General requirement for declaration of cross-border movement of >\$10K of cash and BNIs

²⁶ Sector-specific guidance notes under review and consultation to be finalized at the beginning of 2021.

²⁷ Replaced by Financial Sanctions Guidance 2018 issued by the Financial Sanctions Implementation Unit in the Ministry of Justice

²⁸ Guidance was previously issued in 2016 and updated in 2018

²⁹ This included Closed-Ended Funds as a type of fund required to be registered by the BMA under the principal Act. The consequence of this change is that this category of investment also became subject to AML/ATF obligations and supervision, through its automatic inclusion within the definition of "AML/ATF regulated financial institution", in the Proceeds of Crime suite of legislation.

³⁰ This guidance was issued by the Ministry of Finance and published on 8th January 2019. The guidance explains various aspects of the regime and is intended to help legal entities comply with the Beneficial Ownership requirements under this regime. Specifically, the guidance details who is classified as a beneficial owner, the minimum information required to be maintained, and the obligation to update the beneficial ownership register. This guidance will be amended following enactment of proposed legislative amendments to the beneficial ownership regime.

³¹ Operative as of 1 November 2020 – to make further provision with respect to the supervisory and regulatory functions of the Registrar of Companies, for the transfer of supervision of dealers in high value goods from the Financial Intelligence Agency to the Registrar of Companies.

³² Among other things, this mandates that a Segregated Accounts Company (SAC) Representative appointed by a SAC must either be a regulated person or a person approved by the Minister. This amendment came into force on 31 December 2021.

³³ Guidance Notes were published on the FIA's website as of June 2021

³⁴ The guidance was issued by the Ministry of Justice (Financial Sanctions Implementation Unit) and published on the Sanctions webpage of the government's portal in September 2021.

- ❖ Sector-Specific Guidance Notes for Digital Asset Business 2018
- ❖ Proceeds of Crime Amendment Act 2022
- ❖ BMA Corporate Governance Policy for Trusts (Regulation of Trust Business) Act 2001 Investment Business Act 2003, Fund Administration Provider Business Act 2019³⁵
- ❖ Corporate Governance Policy Banks and Deposit Companies Act 1999
- ❖ Corporate Governance Policy for Corporate Service Provider Business Act 2012
- ❖ Customs Department Amendment Act 2024
- ❖ Beneficial Ownership Act 2025
- ❖ Proceeds of Crime (Financial, Other Measures and Miscellaneous) Act 2025
- ❖ Charities Amendment Act 2025

National Risk Assessments:

Bermuda has conducted focused assessments of money laundering (ML), terrorist financing (TF) and proliferation financing (PF) risks. Bermuda’s first Money Laundering National Risk Assessment (“ML NRA”) was undertaken in 2013, followed by comprehensive updates in 2017 and 2020. Bermuda has conducted two focused assessments of TF risks, in keeping with the periodic timeline required by the national policy. The first TF NRA was conducted in 2016 followed by the second in 2020. These assessments were generally consistent, in that they determined that there was no evidence of terrorism or TF having taken place in Bermuda, however the jurisdiction cannot be considered immune from terrorism or TF. Terrorist acts continually evolve both in terms of their planning, execution and geographic spread. Therefore, it is critical that Bermuda’s ATF regime remains relevant and subject to effective and periodic review

In 2024, Bermuda completed its first combined ML/TF NRA, further enhancing the jurisdiction’s understanding of its risks. The 2024 ML/TF NRA focused on the assessment of ML/TF risks at both the national and sectoral level. It provided an update and further in-depth analysis of key threats and vulnerabilities across regulated sectors of the Bermudian economy. The assessment also took into consideration the changes to the FATF Standards particularly in respect to NPOs, transparency in beneficial ownership, confiscation and asset management.

An assessment of the Digital Asset Business (DAB) sector was included in the 2024 assessment of national ML risks. A standalone tool developed by the World Bank for assessing Virtual Assets and Virtual Asset Service Providers Money Laundering/Terrorism Financing Risk was utilised. This marks the second iteration of the ML assessment of the DAB sector for ML. In 2023 a thematic assessment was performed covering the period 2020 - 2023. In line with the standard approach towards conducting risk assessments for new or emerging sectors, the initial assessment in 2023 focused on an industry wide evaluation of inherent vulnerabilities; however, the 2024 assessment provides a level of detail greater than the 2023 assessment.

Each ML and TF assessment has been built on the findings of its predecessors, with each NRA providing progressively broader and more detailed insights. Throughout all NRAs, the revised FATF Recommendations were taken into account in evaluation of Bermuda’s risk landscape.

³⁵ Revised August 2022

Bermuda began formally identifying and assessing the PF risks for the country through the conduct of its first Proliferation Financing National Risk Assessment (PF NRA), which was launched in January 2025. The assessment covered the period 2020 to 2024.

The primary goal of each of these NRAs was to assess Bermuda's ML/TF/PF threats and vulnerabilities and inform the future development of Bermuda's AML/ATF/CPF regime. The NRA allows for the identification, assessment and understanding of our risks in line with FATF Recommendation 1. It further assists in identifying any gaps in our regulatory framework, enabling us to enhance strategies and policies and allocate resources effectively. Recommendations 1 and 2 in the FATF Standards were updated in October 2020 to include new requirements to conduct risk assessment for PF, with the distinction that *"proliferation financing risk refers strictly and only to the potential breach, non-implementation or evasion of the targeted financial sanctions obligations referred to in Recommendation 7."*³⁶

The National AML/ATF/CPF Policy outlines the key policies relevant for risks in Bermuda, demonstrates how they have been informed by international standards, and documents the proposed approach to addressing these risks. In relation to the risk associated with non-compliance with or evasion of targeted financial sanctions for PF, the policy also outlines Bermuda's approach towards implementation of the new requirements stipulated in Recommendations 1 and 2 of the FATF Standards.

³⁶ See footnote 1 of the FATF Standards, as updated in October 2020.

2. Bermuda’s National AML/ATF/CPF Policy

The National AML/ATF/CPF Policy, and its component policy statements, were informed by the ML/TF/PF risks identified in the recent NRAs, as well as by the findings in Bermuda’s 2020 Mutual Evaluation Report. The National AML/ATF/CPF Policy is also informed by the FATF Recommendations³⁷ and the key principles for an effective AML/ATF/CPF framework. This includes the Competent Authorities’ strategy/action plans, the legislation, guidance notes and the FATF Methodology.

The over-arching National AML/ATF/CPF Goal is that:

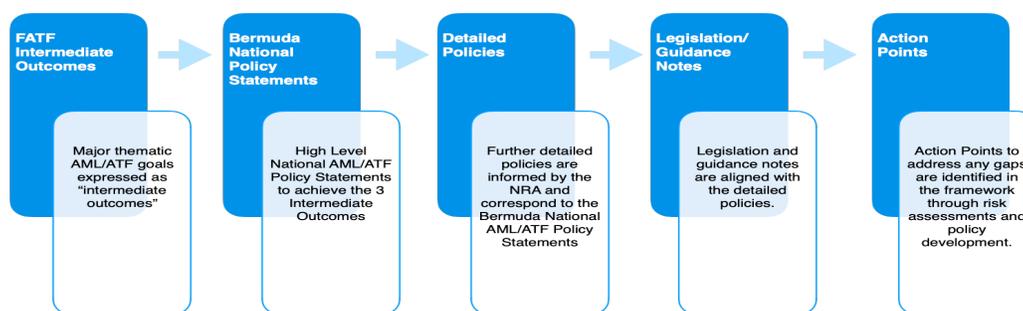
Bermuda has a rigorous AML/ATF/CPF regime that is appropriate to mitigate the identified national ML/TF/PF risks, and that is closely aligned with the relevant international standards and supports Bermuda’s reputation as a quality international financial centre.

(a) High Level National Policy Statements

The High Level National AML/ATF/CPF Policy Statements (HLPS) will be presented in this section. In the ensuing section (b), further details will be provided about the underlying component policies for each of these high level policy statements. These HLPS are informed by the ML/TF/PF risks identified in the two most recent NRAs, namely the 2024 ML/TF NRA, the 2025 PF and the ML/TF LPLA³⁸ NRAs. With the support of NAMLC, policy makers and the Competent Authorities will ensure they have effective mechanisms in place which enable them to cooperate, and, where appropriate, coordinate domestically with each other concerning the development and implementation of policies and activities to combat ML, TF and PF.

FATF has promoted high level AML/ATF/CPF objectives supported by the thematic goals (3 Intermediate Outcomes) and a series of key goals (11 Immediate Outcomes) for effectiveness. These serve as a guide for countries for the effective implementation of policies and strategies to protect their financial systems and the broader economy from ML/TF/PF, thereby strengthening financial sector integrity. The methodology adapted to develop the National AML/ATF/CPF Policy is illustrated in the figure below:

Figure 2: Methodology adapted to develop the National AML/ATF/CPF Policy



³⁷ The FATF Standards and Methodology, as updated in November 2020

³⁸ The ML/TF LPLA NRA is underway as at November 2025

The FATF intermediate outcomes provide an effective classification of the FATF's AML/ATF/CPF objectives. Their objectives inform the HLPS which are the basis of the main objectives of Bermuda's AML/ATF/CPF regime. The HLPS are outlined in Table 1 below. They are broken down further into more specific or Detailed Policies in Section 2 (b) below.

These policies may already be reflected in Bermuda's legislative and operational framework and agency policies and strategies. However, Bermuda's Competent Authorities and Supervisory Authorities which have AML/ATF/CPF responsibilities will continue to undertake the necessary review and actions to ensure that they are appropriately applying the formal National AML/ATF/CPF Policy, consistent with the national policy objectives, in their AML/ATF/CPF framework, operational policies and action plans.

The table below lists Bermuda's approach, namely articulating high level national AML/ATF/CPF policy statements which are mapped to the three FATF intermediate outcomes, in order to promote effectiveness. These three intermediate outcomes define the major thematic goals of an effective AML/ATF/CPF regime. They are:

- i. Policy, coordination and cooperation;
- ii. Prevention, detection and reporting in the covered sectors; and
- iii. Detection, disruption, prosecution and sanction, confiscation.

Figure 3: Table showing Presentation of Bermuda's High Level Policy Statements

FATF Intermediate Outcomes	Bermuda's High Level Policy Statements
<p>Policy, coordination and cooperation mitigate money laundering, financing of terrorism and proliferation financing</p>	<p>1. The Government of Bermuda, at its highest levels, is committed to maintaining an informed, risk-based approach towards combatting the risks facing Bermuda with respect to money laundering (“ML”), terrorist financing (“TF”), and proliferation financing (“PF”). This approach will be based on periodic national risk assessments covering ML/TF/PF and any relevant updates to the FATF Standards, Interpretive Notes, and Glossary and will be used to appropriately allocate resources and maintain national policies and strategies to effectively combat the risks. National policies and strategies will ensure that both Competent Authorities and the private sector facilitate their own risk-based programmes. They will also ensure strong international and domestic cooperation by and among Competent Authorities to assure ongoing risk analysis, information sharing, and the development of data-driven strategies to effectively combat the ML/TF/PF risks facing Bermuda.</p>
	<p>2. Bermuda will continue to contribute to the global effort to combat ML/TF/PF. As an important and reputable international financial centre, international cooperation is critical to protecting Bermuda’s financial system from cross border activity involving ML/TF/PF. Therefore, Bermuda's Competent Authorities will actively pursue opportunities to seek and provide assistance from/to foreign counterparts to support local and international investigations and prosecutions, pursuing confiscation of proceeds of such crime whilst supporting repatriation of funds to victims.</p>

<p>Proceeds of crime from ML activities and funds in support of terrorism or proliferation financing are prevented from entering the financial and other sectors or are detected and reported by these sectors.</p>	<p>3. Bermuda recognizes that evolving technologies, services, products and business practices may introduce areas of new or heightened ML/TF/PF risk. In line with FATF Standards, responsible authorities and regulated entities must conduct risk assessments for all relevant initiatives to determine the potential ML/TF/PF risks posed and where necessary, identify appropriate mitigation measures prior to the introduction of the specific initiative. Where higher risks are identified, such mitigation measures may need to include changes to regulation or supervision.</p>
	<p>4. Supervisory Authorities will apply and regularly update risk-based supervisory programmes, consistent with FATF Standards, to ensure assessment and management of ML/TF/PF risks by AML/ATF regulated entities.</p>
	<p>5. An effective suspicious activity reporting system is a fundamental prerequisite for identifying, investigating and prosecuting ML/TF/PF offences and reducing Bermuda's exposure to such risks as well as identifying, tracing and confiscating the proceeds of crime. Therefore, the FIA, Supervisory Authorities, and Law Enforcement will continue to collaborate to encourage, support and promote the effective implementation of strategies within the regulated sectors that will facilitate appropriate monitoring to identify, analyse and report suspicious activity.</p>
	<p>6. The Government remains committed to ensuring transparency for legal persons and legal arrangements created in, or sufficiently linked with Bermuda. For legal persons, the ROC will maintain a robust system of obtaining and recording basic information³⁹ and the beneficial owners of legal persons established in Bermuda, as well as those that present ML/TF/PF risks and have sufficient links with Bermuda. For legal arrangements, appropriate collaboration between NAMLC agencies will ensure transparency of legal arrangements through their Trustees. The relevant Competent Authorities in Bermuda will cooperate with each other to continuously review the framework and implement appropriate enhancements to ensure that legal person and legal arrangement transparency systems meet Bermuda's needs and are fully compliant with evolving international obligations.</p>

³⁹ As defined in Interpretive Note to Recommendation 24, para 4(a).

<p>ML threats are detected and disrupted, and criminals are sanctioned and deprived of illicit proceeds.</p> <p>TF threats are detected and disrupted, terrorists are deprived of resources, and those who finance terrorism are sanctioned, thereby contributing to the prevention of terrorist acts.</p> <p>PF threats are detected and disrupted through implementation of targeted financial sanctions related to financing of proliferation of weapons of mass destruction.</p>	<p>7. Bermuda is committed to rigorously pursuing the investigation and prosecution of offenders. The relevant authorities will seek to ensure that offenders are identified, investigated and prosecuted for ML/TF/PF and associated predicate offences are subject to effective, proportionate and dissuasive sanctions, which reflect the harm caused by their actions to Bermuda's reputation and to the financial system.</p> <p>8. Supervisory Authorities and other Competent Authorities should ensure that a risk-based approach is used when allocating resources to their activities. The risk-based approach is informed by the outputs noted in DP 1.1 above.</p> <p>9. Bermuda is committed to ensuring that Competent Authorities have policies and operational frameworks that prioritise asset recovery in both the domestic and international context, pursuing appropriate legal avenues to deprive both local and foreign criminals of criminal property and property of corresponding value whether the assets are located domestically or abroad. This will entail utilizing a comprehensive range of asset recovery and measurement measures to ensure that confiscated or restrained assets are effectively identified, secured, preserved, managed, and ultimately disposed of in accordance with the law and international best practices. The Government is committed to update asset recovery frameworks to address changes in the requirements of the international standards including those related to legislative reform to address asset management and other new requirements of the standards.</p> <p>10. Bermuda is committed to ensuring that its financial system is not used as a conduit to provide support for terrorism, terrorists, or terrorist organisations, either domestically or overseas. Bermuda is also committed to ensuring that its financial system is not used to provide support for the financing of proliferation of weapons of mass destruction. Competent Authorities will therefore, as a complement to High Level Policy Statement 3, continue to encourage, support and promote the implementation of strategies both within government and in the regulated sectors that will facilitate compliance with the targeted financial sanctions (“TFS”)</p>
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	<p>requirements of the relevant UN resolutions related to TF and PF.</p>
	<p>11.The Government is committed to enhancing Bermuda's strategic defences against terrorist financing. To that end the Government will continue to bolster the domestic framework in relation to designation of Terrorists and TFS implementation with the support of Government House.</p>
	<p>12.The Government is committed to enhancing Bermuda's strategic defences against proliferation financing. To that end the Government will continue its collaboration with the Governor to ensure an effective framework in relation to TFS with respect to the proliferation of weapons of mass destruction.</p>

The 2024 ML/TF NRA found that the ML threat rating remains High, driven by both foreign and domestic predicate offences. Foreign predicates including fraud, corruption/bribery, market manipulation, insider trading, and tax crimes continue to pose high or medium-high risks. Domestic predicates including Drug trafficking and an expanding range of other domestic crimes contribute significantly to the high threat level.

In the sectoral threats and inherent vulnerabilities assessment, the inherent risks remain the same for the majority of the sectors. The Trust sector and legal sector were rated as High for inherent ML risks. The EIRC programme which was newly assessed was found to have a Medium-Low threat and High inherent vulnerability.

The 2024 ML/TF NRA indicates that Bermuda's terrorist financing threat remains Low, with no evidence of radicalisation among local or diaspora populations. The TF threat was also rated as Medium Low to Low across most of the relevant sectors, with the exception of Money Service Businesses (MSBs) rated Medium due to global exposure and cross-border fund movements and the Deposit-taking and Securities Sectors, both rated Medium vulnerability due to international reach and high-net-worth clientele. The Non-Profit Organisation ("NPO") sector was rated Low, though international charities were noted as facing exposure to elevated risks based on the jurisdictions in which they operate.

The 2025 PF NRA is scheduled to be ratified by NAMLC around the same time as the 2025 National AML/ATF/CPF Policy. The PF threat assessment shows that the overall PF threat from the jurisdictions of the DPRK, Iran and Russia are all rated as posing a medium PF threat to Bermuda, while Syria is rated as posing a low PF threat to Bermuda. The sectoral inherent vulnerabilities assessment shows that Bermuda's regulated sectors in general have low or medium levels of inherent vulnerability to PF, having regard to each sector's product types, clientele, geographic scope and delivery channels. The highest vulnerability exists within the Digital Asset Business (DAB) sector, due to its links with virtual assets, which have been shown to be exploited by PF actors on a global level. Additionally, legal persons within Bermuda have an overall low to medium inherent vulnerability rating for PF while legal arrangements within Bermuda have an overall medium inherent vulnerability rating.

(b) Bermuda's Component AML/ATF/CPF High Level Policy Statements and Detailed Policies informed by the NRAs

This section details the policies that underlie each of the High Level Policy Statements.

High Level Policy Statement 1

The Government of Bermuda, at its highest levels, is committed to maintaining an informed, risk-based approach towards combatting the risks facing Bermuda with respect to money laundering ("ML"), terrorist financing ("TF"), and proliferation financing ("PF") This approach will be based on periodic national risk assessments covering ML/TF/PF and any relevant updates to the FATF Standards, Interpretive Notes, and Glossary and will be used to appropriately allocate resources and maintain national policies and strategies to effectively combat the risks. National policies and strategies will ensure that both Competent Authorities and the private sector facilitate their own risk-based programmes. They will also ensure strong international and domestic cooperation by and among Competent Authorities to assure ongoing risk analysis, information sharing, and the development of data-driven strategies to effectively combat the ML/TF/PF risks facing Bermuda.

Detailed Policy 1.1: Competent Authorities and Supervisory Authorities will assess and understand the money laundering, terrorist financing and proliferation financing risks for Bermuda, and apply resources accordingly to ensure the risks are mitigated effectively. This approach will inform the efficient allocation of resources across the AML/ATF/CPF regime and the implementation of risk-based measures in line with FATF Recommendations. Where higher or lower risks are identified, the AML/ATF/CPF regime will adequately address such risks.

NAMLC will implement measures to conduct formal national assessments of ML, TF and PF risks at least every five years, to identify and assess ML/TF/PF threats and vulnerabilities to Bermuda in the national and international context. Having reviewed the findings of the most recent NRAs, NAMLC has concluded that 5 years is a reasonable time over which to spot trends, determine compliance culture, identify products and services that require additional focus and develop a sound overall understanding of risk from both an institutional and supervisory perspective.

All Authorities with AML/ATF/CPF responsibilities, as well as suitable representatives from in-scope sectors are expected to be active participants in such assessments. The National Risk Assessments will include an assessment of the ML/TF/PF risks of legal persons and legal arrangements. The methodology to be used for the National Risk Assessments will be determined by NAMLC.

In years where a formal assessment is not completed, agencies will provide a year-end summary of material changes to Bermuda's risk profile to NAMLC based on their areas of responsibility (for example, sectoral risk assessments, strategic analyses of ML/TF/PF trends, typologies developed, lessons learned from their overall experience in executing AML/ATF/CPF strategies). NAMLC will consolidate these summaries into an overall statement of material change to Bermuda's risk profile, for use by all Competent Authorities and to be communicated as appropriate to the Private Sector. NAMLC should assess whether, based on assessment of

these summaries, a thematic risk assessment is required on an ad hoc basis, or a full formal assessment is required during the intervening period.

The findings from these assessments and statements of material change will inform:

- i. Updates to Bermuda National AML/ATF/CPF action plan – to address identified framework gaps;
- ii. AML/ATF/CPF agencies’ policies, procedures and plans – to ensure they remain aligned to the updated risk profile; and
- iii. The regulated Private sector firms’ programs - to ensure they remain aligned to the updated risk profile.

Detailed Policy 1.2 NAMLC agencies should monitor changes to international standards and proactively raise such developments to the Policy and Legislative Working Group for assessment and prioritisation.

It is important that Bermuda responds quickly to changes in international standards affecting AML/ATF/CPF. FATF is the primary body responsible for such changes, but there can be developments from other sources (for example the OECD’s requirements in support of tax transparency) which have an impact on areas under NAMLC’s remit. Each NAMLC agency is responsible for monitoring standards, changes relevant to them and raising them on a timely basis to the Policy & Legislative Working Group (P&L WG) for assessment and prioritisation. Actions may extend to legislative change or guidance change and must be completed in a timely basis in response to standards changes.

Detailed Policy 1.3: The National AML/ATF/CPF Policies will be reviewed on an annual basis, and, where necessary, updated to ensure they reflect Bermuda’s evolving ML/TF/PF risks, economic context and updates to the international standards. This will form the basis for the Competent Authorities, Supervisory Authorities, AML/ATF regulated entities to update their own risk-based AML/ATF/CPF operational policies, strategies and action plans. Revisions will be informed by the outputs from DPs 1.1 and 1.2 above.

Detailed Policy 1.4: The Competent Authorities will continue to enhance the existing framework for cooperation and effective communication with each other, while being respectful of personal information protection requirements and to engage with other national or international authorities that support their AML/ATF/CPF policy objectives and activities.

The NAMLC, established under section 49 of Bermuda’s Proceeds of Crime Act (“POCA”), constituted of the core Competent Authorities with AML/ATF/CPF responsibilities, is mandated to fulfil prescribed coordination and advisory functions. The Proceeds of Crime (Anti-Money Laundering and Anti-Terrorist Financing Supervision and Enforcement) Act 2008, which establishes the supervisory framework, authorizes supervisory authorities to cooperate with each other to enhance the effectiveness of the supervisory framework. These legislative requirements are implemented through the operations of NAMLC and its Working Groups. NAMLC will continue to oversee the continued growth of effective cooperation and support by facilitating dialogue and other interactions among the competent authorities and to identify and implement further opportunities for collaboration. Competent authorities responsible for information sharing and cooperation within their

operational activities, will ensure their compliance with the data protections standards contained within Bermuda's Personal Information Protection Act, 2016.

Detailed Policy 1.5: The conclusions from the National Risk Assessments and annual statements of material change will be published and disseminated by NAMLC to all relevant stakeholders. Appropriate steps will be taken by the Supervisory Authorities to directly inform regulated entities and other stakeholders in Bermuda about changes to Bermuda's ML/TF/PF risk profiles at the national and sectoral levels, and to apprise them of their obligations in this regard.

NAMLC will continue to publish the results of future NRAs and annual statements of material change in a timely manner, ensuring that the most appropriate mechanisms are used to provide updated information on the results of the risk assessments to all relevant stakeholders. All Supervisory Authorities will have access to the results of the NRAs; and with the support of NAMLC, will facilitate outreach events to inform regulated entities on any new or emerging risks and the appropriate steps to be taken to address them. Outreach will be undertaken on a regular basis and therefore provides the opportunity to share with regulated entities updates not only related to the periodic NRA publications, but also other topics such as annual sectoral risk assessments, trends from ongoing supervisory examinations and actionable intelligence provided by Competent Authorities.

Regulated sectors in Bermuda will be provided with guidance from their respective supervisory authorities, informed by any changes to Bermuda's ML/TF/PF national and sectoral risk profile.

Detailed Policy 1.6: Supervisory Authorities will conduct ML, TF and PF risk assessments to identify and understand the institutional and sector-specific risks within the sectors they supervise. The frequency of these risk assessments will be in line with the findings of the national risk assessments and Bermuda's ML, TF and PF risk profiles.

In line with the findings of Bermuda's 2024 ML/TF NRA which included the national ML threat level being rated as 'High', Supervisory Authorities will conduct ML risk assessments on an annual basis. In light of the findings of low TF threat and low to medium inherent TF vulnerability across sectors, and TF risk assessments may be conducted on a less frequent basis, in line with the risk profile. The findings of the 2025 PF NRA which reflect that Bermuda's regulated sectors in general have low or medium levels of inherent vulnerability to PF. In line with these findings, PF risk assessments may be conducted on a less frequent basis, in line with the risk profile.

In years where a formal assessment is not completed, Supervisors will prepare a year-end summary of material changes to the risk profile of sectors under their supervision to NAMLC. Based on assessment of these summaries, Supervisors will determine whether a thematic risk assessment is required on an ad hoc basis during the intervening period. These assessments will be informed by data and other information gathered through supervisory programmes and will serve as the basis for risk-based supervisory plans.

Supervisors will collaborate as needed to develop a shared understanding of emerging ML/TF/PF risks, trends

and typologies.

Detailed Policy 1.7: All Supervisory Authorities will develop and implement risk-based supervisory frameworks and strategies that result in appropriately targeted annual supervisory plans. These frameworks will account for the international nature of business activities, including customers, products and services, geographic exposures and channels of delivery.

Supervisory Authorities should maintain frameworks that can cater to the specific characteristics of their sectors and should collaborate with each other to ensure consistency and quality in their respective frameworks. In line with the most recent NRAs, high risk sectors for ML include Banking, TSPs, CSPs and Lawyers followed by real estate, securities, and long-term insurance. The DAB sector has a high overall vulnerability to PF. While there is no high risk sector for TF, the 2024 assessment shows that the MSB sector had a medium TF threat rating and the deposit taking, securities and MSB sectors have a high vulnerability to TF. Supervisory Authorities will ensure their risk-based supervisory programs reflect risks at the national, sectoral and institutional levels.

Detailed Policy 1.8: Competent Authorities responding to or investigating international cooperation requests will provide Supervisory Authorities with actionable intelligence arising from their work. This intelligence will help Supervisors refine their programmes in response to current trends and cases.

As a further means of ensuring that Supervisory activity reflects known risks, Competent Authorities will provide regular actionable intelligence updates to Supervisory Authorities (once the requisite consent to share such intelligence is obtained), focusing on sectoral analyses, trends and typologies with particular attention on foreign predicate offenses. Regular updates will ensure Supervisory Authorities are informed of intelligence linked to potential foreign predicate crimes involving Bermuda. Supervisors will use this information to strengthen sector outreach and adjust internal protocols to address emerging threats and vulnerabilities.

High Level Policy Statement 2

Bermuda will continue to contribute to the global effort to combat ML/TF/PF. As an important and reputable international financial centre, international cooperation is critical to protecting Bermuda's financial system from cross border activity involving ML/TF/PF. Therefore, Bermuda's Competent Authorities will actively pursue opportunities to seek and provide assistance from/to foreign counterparts to support local and international investigations and prosecutions, pursuing confiscation of proceeds of such crime whilst supporting repatriation of funds to victims.

Detailed Policy 2.1: Bermuda's Competent Authorities will contribute to the preservation of Bermuda's reputation as a jurisdiction committed to participating in the global effort to combat ML/TF/PF. Thus, Competent Authorities⁴⁰ will assist foreign counterparts to investigate and prosecute ML/TF/PF and predicate offences, and to confiscate the proceeds and instrumentalities of crime⁴¹. Competent Authorities

⁴⁰ In line with the revised FATF Standards, Tax authorities are also now required to provide assistance, especially by way of sharing information which is kept by them and may be useful in the investigation.

⁴¹ Predicate offences of ML include a range of criminal activities such as drug trafficking, tax crime and other.

will also act to support the victims of predicate offences committed in Bermuda which result in the expatriation of the proceeds of crime through proactive outreach to foreign counterparts. Accordingly, where the assistance of foreign competent authorities is required, financial intelligence, law enforcement, prosecuting and civil asset recovery authorities will continue to utilise the legal avenues available to seek such assistance in order to advance investigations and prosecutions and to pursue the confiscation of the proceeds of such crimes.

The recent ML/TF NRAs established that a significant proportion of Bermuda's ML and TF threats arise from international predicate offences such as international fraud, international tax crime, market manipulation/insider trading, corruption/bribery and drug trafficking. Therefore, Bermuda is committed to assisting foreign counterparts in the investigation of ML/TF/PF and associated predicate offences. The Competent Authorities with responsibility for providing assistance through international cooperation in ML/TF/PF matters, will continue to provide proactive, constructive and timely assistance to foreign counterparts.

In addition, recent trends in predicate offences perpetrated on Bermuda residents, such as fraud and cybercrime indicate that significant amounts of proceeds of crime are being expatriated from Bermuda. Therefore, Competent Authorities will take all reasonable steps to seek appropriate and timely cooperation from their international counterparts in furtherance of investigations, prosecutions and asset recovery.

Bermuda is also committed to other forms of international cooperation, consistent with international requirements, including the exchange of basic and beneficial ownership information of legal persons and legal arrangements.

Detailed Policy 2.2: Domestic cooperation between Competent Authorities is a fundamental prerequisite for international cooperation. Therefore, they will share relevant and appropriate information with each other, including where such information is obtained from foreign counterparts in the course of providing international assistance. The aim is to ensure that information gained from incoming requests that reveal a potential crime occurring in or involving Bermuda is appropriately actioned and investigated in Bermuda, respecting legal and appropriate confidentiality restrictions. In such cases and whenever it is required, the appropriate Competent Authority will seek the consent of the relevant foreign counterpart before sharing such information, consistent with established protocols.

The Government is committed to implementing an effective mechanism for domestic and international cooperation. Relevant Competent Authorities will enhance their framework to include sharing of information at a domestic level and responding to international cooperation requests for investigations and prosecutions. Suspicions should be appropriately investigated and relevant information shared on a timely basis between the relevant authorities. This should be aligned with Bermuda's international obligations and national legal requirements in respect of data protection.

Detailed Policy 2.3: The relevant Competent Authorities will appropriately prioritize attention and

resources to target crimes, that reflect the risk profile identified by the most recent NRAs, especially crimes with cross-border features.

The Competent Authorities will appropriately allocate resources with a prioritized focus on targeting the highest threats and coordinating with international and domestic authorities to conduct investigations and prosecutions.

Detailed Policy 2.4: The relevant Competent Authorities will provide actionable intelligence to the Supervisory Authorities on an ongoing basis to continuously inform Supervisory Authorities of current trends and cases. The timing of sharing such intelligence of course must not jeopardize any ongoing investigations. This will assist Supervisors in fine-tuning their programs to address current trends and cases.

As a further means of ensuring that Supervisory activity reflects known risks, Competent Authorities will provide regular actionable intelligence updates to Supervisory Authorities, focusing on sectoral analyses, trends and typologies with particular attention on foreign predicate offenses.

High Level Policy Statement 3

Bermuda recognizes that evolving technologies, services, products and business practices may introduce areas of new or heightened ML/TF/PF risk. In line with FATF Standards, responsible authorities and regulated entities must conduct risk assessments for all relevant initiatives to determine the potential ML/TF/PF risks posed and where necessary, identify appropriate mitigation measures prior to the introduction of the specific initiative. Where higher risks are identified, such mitigation measures may need to include changes to regulation or supervision.

Detailed Policy 3.1: Where a Supervisory Authority proposes or reviews legislative or regulatory change that may materially affect Bermuda's ML/TF/PF risk profile, it must perform a comprehensive ML/TF/PF risk assessment and where necessary, identify the appropriate mitigation measures that will need to be incorporated to complement the legislative or regulatory change. The implications for AML/ATF regulated entities must be explicitly addressed. The results of the risk assessment and commensurate mitigation measures must be presented to NAMLC for sign-off.

Supervisory Authorities should engage in active collaboration with other NAMLC members to complete the risk assessment process, taking into consideration their own risk assessment protocols and the nature of the proposed change.

Detailed Policy 3.2: Where a Ministry, agency or public authority outside of NAMLC develops a policy that could introduce a new sector, product, or practice with potential effects on Bermuda's ML/TF/PF risk profile, it must collaborate with NAMLC to conduct an ML/TF/PF risk assessment to identify potential ML/TF/PF risks and where necessary, identify the appropriate mitigation measures that will need to be incorporated in support of the policy implementation. The results of the risk assessment and commensurate mitigation measures must be presented to NAMLC for sign-off.

a. The responsible Ministry, agency, authority (that is, the one developing the policy or piloting the

- legislation) must consult NAMLC at an early stage, to solicit their feedback on whether there are any perceived ML/TF/PF risks associated with the proposed policy or initiative;
- b. If NAMLC determines that there is no evident material ML/TF/PF risk, the responsible Ministry, agency, or authority may not be required to conduct an assessment of ML/TF/PF risk. However, they must re-engage with NAMLC once the policy or draft legislation has reached a more advanced stage, to ensure that no consequential ML/TF/PF risks have emerged as the details of the policy or the legislation are further developed;
 - c. If NAMLC determines that material ML/TF/PF risk is likely, the portfolio Ministry responsible for advancing the policy or legislation must conduct a targeted assessment of the ML/TF/PF risks associated with the policy being developed. The findings of this assessment must meaningfully inform the ongoing development of the policy, with the primary objective being to ensure that appropriate mitigants for any identified risks are incorporated within both the policy framework and its implementing measures; and
 - d. NAMLC must be re-engaged to review the analysis and findings related to ML/TF/PF risk, as well as the development of appropriate mitigants for any identified vulnerabilities. Throughout the risk assessment process and the formulation of mitigants, technical input from relevant NAMLC agencies may be solicited to support efficiency.

Detailed Policy 3.3: Where a NAMLC member agency that is not a Supervisory Authority proposes a new sector, product, or practice, it must also follow the consultation and risk assessment procedures outlined in Policy 3.2

Unlike Supervisory Authorities, other member agencies of NAMLC are unlikely to be involved, on a regular basis, in the development of new lines of business or the expansion of business products or practices through technology or other means. Additionally, they may have less practice in developing policy associated with such matters. Accordingly, they may not already have in place systems and procedures designed to assess the ML/TF/PF risks associated with new business, new technology or new regulatory requirements. They should therefore leverage the combined expertise and experience that has been developed within NAMLC, especially through the synergies created within its various Working Groups, to support their policy development efforts and to ensure that appropriate ML/TF/PF risk mitigation is a focus of their work.

Detailed Policy 3.4: Supervisory Authorities must ensure that AML/ATF regulated entities have the appropriate guidance and adhere to their obligations to conduct ML/TF/PF risk assessments before introducing new products, practices, delivery mechanisms, or technologies. Identified risks must be managed and mitigated, with enhanced measures applied where higher risks are present.

Innovation in products and services is encouraged, but it must be accompanied by clear and effective ML/TF/PF risk management. Supervisory Authorities will ensure that regulated entities adhere to the regulations and guidance on this point via their respective supervisory frameworks and enforcement mechanisms.

High Level Policy Statement 4

Supervisory Authorities will apply and regularly update risk-based supervisory programmes, consistent with FATF Standards, to ensure assessment and management of ML/TF/PF risks by AML/ATF regulated entities.

Detailed Policy 4.1: Supervisory Authorities will implement their risk-based programs, policies and procedures, monitoring regulated entities to ensure that entities' internal AML/ATF/CPF policies and procedures are in compliance with their obligations, and a risk-based approach toward ML/TF/PF is applied.

The AML/ATF/CPF laws, regulations, supplemented by guidance issued by Supervisory Authorities, clearly establish that a risk-based approach is essential for an effective compliance programme. Guidance for supervised sectors provides direction to regulated entities on implementing such an approach, including the obligation to establish and maintain systems for assessing and managing their ML/TF/PF risks. Regulated entities must be regularly updated on current and emerging risks and trends to inform their institutional risk assessments. Supervisory Authorities will use onsite and offsite monitoring to evaluate whether entities appropriately assessed their risks, implemented suitable systems, and are adhering to them in monitoring and mitigating ML/TF/PF risk.

Detailed Policy 4.2: Supervisory Authorities will monitor regulated entities to ensure that entities' risk-based frameworks include a robust customer due diligence programme, enhanced due diligence programme, politically exposed persons (PEP) identification, transaction monitoring, investigations, reporting of suspicious activities and appropriate independent audits of their compliance programmes.

Required risk-based measures will include customer and beneficial owner identification and due diligence; ongoing CDD and monitoring; identification, analysis and the reporting (internal and external) of unusual and suspicious activities. The risk-based framework for supervision and compliance further requires enhanced measures for higher risk scenarios. This includes enhanced customer due diligence, including with respect to PEPs and other high-risk customers, products and services, geographic exposures and distribution channels, as identified by the institutions, supervisors and/or the NRAs. The POC Regulations outline the specific obligations for applying the risk-based requirements in detail. All Supervisory Authorities must appropriately monitor the regulated entities for compliance with the POC Regulations and, through a program that consists of both offsite and onsite reviews, will seek to ensure the proper application and compliance with risk-based requirements, including enhanced measures where indicated.

A periodic AML/ATF/CPF independent audit is required under POC Regulations and must be provided to the Supervisors upon request. An appropriate audit report can provide the Supervisor with an overview of the entity's level of compliance with the requirements, and an assessment of identified gaps. The frequency of the submission of independent audit reports can be determined by the Supervisor, as deemed appropriate, based on the nature and scope of the entity's business activities and/or their risk level, but must be conducted at least once annually.

Detailed Policy 4.3: Supervisory Authorities will regularly, and on an ongoing basis, update industry guidance and outreach to reflect any key drivers of changes to the Supervisors' risk profiles. As a follow-on from DP 1.7 above, Supervisory Authorities should ensure that the factors and results of their ongoing updates to sectoral and institutional risk profiles are appropriately reflected and communicated to industry, through sectoral guidance notes and outreach. Supervisory Authorities will use the results of periodic offsite and onsite reviews as inputs to ensure sectoral risk assessments remain current. Supervisors may also consider integrating independent audit reports into their risk assessment processes, subject to their judgement of the utility and accuracy of such reports.

These ongoing guidance updates and outreach will promote institutions to review and refine their risk management and compliance systems to remain attuned to the current risk environment.

High Level Policy Statement 5

An effective suspicious activity reporting system is a fundamental prerequisite for identifying, investigating and prosecuting ML/TF/PF offences and reducing Bermuda's exposure to such risks as well as identifying, tracing and confiscating the proceeds of crime. Therefore, the FIA, Supervisory Authorities, and Law Enforcement will continue to collaborate to encourage, support and promote the effective implementation of strategies within the regulated sectors that will facilitate appropriate monitoring to identify, analyse and report suspicious activity.

Detailed Policy 5.1: NAMLC's Operational Working Group will be responsible for coordinating the collection of relevant threads of financial and other relevant intelligence from all Competent Authorities to enhance the FIA's analyses and production of typologies, trends and case studies.

It is necessary that there is open and consistent collaboration and coordination at the national level to ensure that intelligence in the possession of various Competent Authorities, as well as relevant information in the international domain, including from foreign counterparts, is consolidated for analysis by the FIA. The intelligence products subsequently being generated by the FIA support the work of supervisory authorities and law enforcement agencies. The Operational Working Group will drive this collection activity and include it as part of its strategic purpose to utilise analysis of broad-based intelligence to conduct strategic analysis, identify ML/TF/PF trends and typologies to support the national AML/ATF/CPF countermeasures. The Operational Working Group should initiate the development of case studies and typologies to provide current red flags and indicators to supervisors and the private sector. Additionally, the Operational Working Group will also develop and support implementation of joint and coordinated strategies to address recommendations derived from strategic analysis of emerging ML/TF/PF trends. This ultimately lays the foundation for policy-making and supports the goal of ensuring that Bermuda can identify and address specific threats at a broader level.

Detailed Policy 5.2: The FIA, in coordination with other competent authorities as necessary, will perform strategic analyses to identify ML/TF/PF patterns and trends and develop local typologies and case studies, which will be discussed at the Operations Working Group and subsequently communicated to all supervisory authorities and their sectors and other competent authorities.

As the responsible competent authority for receiving and analysing suspicious activity reports and other sources of information, the FIA will disseminate appropriate disclosures to Law Enforcement for further investigation and to other relevant agencies to assist in the execution of their duties. The FIA will also conduct strategic analyses, including but not limited to the identification of ML/TF/PF patterns, trends and typologies, to support national AML/ATF/CPF countermeasures. Strategic analysis products will be disseminated as appropriate to all stakeholders, including supervisory authorities and their regulated sectors. All regulated sectors have the responsibility to submit SARs based on knowledge or suspicion of ML/TF/PF or any associated predicate offences. The FIA will therefore provide, on an ongoing basis, material information that will assist regulated entities in ensuring that their risk mitigation and suspicious activity reporting systems are kept up to-date and relevant to the evolving risks.

Detailed Policy 5.3: Through the mechanism of NAMLC’s Operational Working Group, supervisory authorities, law enforcement, and intelligence agencies will collaborate to identify and address emerging ML/TF/PF threats and vulnerabilities across high-risk sectors. The group will support the development of targeted outreach and training initiatives, delivered through supervisory authorities, to promote enhanced monitoring practices and compliance standards within regulated entities. Special attention and training will be provided to address inherently higher risk activities for purposes of suspicious activities including: wire transfers, private banking, non-face-to-face business activities, etc. Relevant Competent Authorities will work alongside Supervisory Authorities and regulated sectors on an ongoing basis to share information that assists in the identification and reporting of suspicious activities.

This outreach will assist entities to adopt and enhance appropriate monitoring systems to ensure that they are adequately monitoring higher-risk products, services, and clients, and to ensure that entities have all the required and related documentation in place to support the filing of good-quality SARs with the FIA.

Detailed Policy 5.4: Supervisory Authorities will continue their collaboration with the FIA to ensure that compliance and reporting officers within regulated entities are trained and registered on the FIA’s SAR reporting platform. The objective is to ensure timely and quality reporting of SARs, and to apply sanctions for non-compliance.

All suspicious activity reports must be submitted via the FIA’s electronic SAR reporting platform. The FIA will continue its work in relation to training the different regulated sectors on how to use the reporting platform⁴². The FIA will produce detailed guidance notes which will assist in ensuring the regulated sectors know how to register with the FIA and how to identify and report suspicious transactions and activities. The guidance notes will also detail to the regulated sectors how to deal with attempted transactions suspected to be linked to AML/TF or part of a predicate offence. The supervisory authorities should in turn create links to these documents on their respective websites, maintain vigilance as to adherence with these requirements, and be proactive in either using remediation strategies or applying sanctions for non-compliance.

⁴² FIA registration process – https://www.fia.bm/goAML_PRD/Home

High Level Policy Statement 6

The Government remains committed to ensuring transparency for legal persons and legal arrangements created in, or sufficiently linked with Bermuda. For legal persons, the ROC will maintain a robust system of obtaining and recording basic information⁴³ and the beneficial owners of legal persons established in Bermuda, as well as those that present ML/TF/PF risks and have sufficient links with Bermuda. For legal arrangements, appropriate collaboration between NAMLC agencies will ensure transparency of legal arrangements through their Trustees. The relevant Competent Authorities in Bermuda will cooperate with each other to continuously review the framework and implement appropriate enhancements to ensure that legal person and legal arrangement transparency systems meet Bermuda's needs and are fully compliant with evolving international obligations.

Detailed Policy 6.1: Competent Authorities involved in holding basic and beneficial ownership information on legal persons will utilise appropriate technology and other information management systems and protocols, to ensure that relevant data is made available to competent authorities, and other relevant stakeholders on presentation of appropriate authority. The relevant registry systems will be capable of producing the required evidence and information in a format suitable to meet Bermuda's international obligations, as well as to support law enforcement activities and sectoral and national risk assessment initiatives.

The ROC will continue to ensure that their registries fulfil their purpose of recording, maintaining and making readily accessible to competent authorities and other relevant stakeholders adequate, accurate, current, and up to date basic and beneficial ownership information. The ROC will take the necessary steps to ensure that the relevant information held by them is consistent and covers the agreed range of legal persons and the BMA will provide back-up for enquiries relying on historical information as necessary.

The ROC will implement and execute its own compliance oversight of legal persons to ensure they are complying with their obligations related to maintaining and filing basic and beneficial ownership information.

Competent authorities will ensure that adequate, accurate and updated information is held with respect to legal arrangements and appropriate measures are in place to have that information readily available and accessible to competent authorities.

Detailed Policy 6.2: Implementation of enhancements to the national legal persons beneficial ownership framework will continue to ensure the collection of adequate, accurate and up-to-date beneficial ownership information, including in instances where changes occur in an entity's structure, following its initial registration and/or incorporation. Ongoing reviews of the framework will be undertaken with a view to identifying further improvements that enhance operational efficiency and maintain alignment with evolving international standards.

The ROC will ensure that legal persons registered in Bermuda adhere to their obligations to obtain and maintain adequate, accurate and up-to-date information about their beneficial ownership and file such

⁴³ As defined in Interpretive Note to Recommendation 24, para 4(a).

information with the ROC in a timely manner. Enforcement and compliance monitoring systems will continue to be part of the operational framework of the ROC, to ensure that obligations to file adequate, accurate and up-to-date beneficial ownership information are being adhered to and appropriate penalties for non-compliance are imposed. The ROC is committed to continuing ongoing reviews of the beneficial ownership information framework, to be conducted at the minimum on an annual basis. These reviews aim at refining the internal systems and procedures, as well as ensuring the effectiveness of the legislative framework. The reviews will take into account knowledge about prospective changes to the international standards on beneficial ownership information, gained through engagement in and monitoring of these international processes.

Detailed Policy 6.3: The information in the beneficial ownership registry will be available to be shared with foreign competent authorities, when requested through the legally established channels and in accordance with all relevant Bermuda law. This will enhance transparency, international cooperation and intelligence sharing.

Competent Authorities in Bermuda who have responsibilities for international cooperation, currently share, or have the ability to share, beneficial ownership data with foreign competent authorities. The Government is committed to continue to exercise its discretion to share information with foreign authorities when requested and to take steps to ensure compliance with the requirements in relation to the filing of adequate, accurate and up to date basic and beneficial ownership information on a timely basis.

Detailed Policy 6.5: The framework for legal arrangements will be enhanced to ensure that the Government's commitment to transparency for legal arrangements is fulfilled.

Competent Authorities involved in ensuring compliance of Trustees with their Beneficial Ownership obligations with respect to legal arrangements will ensure they each implement appropriate guidance and supervision over their relevant Trustees.

High Level Policy Statement 7

Bermuda is committed to rigorously pursuing the investigation and prosecution of offenders. The relevant authorities will seek to ensure that offenders are identified, investigated and prosecuted for ML/TF/PF and associated predicate offences are subject to effective, proportionate and dissuasive sanctions, which reflect the harm caused by their actions to Bermuda's reputation and to the financial system.

Detailed Policy 7.1: The Financial Intelligence Agency, Law Enforcement and Prosecuting Authorities will work together to identify, investigate and prosecute ML/TF/PF offenders.

The Financial Intelligence Agency, Law Enforcement and Prosecuting Authorities will pursue strategies and cooperate with each other, where possible, to identify, investigate and prosecute ML/TF/PF offenders, so that prosecutions will increasingly reflect the level and types of ML/TF/PF risks facing Bermuda, including those with cross-border connections. It is also recognized that financial crimes, including money laundering and terrorist financing cases are often complex and have transnational components. These types of cases require

a high level of specialisation with both training and experience being important factors. Additionally, timely access to analytical expertise and forensic accounting capabilities is essential for the effective investigation of such matters. Law enforcement will be supported by qualified financial investigators, analysts, and forensic accounting services to ensure robust and thorough investigative outcomes.

Detailed Policy 7.2: Law Enforcement and Prosecuting Authorities will proactively pursue ML/TF/PF offences that occur partly in Bermuda and overseas, including taking appropriate steps to pursue the evidence that exists overseas, in order to enhance the efficacy of the prosecution of such matters.

With the likelihood of increased intelligence derived from enhanced strategies for SAR reporting, as well as the strengthening of intelligence analysis among law enforcement and intelligence authorities, there is likely to also be an increase in the types of ML/TF/PF cases with cross-border elements. Law enforcement and prosecuting authorities will have strategies to allow them to appropriately pursue the evidence wherever it exists in such cases, including overseas. Careful attention will be given to ensure that evidence obtained from overseas is of the quality and standard appropriate for admission into the Courts of Bermuda.

Detailed Policy 7.3: The Judiciary, Law Enforcement Authorities (“LEAs”) and Prosecutors will ensure that its members are adequately trained to understand the ML/TF/PF risks in the jurisdiction, and the potential dangers that ML/TF/PF pose to Bermuda’s reputation as a financial centre.

As part of the strengthening of a country’s AML/ATF/CPF regime, the training available to the Judiciary, LEAs and Prosecutors must facilitate their enhanced understanding of the specialised AML/ATF/CPF legislative and evidential framework. The legal measures available to law enforcement and prosecutors through the Courts, for the detection and prosecution of ML/TF/PF offences, the confiscation of the proceeds of crime and implementation of TFS related to terrorist financing and proliferation of weapons of mass destruction should be understood and effective, proportionate and dissuasive sanctions applied accordingly. To support the appropriate discharge of functions in matters related to ML/TF/PF, information about the ML/TF/PF schemes and the methods and typologies used in such criminal activity in general, should also be available to Judges, LEAs and Prosecutors to allow them to better understand the context of such crimes. Accordingly, where appropriate, NAMLC and other responsible authorities will facilitate the sensitisation of the Judiciary, LEAs and Prosecutors as to the ML/TF/PF risks in the jurisdiction. The Judiciary, LEAs and Prosecutors will avail themselves of relevant training to support their enhanced understanding of the specialised legal procedures and evidential peculiarities relevant in AML/ATF/CPF cases.

High Level Policy Statement 8

Supervisory Authorities and other Competent Authorities should ensure that a risk-based approach is used when allocating resources to its activities. The risk-based approach is informed by the outputs noted in DP 1.1 above.

Detailed Policy 8.1: All Supervisory Authorities will train their responsible supervisory and other relevant staff to identify and report or otherwise communicate matters that should be brought to the attention of Law Enforcement or the FIA.

Supervisory Authorities can play a key role in providing information on ML threats and vulnerabilities, particularly at the sectoral and entity level. Supervisory Authorities will therefore train staff to determine when to report matters they have identified in the course of their normal work to the FIA.

Supervisory Authorities will also ensure that all personnel responsible for addressing requests from foreign counterparts are mindful of the potential domestic implications of such requests, including whether such requests for assistance might be related to foreign predicates or ML/TF/PF occurring overseas or in Bermuda. Such staff will be trained to assess and identify when such matters should be reported to local law enforcement or to the FIA, in order for them to pursue the necessary investigations or inquiries to determine whether an ML/TF/PF offence has occurred in Bermuda. In consultation with law enforcement and the FIA, Supervisory Authorities will implement protocols to facilitate the making of reports and referrals to local law enforcement and the FIA.

Detailed Policy 8.2: Supervisory Authorities will engage with regulated entities to ensure that they train relevant staff to be aware of bribery and corruption risks that may give rise to ML/TF/PF activity.

Supervisory Authorities will encourage the regulated sectors to remain informed about and provide their staff with training on how to recognise bribery and corruption risks that may give rise to ML/TF/PF activity to ensure that onboarding and ongoing monitoring controls identify and report associated suspicious activities.

Detailed Policy 8.3: The Office of the Tax Commissioner (“OTC”) will establish protocols to identify when a case of tax delinquency is related to fraud and to identify other predicate offences being committed by taxpayers. Such protocols will include thresholds to be applied as well as the procedure for referring such matters to the Police for criminal investigation.

To enhance their ability to enforce the tax laws, the OTC has already taken steps to bring its staffing levels up to full complement and to increase its resourcing capabilities, specifically in the audit and compliance division. This increase in resourcing will enable the OTC to expand and enhance its investigation of tax delinquency. As part of the enhancement of the overall effectiveness of the tax enforcement framework, the OTC will establish as a priority the protocols necessary to determine when tax delinquency cases are a result of fraud or other criminal activity and to have thresholds and procedures in place for reporting such criminal matters to the Police for proper investigation. OTC and BPS will appropriately coordinate and cooperate to facilitate the investigation of domestic criminal tax evasion.

High Level Policy Statement 9

Bermuda is committed to ensuring that Competent Authorities have policies and operational frameworks that prioritise asset recovery in both the domestic and international context, pursuing appropriate legal avenues to deprive both local and foreign criminals of criminal property and property of corresponding value whether the assets are located domestically or abroad. This will entail utilizing a comprehensive range of asset recovery and measurement measures to ensure that confiscated or restrained assets are effectively identified, secured, preserved, managed, and ultimately disposed of in accordance with the law and international best practices. The Government is committed to update asset recovery frameworks to address changes in the requirements

of the international standards including those related to legislative reform to address asset management and other new requirements of the standards.

Detailed Policy 9.1: Bermuda’s Law Enforcement, Prosecuting and Civil Asset Recovery Authorities will appropriately prioritise their resources on a risk-based approach for the identification and pursuit of ML/TF/PF proceeds of crime, regardless of whether the underlying criminal activity took place in Bermuda or elsewhere.

Prosecuting and Civil Asset Recovery Authorities will have clear lines of demarcation regarding the scope of their respective powers and have protocols in place to determine which authority’s powers take precedence in every case. Relevant authorities will seek to ensure that proceeds of crime are identified and pursued towards prosecution and ultimate confiscation, in order to deprive criminals in Bermuda and elsewhere from the proceeds of their crimes. Domestic authorities will leverage the international relationships to support the local confiscation of criminal proceeds.

Detailed Policy 9.2: The Government is also committed to implementing a robust asset management framework and to implement the frameworks that allow for reimbursement to, or compensation of victims. The Government is committed to ensuring that these frameworks are established in the most effective way.

High Level Policy Statement 10

Bermuda is committed to ensuring that its financial system is not used as a conduit to provide support for terrorism, terrorists, or terrorist organisations, either domestically or overseas. Bermuda is also committed to ensuring that its financial system is not used to provide support for the financing of proliferation of weapons of mass destruction. Competent Authorities will therefore, as a complement to High Level Policy Statement 3, continue to encourage, support and promote the implementation of strategies both within government and in the regulated sectors that will facilitate compliance with the targeted financial sanctions (“TFS”) requirements of the relevant UN resolutions related to TF and PF.

Detailed Policy 10.1: The Minister of Justice⁴⁴ will continue to effectively oversee the implementation of the targeted financial sanctions (“TFS”) regime in respect of the financing of terrorism and the financing of proliferation of weapons of mass destruction in Bermuda.

The Governor serves as the competent authority for the extension of UK sanctions regimes to Bermuda, under the relevant UK legislation. The Minister of Justice, as the delegated authority, will continue to oversee the implementation of TFS in Bermuda. This function is supported by the Ministry of Justice Headquarters and the Financial Sanctions Implementation Unit (“FSIU”), which will be adequately staffed and resourced to ensure effective execution. Acting on behalf of the Minister, the Ministry is responsible for ensuring that public and private sector stakeholders are fully informed of their obligations under the TFS regime, promptly notified of

⁴⁴ The Governor delegated certain of his functions to the Minister of Justice, under the various Overseas Territories Orders, pursuant to the [International Sanctions \(Delegation of Governor’s Functions\) Notice 2018](#)

all TFS updated notices issued by UK Authorities, and kept apprised of any material changes to the regime. Bermuda is committed to ensuring that sanctions update notices on TFS designations are provided in real time to AML/ATF regulated entities, Supervisory Authorities as well as all persons and entities with TFS obligations. The FSIU will ensure that it maintains its subscription service to provide TFS update notifications without delay.

Detailed Policy 10.2: All Supervisory Authorities will include in their supervisory programmes, mechanisms for testing regulated entities to ensure that they have systems in place to screen all customers/clients and transactions against the applicable targeted financial sanctions lists as published by the FSIU.

Supervisors will also ensure that their supervisory programs appropriately monitor supervised entities for the provision of effective systems to ensure compliance with their obligations in this area. In addition, Supervisory Authorities will support the FSIU to ensure that supervised entities are aware of updates to TFS lists and/or regimes and maintain their subscription to FSIU alerts.

Detailed Policy 10.3: As the delegated authority, the Minister of Justice and FSIU, will appropriately collaborate with the Governor and relevant UK authorities, including officials from the Foreign Commonwealth and Development Office, in the issue of appropriate guidance to industry about their TFS obligations and mechanisms for licence applications, among other matters.

As the delegated authority for the TFS regime, the FSIU, under the authority of the Minister of Justice, has issued appropriate guidance advising persons/entities of their obligations under the TFS regime, and the circumstances and procedures related to applications to the Governor for licences under the relevant TFS legislation. The guidance is reviewed on an ongoing basis and updated as and when required. To effectively carry out its delegated functions, the Ministry liaises as needed with the Governor, the Foreign, Commonwealth and Development Office HM Treasury and other relevant UK authorities. This collaboration leverages their technical expertise to effectively combat sanctions evasion and circumvention trends and practices. The FSIU also ensures timely implementation of new sanctions regimes and issues sanctions update notices efficiently.

Detailed Policy 10.4: Competent Authorities have developed, in collaboration with NAMLC, a National Countering the Financing of Terrorism Strategy, which documents the national strategy for detecting and investigating terrorist financing activities.

While there are no known cases of terrorism financing in Bermuda, the Government remains firmly committed to safeguarding the integrity of its financial system and contributing meaningfully to global efforts aimed at preventing the financing of terrorist activities beyond its borders. As such, Bermuda has a National CTF Strategy that outlines the approach to be taken in the detection and investigation of terrorism and terrorism financing. All authorities having respective roles to play in the execution of such strategy, have internal policies and strategies that are consistent with the National CFT Strategy and where appropriate the operational mechanisms between these authorities are documented in memoranda of

understanding or other protocols. Relevant competent authorities will collectively and regularly update the strategy after the completion of a TF national risk assessment and also on an ad hoc basis to adapt to changes on the local or global landscape in relation to terrorism and TF.

Detailed Policy 10.5: Bermuda is committed to ensuring that legitimate NPOs endeavours are encouraged and sustained, whilst preventing local NPOs from being targeted as a conduit for providing material support to terrorist organisations, terrorists or terrorist activities in other parts of the world. To that end, resources will be focused on discouraging the diversion of legitimate NPOs funds into terrorist financing or for other criminal purposes.

The Government's risk-based approach to oversight of local NPOs that are low or no risk for terrorist financing reduces the compliance burden on these organisations. The Registry General who has oversight of the NPOs will continue to undertake risk profiling review to ensure they identify which subset of organisations fall within the FATF definition of NOP and conduct a risk assessment of these NPOs to identify the nature of TF risks posed to them. Based on this assessment of risk, they will have in place focused, proportionate and risk-based measures to address the TF risks identified, in line with the risk-based approach. This will include the oversight programme focusing resources on overseeing and monitoring those NPOs that have exposure to higher TF risks. Access to information necessary to evaluate risk in the sector should support the oversight. This includes information obtained directly from NPOs or via memoranda of understanding with the supervisory authorities which allow for the exchange of information.

High Level Policy Statement 11

The Government is committed to enhancing Bermuda's strategic defences against terrorist financing. To that end the Government will continue to bolster the domestic framework in relation to designation of Terrorists and TFS implementation with the support of Government House.

Detailed Policy 11.1: The Ministry of Justice and relevant LEA will collaborate to strengthen the protocols in place for the designation of persons in Bermuda under the relevant legislation. The Ministry of Justice, in cooperation with the LEA, will facilitate the domestic designation process and escalate relevant matters to the Governor for domestic designation.

The Ministry of Justice will continue working with the Governor, Bermuda's law enforcement agencies, and UK authorities, to ensure domestic designation mechanisms are clearly documented. In line with UN requirements, collaboration between the Ministry of Justice, the Governor and the UK will continue as needed to support Bermuda's ability to receive and appropriately respond to domestic designation requests from other jurisdictions under relevant legislation. The Ministry will continue to liaise with the Governor as needed to ensure effective implementation of domestic designations.

High Level Policy Statement 12

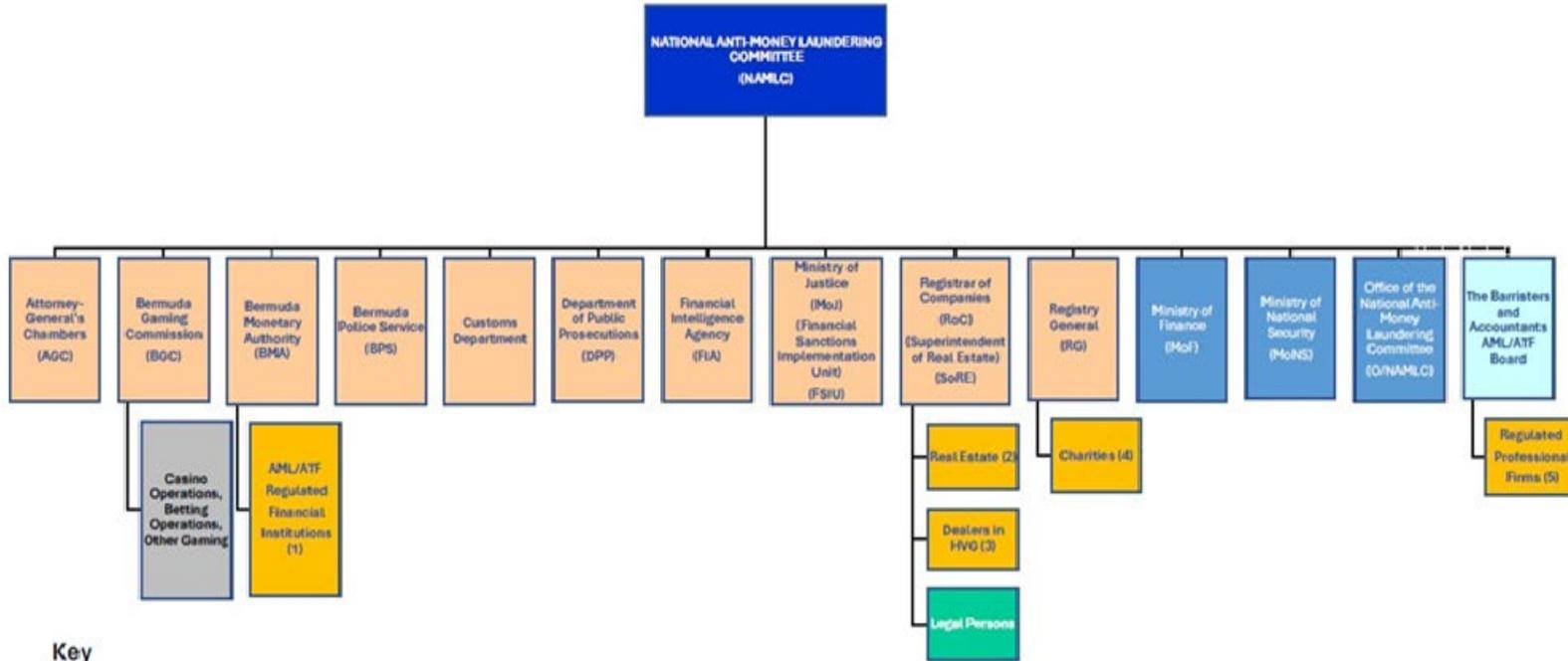
The Government is committed to enhancing Bermuda's strategic defences against proliferation financing. To that end the Government will continue its collaboration with the Governor to ensure an effective framework

in relation to TFS with respect to the proliferation of weapons of mass destruction.

Detailed Policy 12.1: The Sanctions Working Group will ensure that there is appropriate coordination of Bermuda's response to its proliferation and proliferation financing ("PF") obligations under the United Nation's Sanctions programmes, as enshrined in the legislation. The Ministry of Justice and the Customs Department as co-Chairs of the Sanctions Working Group, will ensure that relevant national authorities and/or operational partners involved in implementation of the sanctions related to proliferation and PF will participate in continued dialogue, coordination and training, where appropriate, in order to enhance effectiveness.

The Sanctions Working Group (SWG), co-chaired by the Ministry of Justice and the Customs Department, will lead coordination efforts on proliferation and PF related matters within NAMLC. This includes facilitating necessary research and dialogue to determine and implement the appropriate level of coordination required to enforce targeted financial sanctions related to PF, and also to support the development of Bermuda's export control regime to prevent the physical transfer of sensitive goods and technologies, particularly dual-use goods. These sanctions include trade-based restrictions as well as restrictions on the movement of certain designated persons and goods. The working group will submit periodic reports to NAMLC and ensure that the Governor and the Ministers of Justice, National Security and Finance, are regularly updated on relevant developments. The responsible Minister(s) will provide updates to Cabinet as needed.

Appendix 1 – Competent and Other Authorities, and NAMLC Statutory and Other Members Structure Chart



Key

- Competent Authorities and NAMLC Statutory Members
- Other NAMLC Statutory Members
- Other Authorities
- 1 Banks & Deposit Companies, Investment business, insurance, insurance Managers, Funds, MSBs, licensed Trustees, Corporate Service Providers, Digital Asset Businesses, Digital Asset Issuers, Non-licensed Persons
- 2 Real Estate Brokers (and Agents)
- 3 Jewelers, Dealers in Precious metals and stones, Cars, Boats, Motorcycles and Antiques
- 4 Charities
- 5 Law Firms & Accounting Firms carrying out 'specified activities'
- Not operational
- Types of corporate vehicles subject to registration & BO obligations: Companies, partnerships, LLCs, LLPs, SACs etc.