

27th July 2022

Report of the activities of the Barristers & Accountants AML/ATF Board (the “Board”) for the year ending 31st March 2022 - published in accordance with Section 5(3)(b) of the Proceeds of Crime (Anti-Money Laundering and Anti-terrorist Financing Supervision and Enforcement) Act 2008 (the “Act)

The Supervisory Regime

The most significant event of the preceding year has been the transition to the new registration period for all entities falling within the remit of the Board’s supervisory regime. This saw all professional firms per the AML/ATF Regulations that do not engage in specified activities (i.e. unregulated) pay a registration fee to the Board of \$750.00 per annum; and all professional firms per the AML/ATF Regulations that engage in specified activities (i.e. regulated) pay a registration fee to the Board of 1% of gross revenue related to those specified activities per annum as declared to the Board upon registration in the preceding year (minimum \$750.00).

As a result of the continuing uncertainty of Covid-19, no onsite reviews were conducted for obvious reasons. However, desktop reviews continued for all Regulated Professional Firms and the work of the Board continued unabated, with the Board meeting remotely on a monthly basis. The Supervisor has reported a high level of compliance across the sector, especially based on the generally positive independent audits reviewed.

This past year (December 2021), the Assistant Supervisor, Martin Russell left us to join a private company. Martin was instrumental to the Board’s activities and he gave great assistance to our Supervisor, Kim Wilson. There are no immediate plans to replace Martin, rather the Board has decided that our Office Manager and Technical Officer, Peter Aldrich can give assistance as required. For that, the Board expresses its gratitude to Peter for his ability to streamline operations and make our processes far easier and quicker than previously.

As reported last year, the Board continues to be an active participant in the national agenda with the Supervisor Kim Wilson continuing to lead the Board’s efforts in this regard. Kim has spent a considerable amount of time on this process and her supervisory responsibilities, for the which the Board is most grateful.

The Board continues to work with both CPA Bermuda (“CPA”) and the Bermuda Bar Association through Bar Council (“Bar Council”) via the Mutual Advisory Committee (“MAC”) to further build and consolidate a robust and effective regulatory regime.

Funding

The new registration process has worked well and the Board contained costs as much as possible to ensure that the fees remained as originally proposed (per the above). Both the CPA and Bar Council approved the Board’s budget and approvals for the 2022-2023 budget were received in March 2022. The Board’s budget is available on our website (<https://www.amlatfboard.bm>).

Audit and Financial Statements

The Office of the Auditor General (“OAG”) commenced the annual audit of the Board’s finances for year-end March 31, 2021 in accordance with legislation governing the Board’s activities. Unfortunately, the audit is still on going, largely due to staffing issues within the OAG. As a result, the Board resolved to publish unaudited financials now and we will of course publish the audited financials when received (on-line on the Board’s website).

Registration

The (re)registration process began in September 2021 and allowed the Board to issue Registration Certificates to supervised entities in time for the Bermuda Bar Council and CPA annual registration. Whilst most registrants were able to successfully navigate the process, Board staff made themselves available to assist those that had difficulties. Almost all entities that are required to register with the Board did so in time to receive their practicing certificates.

The Board continues to refine the registration process based on feedback from users, so please share any issues with the Board staff so that we may consider what further changes can be made to the registration and supervisory process. We are trying to be nimble yet effective supervisors and can do so with your input.

Board status

As reported last year, the Bermuda Bar appointed barrister Mark Cave for a three-year term in April 2021. Sadly, Mark passed away in February 2022, which was a shock to us all. Mark was a wonderful complement to the Board and will be remembered fondly.

In June 2021, the Board welcomed chartered accountant Edward Allanby, the CEO and co-founder of Lemman Management Limited, who was appointed by the CPA. In July 2021 the Board also welcomed barrister Antoine Lightbourne, the Assistant Tax Commissioner, who was appointed to the Board by Bar Council.

The Board continues to seek suitably qualified individuals to serve on the Board from Bermuda Bar members and CPA Bermuda to fill vacant positions. If you are interested in serving, please contact your respective membership body.

Final Thoughts

Regulators and supervisors globally are under increasing pressure to supervise numerous areas from AML/ATF regimes to trade sanctions, cyber-security, data protection and numerous other areas. Often pressure from regional and global bodies requires there to be further supervision. In the Board’s view, the Bermuda regime in supervising barristers and accountants is robust but there is always pressure to do more. There is a happy medium to be found in this regard and that is why it is very important when we request assistance from you that you do in fact assist, especially during National Risk Assessments

("NRA"), as well as annual working group meetings and data calls in preparation for the analysis required annually to review and update the NRA's. Whilst we as a Board and supervisory team have our own thoughts on risks to the sector, your input is what is most valuable to help you shape the regulatory landscape. There is little sense in complaining about increased regulation if you do not participate in the processes that lead to the changes. Stay tuned for requests for assistance and information sessions throughout the year.

Conclusion

The work of the Board could not all be achieved without the dedication of fellow Board members. As such, I thank Alain Fournier, Renee Oliveira, Amanda Scaife, Edward Allanby and Antoine Lightbourne for their contributions for financial year ended March 2022 and also the Supervisory Team of Kim Wilson, Martin Russell and Peter Aldrich for their sterling work. In addition, I would like to thank Elizabeth Christopher in her capacity as past Bar Council President, George Jones in his role as current Bar Council President and Jonathan Howes in his capacity as CPA President of and their respective teams for their input throughout the year.

Finally, the Supervisory Team will continue to assist in registrations. Your first point of call for queries should be our website, which has a lot of useful information. If you require assistance please call Peter Aldrich or our Supervisor, Kim Wilson.

Regards



Hon. Michael M. Fahy, JP
Chairman