THE BERMUDA
CHAMBER OF COMMERCE

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Bermuda Chamber of Commerce Response to the Pre-Budget 2026 Report and the Bermuda Tax Reform Commission Report 2025

Date of Report: 21 January 2026

Executive Summary

The Bermuda Chamber of Commerce welcomes the 2026/27 Pre-Budget Report as the primary document guiding Bermuda's fiscal strategy, including the responsible deployment of Corporate Income Tax (**CIT**) revenues, projected at approximately $600 million annually starting in 2026/27, to reduce the $3.2 billion national debt, ease the cost of living and doing business, create jobs, and promote equity. The Tax Reform Commission (**TRC**) 2025 Report provides valuable supporting recommendations, particularly on the waterfall allocation model, and both documents should be viewed in parallel.

Economics is about allocating scarce resources effectively, and the Chamber appreciates the challenge for the Government to balance all stakeholders whilst maintaining a fiscally responsible approach, as outlined in the Pre-Budget Report that aligns with its emphasis on debt reduction and stability. We congratulate the Government on achieving consecutive budget surpluses, the first in over 20 years ($29 million in 2024/25) and a revised projection of $59.8 million for 2025/26, demonstrating sound fiscal performance even before full CIT inflows. The Chamber stands ready to partner with the Government for a prosperous Bermuda.

Following a thorough review, the Chamber supports the Pre-Budget Report's priorities: fiscal responsibility first, including significant debt repayment (e.g., $500 million toward the January 2027 maturity), adherence to fiscal rules, and building reserves. However, inconsistencies in debt repayment timelines (e.g., varying commitments across documents) risk confusion.

Key Chamber Actions Requested:

- Deliver a unified debt repayment roadmap in the February 2026 Budget Statement, with specific milestones (e.g., debt below $2.5B by 2027/28) and clarity on financing residuals (prefer short-term over new bonds).
- Elevate Public Infrastructure to waterfall priority #3 or #5, committing $50-75M annually beyond current budgets.

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- Continued support for Bermuda Tourism Authority and expand Tourism Investment Orders
- Phase implementation: 2025-2027 → Build Stability/Debt Funds ($100M/$200M annually); 2028-2030 with roll out tax relief (payroll cap at 7%, electricity/fuel duty cuts, progressive employee adjustments); 2031+ → Strategic investments.
- Endorse and refine: Electricity/fuel duty elimination, $60M healthcare support (with integration plan and impact metrics by Q2 2026), housing/community tax credits (cap luxury developments), Substance-Based incentives, and raise local dividend exemption to $50K.
- Defer Future/Wealth Fund until debt/stability goals are met; use surpluses for infrastructure/debt first.
- Additional steps: Comprehensive customs duty review; immigration/workforce committee; public updates on housing strategy, economic initiatives, and quango audit updates.
- A digital finance/stablecoin strategy document (green/white paper) detailing overall initiatives, timelines, consultation, costs, risks, and integration with existing plans (such as AI strategy and public service roadmap) to ensure alignment, public buy-in, and sustainable benefits.

The Chamber stands ready to collaborate on timelines, Cost of Living Summit alignment, and broader reforms. This approach will convert CIT into sustainable fiscal strength, economic vitality, and better quality of life for Bermudians.

Overall Recommendations

This response summarises challenges and recommendations from the Chamber of Commerce for 2026, look forward to collaborating with the government and stakeholders on these points.

Fiscal Stability and Debt Management:

- Establish a unified debt repayment roadmap in the Budget Statement, with milestones (e.g., 50% reduction of $3.2B debt by 2032).
- Prioritize annual contributions: $100M to Stability Fund, $200M to Debt Sinking Fund in 2025-2027.
- Clarify plans/financing for $105M residual on 2027 maturity.
- Defer Future/Wealth Fund until debt and stability milestones are met; use surpluses for debt, stability, or infrastructure.
- Maintain Deficit Rule for current budget surplus and 70% CIT allocation to debt over 3 years.
- Timeline for Phase in of Waterfall Priorities: 2025-2027 focus on funds/debt/infrastructure; 2028-2030 tax reductions; 2031+ strategic investments.
- Add Public Infrastructure as a specific waterfall priority (#3 or #5), allocating $50-75M annually for projects like bridges, roads, and healthcare.

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Immigration and Labor Market:

- Review closed/restricted job categories ongoing, reclassifying roles as needed
- Form a joint committee by Q2 2026 to align immigration with workforce needs and Substance-Based Tax Credits.
- Continue to address aging workforce impacts on economic development and senior care.

Tax Reforms and Relief:

- Eliminate electricity fuel duties (~4% bill reduction); extend to 50% fuel duty cut at pump ($0.285/litre savings).
- Conduct comprehensive customs duty review in 2026 to ensure reasonability.
- Cap employer payroll tax at 7% (savings up to $120,000/business); enhance employee progressivity.
- Increase local company dividend exemption to $50K (from proposed $25K) to spur investment.

Healthcare:

- Provide detailed outline of funding and uses on Healthcare funding proposals, including metrics for outcomes to be expected (e.g., reduced ER visits, wait times, public vs private/insured funding expectations).

Tax Credits and Incentives:

- Prioritize Housing Infrastructure and Community Development Tax Credits; cap for luxury housing to ensure middle class housing is addressed.
- Integrate with Residential Development Order for supporting new housing development.

Other Proposals and Observations:

- Fund long-term initiatives via surpluses: home insurance subsidies, shipping subsidies, energy subsidies.
- Addition details on: Housing Strategy, Morgan's Point, DABA progress (low Bermudian jobs), National Digital Bank business plan, quango audits (e.g., Bermuda Housing Corporation not tabled in House of Assembly), Caricom membership benefits, Middle East strategy.
- Formal schedule of when economic reporting is to be released- such as 60 days for RSI and CPI, 90 days for GDP and Quarterly Bulletin of Statistics
- High company strike-offs (226 in late 2025, ~7.5% of register) is evidence for stronger local incentives vs reported new company registrations.
- Conduct a full public strategy paper on Bermuda digitisation initiatives with public consultation

Fiscal Responsibility and Debt Repayment

The Chamber strongly supports the TRC's prioritization of fiscal responsibility, particularly the priority to reduce Bermuda's $3.2B debt by 50% within a decade (Section 3.4). This aligns with the

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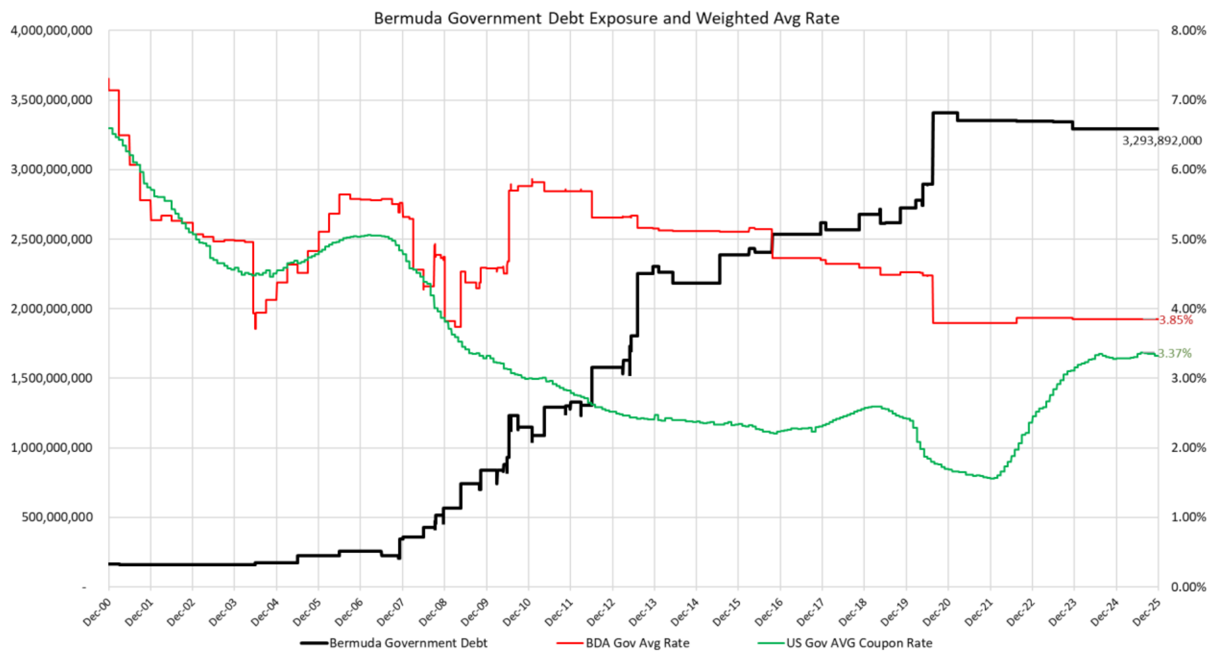
Fiscal Responsibility Panel's (FRP) 2024 recommendation to prioritize debt repayment once CIT revenues are confirmed in 2026/27 and 2024 Throne Speech's ambition to eliminate debt within 10 years.

The following shows the history of the direct Bermuda Government Debt Exposure, with average interest rate across all borrowings, compared against that of the US Government Average Rates - this is not the current yields on Bermuda Debt.



However, the varying timelines—TRC's 10-year 50% reduction, the FRP's focus on the upcoming $2.6B repayment over next eight years, and the Throne Speech's debt elimination goal—create potential confusion. We note the Pre-Budget report has an additional timeline now, with $500M being used against the January 2027 maturity, and no planned debt repayment in 2027/28 or 2028/29. We urge the government to establish a unified debt repayment roadmap by as part of the Budget Statement, specifying tangible milestones (e.g., $1.6B reduction by 2032). This roadmap should integrate the TRC's proposed Tax Refund Reserve Fund (Section 3.2) to secure refund and incentive obligations, ensuring fiscal stability.

Clarity on how the residual $105M from the January 2027 maturity is to be financed – will this be view short term borrowing facility (such as a bank facility) or refinanced into a new longer term bond. We note that the current 2032 bond facility has a Yield to Maturity of 4.88% (vs the 5% coupon) which is

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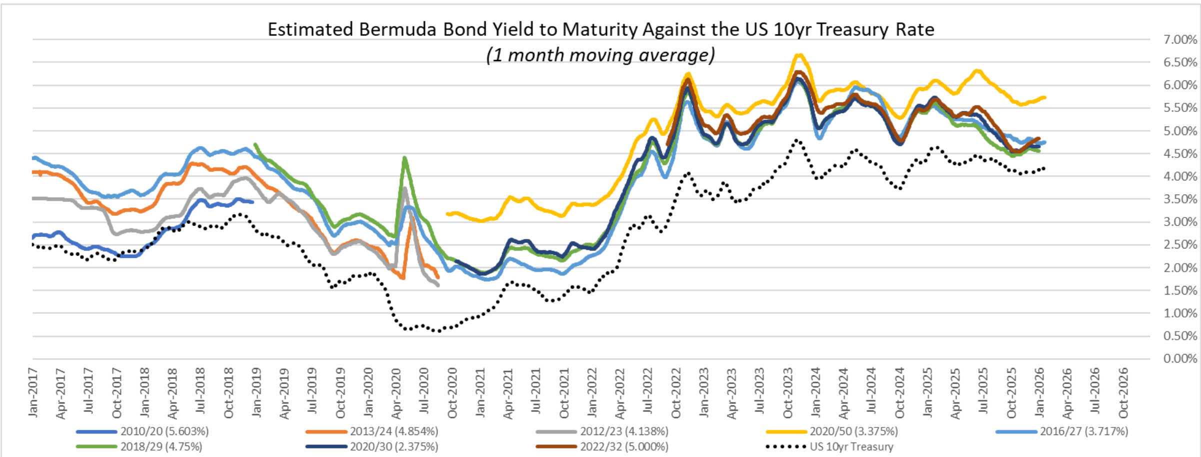
indicative of potential future rates that may be expected. Movement of Bermuda Bonds Yield to Maturity against the US 10 Year Treasury is below for reference.



The TRC's Stability Fund, targeting a $300M minimum balance to mitigate CIT revenue volatility (Section 3.3.6), is critical given the uncertainty of CIT inflows (Section 3.1.2). The Chamber recommends prioritizing contributions to the Stability Fund ($100M annually) and Debt Sinking Fund ($200M annually) in 2025-2027, before implementing tax reductions, to avoid reintroducing taxes or incurring additional debt if CIT revenues underperform (e.g., estimated $187.5M in 2025/26, Section 3.1.3, updated to $200M in the pre-budget report).

The Chamber is also aligned with the TRC on any Future Fund/Wealth Fund should not be a priority at this time, until critical milestones are achieved first, with any surpluses used for additional contributions to the Stabilisation Fund, Debt Repayment or Critical Infrastructure (as per next point) until such time that CIT is stabilised and other priorities have been addressed adequately.

The Chamber is supportive of the proposed framework outlined around maintaining a Deficit Rule, ensuring at minimum a Current Budget Surplus. We are also supportive of the 70% rolling 3yr total of using CIT revenues to address debt. This would be beneficial to see on the proposed unified debt strategy, however, we do urge caution with the comment of "accumulating net financial assets" given the other priorities that are outlined below. This should relate to short term placements in the Sinking Fund/Excess Borrowing Account/Stabilisation Fund and not put towards a Wealth Fund until the waterfall priorities have been addressed.

Public Infrastructure and Capital Investment – Waterfall Priority

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Whilst there is inclusion of “Strategic Investments” within Priority 11 (where surplus funds are allocated and is unclear the potential scope of Strategic Investments), the Chamber is of a view that Public Infrastructure and Capital Investment should be a specific Priority within the Waterfall to ensure that adequate funds are available for various capital projects, which include bridges, incinerator, housing, roads, fleet management, senior/health care facilities and other critical and public uses.

In the 2024/25 Budget Statement, there was a goal of setting a long-term goal of increasing capital expenditure to 2% of the Gross Domestic Product (GDP) by the 2027/2028 fiscal year. If GDP continued at a rough 4% growth rate based on the 2023 GDP figures, this 2% target would be approx. $200 Million of Capital Expenditure per year in 2027/28 (in line with the medium term budget and comparable against $170 Million in 2023/24).

The Chamber believes that there should be a specific priority for funding Public Infrastructure, that would not be covered by the proposed Utility Infrastructure Tax Credits, and should fit into the priority waterfall as either #3 or #5. The funding can take into account current budget allocations with non CIT sources, so would be in the $50 to $75 Million range.

Waterfall and Timelines

The TRC’s waterfall model (Section 4.1.8) provides a clear prioritization for allocating $510M in CIT revenues, but lacks a thought process around phased implementation timelines. The Chamber proposes the following phased implementation to balance fiscal stability and economic relief:

- 2025-2027: Prioritize Stability Fund ($100M/year) and Debt Sinking Fund ($200M/year) to build a $300M Stability Fund balance and reduce debt by $600M. Additionally, Public Infrastructure Funding should also be a focus ensure sufficient funding is available.
- 2028-2030: Phase in tax reductions and subsidies (e.g., employer payroll tax reduction in 2028, FCPT elimination over 4 years starting 2029) to ensure CIT revenue stability.
- 2031+: Allocate surplus funds (Priority 11) to strategic investments, such as the TRC’s Future Fund (Section 3.5) or Chamber-proposed initiatives like housing credits.

This phased approach mitigates risks of reintroducing taxes if CIT revenues underperform (Section 3.1.2). We recommend the government publish an implementation timeline by Q1 2026, aligned with CIT filing data (Section 2.3.1.5).

Immigration and Labor Market

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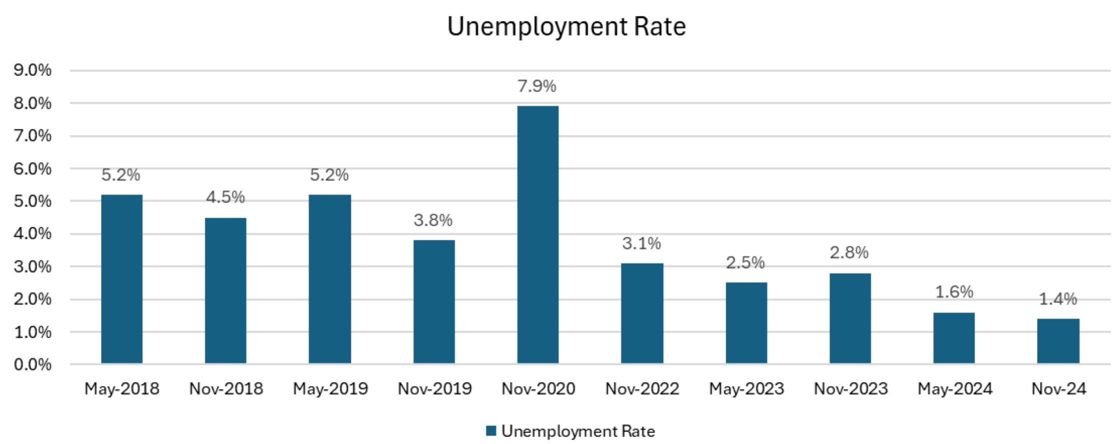
Bermuda's low unemployment rate of 2% demonstrates the labor shortages experienced by employers and also highlights the TRC also notes these challenges posed of shortages due to emigration (Section 2.1.3.4). The Chamber recommends an ongoing review of closed/restricted job categories by the Department of Immigration to support the TRC's job creation incentives (Section 5.3.11). Given the Unemployment rate is in a range that is considered to be full employment, it is recommended that the listing of Closed and Restricted Job Categories is reviewed to identify appropriate roles that should be reclassified. We note that over the past several years, the only role that has migrated has been that of Mason.



Given the current constraints of the labour market and the future requirements of the workforce, a joint committee with businesses, Ministry of Economy and Labor, Ministry of Education, Workforce Development, the Bermuda College and the TRC's Corporate Income Tax Agency (Section 6.3.3) could align immigration policies with the Substance-Based Tax Credit by Q3 2026, ensuring access to talent for economic growth across all industries whilst also ensuring that in demand roles have access to sufficient labour pools.

Customs Duties

The Chamber endorses the TRC's recommendation to eliminate customs duties on electricity production ($8M annually, Section 4.4.7), which will reduce consumer electricity bills by approximately 3.89% (Section 4.4.7.3).

We also note that the Chamber has made similar recommendations during previous Budget proposals. We propose extending this relief to fuel duties at the pump, currently $0.57/litre, representing 25.3% of the $2.254/litre retail price (as of December 15, 2025). Reducing fuel duties

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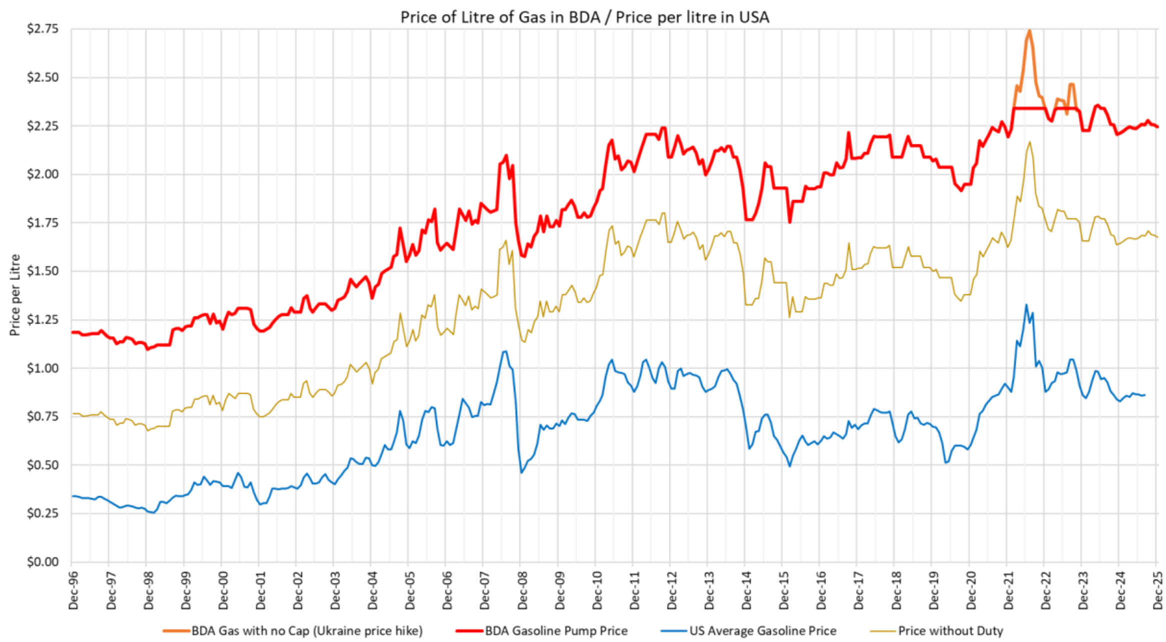
by 50% could save consumers ~$0.285/litre, or $9.41 for a 33-liter fill-up (approx. $75 today). This duty relief will also address the TRC's concern that duty reductions may not reach consumers (Section 4.7), as the Regulatory Authority oversees the price setting.



While the TRC limited broader customs duty reforms due to complexity and consumer benefit concerns (Section 4.7), the Chamber advocates for a comprehensive customs duty review by Q4 2026 to ensure rates remain fit-for-purpose. We support the TRC's targeted adjustments, including value-based alcohol duties (Section 4.7.2).

Payroll Tax

The Chamber strongly supports the TRC's proposed employer payroll tax reduction, capping rates at 7% (potentially 5%, Section 4.3.10), which could save a business with 30 employees earning $80,000 annually approximately $72,000-$120,000 (Section 4.3.10.8). This aligns with our goal to reduce business costs and stimulate hiring, particularly for medium and large enterprises. We also endorse the TRC's employee payroll tax adjustments to enhance progressivity (Section 4.3.9), such as reducing taxes by $1,785 annually for a $90,000 earner, benefiting 95% of workers earning <$144,000 (Section 4.3.9.2). Maintaining the existing $1M payroll tax cap is critical to avoid disincentivizing high-wage employment.

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To assist in reducing employer payroll tax, propose a cap on the employer rate of 7% in line with the TRC report (Section 4.3.10), as this has been raised previously of a 'penalty' fee for a business growing and expanding, and this would create a more equitable platform.

We do note that the TRC has not introduced a wider income tax approach as outlined by the FRP due to limitations on available data that make this challenging to implement. The TRC's recommendation for employee-specific payroll data collection (Section 4.3.10.4) is essential for future tax modelling, including assessing a broader-based income tax system (Appendix 2). The Chamber supports this, urging a phased implementation with voluntary compliance in 2025-2026 to ease administrative burdens, as proposed by the TRC (Section 4.3.10.6). We recommend incentives (e.g., tax credits) for early compliance to accelerate data collection.

Healthcare

The Chamber supports the TRC's healthcare initiatives, allocating $60M annually for Senior Healthcare Support ($30M), Underinsured Healthcare Support ($12M), and Low Income Healthcare Subsidy ($18M) (Section 4.2). These measures address critical cost-of-living challenges, particularly for vulnerable groups, and align with the TRC's goal of reducing healthcare system inefficiencies (e.g., fewer emergency room visits, Section 4.2.7).

We also endorse the employer health insurance subsidy ($19M, Section 4.2.9), which refunds 25% of premiums, reducing hiring costs by ~$1,200/employee for a $60,000 earner (Section 4.2.9.4).

However, clarity is needed on how these funds integrate with the Ministry of Health's $50M budget allocation (2025/26 Budget) and the proposed universal healthcare mode going forward. We recommend the government publish a detailed funding plan by Q2 2026, specifying whether the $60M is additional or inclusive of existing budgets and how it supports universal healthcare goals. Metrics to evaluate impact (e.g., reduced hospital admissions, improved health outcomes) should be established, as suggested by the TRC's ongoing review mechanisms (Section 6.2).

Tax Credits

The Chamber supports the TRC's proposed tax credits, noting that these will primarily be borne by the largest payers into CIT and vast majority of our membership will not be needing to account for these, however, will likely benefit along the way. We welcome prioritizing the Community Development Tax Credit (Section 4.5) and Housing Infrastructure Tax Credit (Section 5.4) for their immediate social and economic benefits. The Chamber's June 2025 presentation on a Deep Dive

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into Housing demonstrated the challenges and constraints of the Housing market that can hamper economic activity, and this is a point also recognised by the Government, and it is well received to see it as a priority as part of the TRC.

The Housing Infrastructure Tax Credit addresses Bermuda's housing shortage (Section 5.4.1), and we endorse the TRC's considerations for targeting affordable and moderate-income housing (Section 5.4.5.2). To ensure broad market benefits, we propose caps on credits for luxury developments (e.g., units >$1M) and integration with the Chamber's Residential Development Order concept, as outlined in the Housing Deep Dive, which incentivizes construction through streamlined approvals.

The Community Development Tax Credit, offering 25% credit for donations >$100,000 to Bermuda charities, supports the $90M in annual nonprofit funding (Section 4.5.1.2).

We also support the Substance-Based Tax Credit (Section 5.3), targeting the insurance industry in 2025, which could boost employment and local spending (e.g., 50% higher benefits for Bermudian employees, Section 5.3.11.8).

The Innovation Tax Credit (Section 5.5) for AI, fintech, and climate modelling aligns with long-term economic diversification but should follow housing and community credits due to its 2026-2027 timeline.

Tourism & Hospitality

The Chamber is aware that the National Tourism Plan is due to be updated in 2026, which is fitting given the opening of Fairmont Southampton Princess is planned for later this year, which has the potential to change the dynamics of the tourism offering in Bermuda, both from room count but expanded airlift opportunities, and we are keen to see the successful opening of the hotel. Whilst tourism is referenced in the pre-budget report, there are no specific budgetary or policy measures mentioned. The Chamber urges clear articulation of its role in supporting long-term fiscal stability, job creation, and sustainable careers for Bermudians, elevating public understanding of tourism as a core economic contributor.

As outlined within our recommendations, we strongly support specific, targeted goals towards public infrastructure and capital investment. There is a significant opportunity to align these investments-particularly in multi-use facilities such as the National Sports Centre and event-capable venues-with year-round tourism goals. By prioritizing infrastructure that enables group travel, sporting events, conferences, and cultural programming, Bermuda can attract visitors during shoulder seasons, smooth demand fluctuations, and maintain more consistent employment in

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tourism and related sectors. This approach complements destination marketing by providing the physical and experiential assets needed to deliver on promotional promises, while maximizing returns on public investments and benefiting residents, communities, and visitors alike.

We call for continued support for the Bermuda Tourism Authority, workforce training, targeted immigration reforms via the proposed joint committee, along with potential refinements to the Tourism Investment Act, such as including caps on luxury developments (given the general propensity for new development to target high end) and expanded eligibility for authentic Bermudian experiences.

Local Company Dividends

Prior year the Chamber requested that the tax exemption rate for Dividends from Local Companies be reviewed with an increase from the current $10K limit. We appreciate the Government listening to the Chamber on this and proposing $25K within the Pre-Budget report, however, to help spur local investment, we would like to see this rate at $50K with a commitment to review it going forward as appropriate to help bring added incentives to the local business space and increase investment returns for entrepreneurs.

Whilst the note public statements that there have been 82 new local companies registered in 2026, we are also aware that 226 companies were struck off the local register between August 2025 and December 2025 (some of which where still active entities), with an additional list of 80 potential strike offs being listed in January 2026. These 226 strike-offs and additional 80 represent about 7.5% of the local business register.

Resident Population and Aging Population

Bermuda's resident population remains relatively stable but faces a pronounced aging challenge that is already impacting the economy, workforce, and public services. The next official Census of Population and Housing is scheduled for 2026 (Census Day: May 20, 2026), which will provide updated, comprehensive figures.

The Bermuda Chamber of Commerce, in its 2025 Economic Report (March 2025), released a best-guess estimate suggesting the actual population could be lower—between 54,651 and 56,667—derived from proxy measures such as economic activity indicators and airport passenger traffic (inbound/outbound data up to 2024). While this does not replace official Census data, it serves as a useful proxy highlighting potential undercounting due to net emigration and other outflows.

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This aligns with statements from the Minister of Economy and Labour, the Hon. Jason Hayward, who has emphasized Bermuda's aging population as a current and intensifying reality. Recent Ministry initiatives, including the January 2026 release of the Retaining Bermudian Workers Aged 65+ Policy Guide for Employers, underscore the need to retain older workers amid a shrinking labour pool, declining birth rates, and demographic pressures.

Key demographic trends (drawing from government projections 2016–2026, National Seniors Strategy 2024–2030, and aligned sources) include:

- Median age increasing to around 46 years in 2025–2026 (from ~44.1 in 2016), with projections toward 48.6+ by late decade.
- Seniors (65+) expected to represent nearly 25% of the population by 2026, per the Bermuda National Seniors Strategy and related reports.
- Old-age dependency ratio (seniors per 100 working-age individuals, often 20–64 or 15–64) projected to rise significantly—historical estimates showed ~28 in 2017 climbing to ~43.6 by 2026, with recent World Bank data at ~33.6% in 2024 (old-age component) and broader trends indicating continued pressure.

These shifts, driven by low fertility (1.4 children per woman), rising life expectancy (83+ years), and emigration, result in fewer working-age residents (25–64 years declining proportionally) to support a growing retiree base. This exacerbates challenges in healthcare costs/availability, pension sustainability, and workforce expansion.

Current strategies focus on retaining 65+ workers (e.g., flexible arrangements, policy guides) and potential human rights adjustments around mandatory retirement. However, the Chamber stresses the need for broader action to attract and retain young and mid-career individuals through immigration reform.

As outlined in the Immigration and Labour Market section, the Chamber will continue advocating for a fundamental rethink of immigration policy and workforce development. With unemployment at ~1.4% (which can be considered a full employment level), there is a real risk that inadequate staffing becomes a material constraint on economic growth in the near term, along with an unstainable wage inflation. Without proactive measures to encourage additional young and medium-age residents, alongside enhanced senior care and workforce participation, these demographic pressures will continue to strain healthcare, productivity, and overall economic vitality.

Some Recommended Actions:

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- Integrate senior retention with aggressive immigration targeting for healthcare, elder care, and essential sectors via the proposed joint committee (Q2/Q3 2026).
- Build on TRC's $30M Senior Healthcare Support by emphasizing preventive/home-based care to manage rising costs.
- Introduce incentives for younger inflows (e.g., streamlined work permits, family-friendly policies) and senior workforce participation (e.g., part-time/flexible roles, tax credits).
- Support the upcoming 2026 Census for accurate and timely data; conduct interim biennial reviews starting Q4 2026 using proxy indicators like airport traffic and economic activity.

Addressing these trends urgently is essential to sustain Bermuda's prosperity, equity, and quality of life.

Economic Reporting

The Chamber continues to advocate for Bermuda's economic reporting to be provided on a fixed schedule with releases directly from the Statistics department, as is the norm for other developed countries. Per Section 6(2) of the Statistics Act 2002, the Minister (of Economy and Labor) may provide direction on the statistics to be published.

The Chamber would like to see Retail Sales Index and Consumer Price Index released within 60 days of the reported period, and Quarterly Gross Domestic Product, and associated Balance of Payments and Bulletin of Statistics to be released within 90 days of quarter end. Both measures ensure that the data is usable and timely. Additionally, consistency with the Annual GDP production would also be positive, as it remains to be released on an inconsistent timeline.

Collectively, all these reports are essential for providing timely insights into economic development and progress, allowing business, consumers and government to make decisions and adjustments in timely order. Without timely info, we could drift off course unnecessarily.

The following charts show the historical time lags of release from the respective periods.

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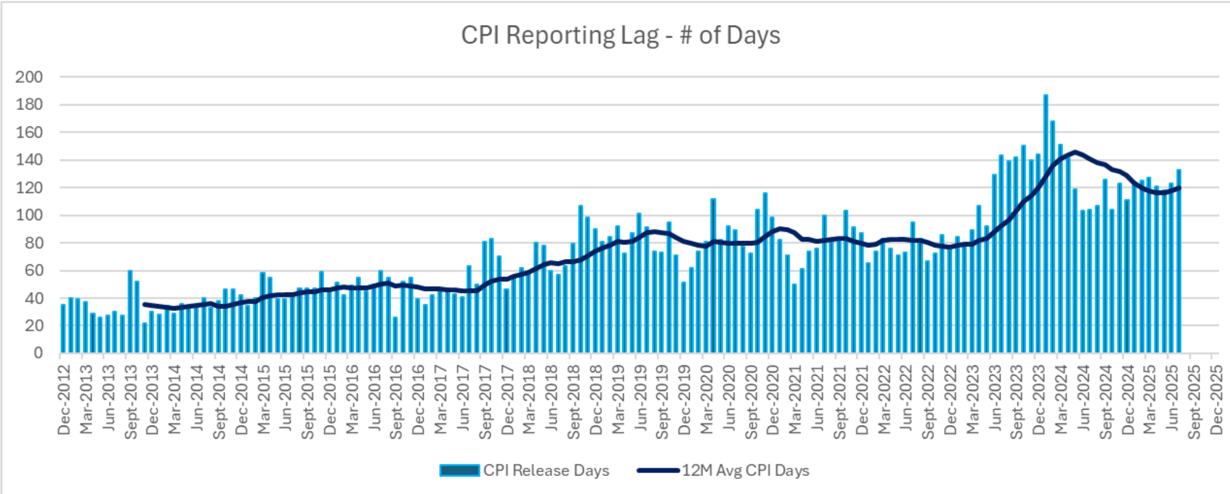

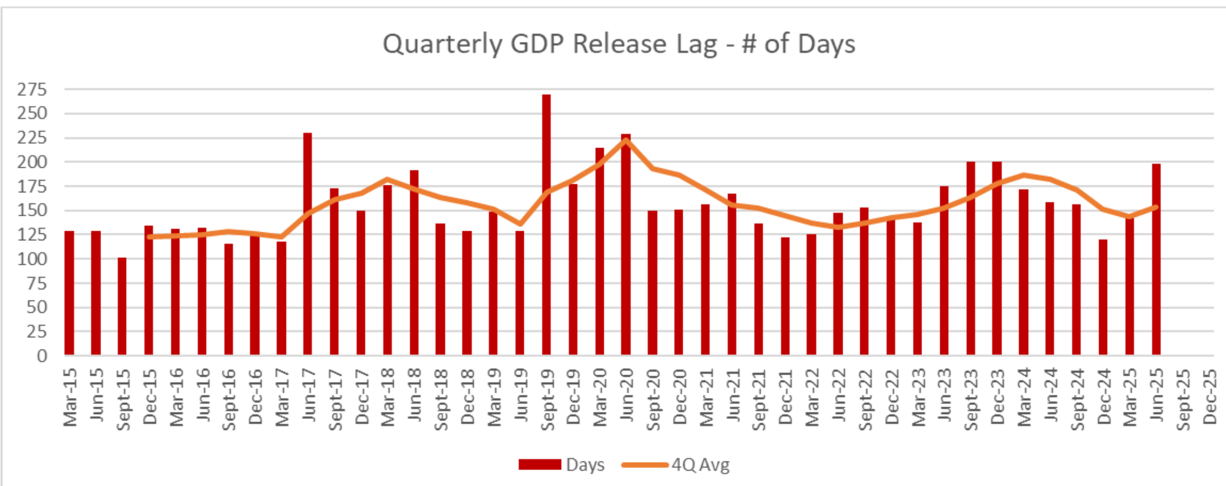

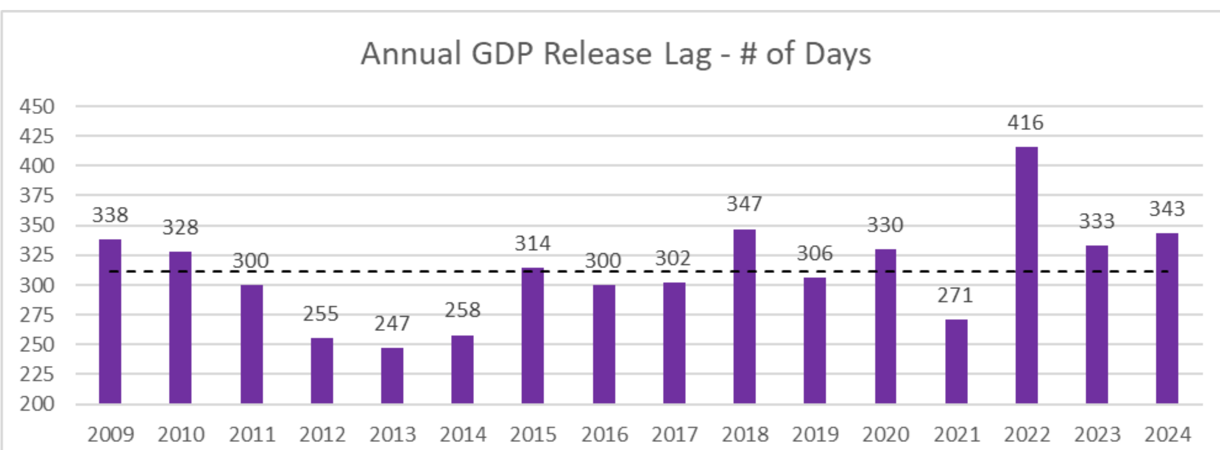

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Digital Finance and Payments Modernization

The Chamber notes the Government's January 2026 announcement (separate from the Pre-Budget Report) to advance Bermuda toward becoming the world's first "fully on-chain" national economy through partnerships with Circle (USDC) and Coinbase. This builds on existing frameworks (e.g., Digital Asset Business Act 2018) with voluntary stablecoin pilots for government payments, tokenization tools for financial institutions, and nationwide digital finance literacy programs.

The Chamber expresses guarded optimism about the potential benefits of digital finance modernization, acknowledging Bermuda's mixed but evolving experience in building a Fintech/Digital Asset ecosystem. We strongly recommend prioritizing government consultation, reducing red tape, and improving overall public-sector efficiency before advancing major initiatives like widespread stablecoin adoption.

The Government should publish a comprehensive strategy document (e.g., green or white paper) detailing timelines, costs, vendor plans, on/off-ramping solutions, asset custody, key risks/benefits (including implications for the traditional credit system, economic multipliers, and the Bermuda dollar), and public engagement.

Key considerations include:

- Overall implementation costs and potential transaction inefficiencies/on-off ramping for consumers and businesses.
- A clear roadmap outlining timelines, targeted services, future state, and integration with other efficiency programs.
- Risks to the traditional credit system if stablecoins displace banking too rapidly, along with any implications to the Bermuda dollar by embracing USDC.
- Full alignment with ongoing regulatory reforms, including the Bermuda Monetary Authority's forthcoming Payments Services Act (still in draft).
- Integration with existing digital efforts, such as the $2.1 million, two-year Paradise Mobile contract for a secure public services platform.
- Lessons learned from the $2.3 million Shorelink payment digitisation project.

We note limited public consultation to date on the "on-chain" strategy and urge active stakeholder engagement, as public buy-in, as evident in successful models like e-Estonia, is essential for success.

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The Chamber looks forward to meaningful dialogue and consultations to ensure these efforts complement fiscal stability, support sustainable economic growth, and gain broad stakeholder support.

Other Focal Points

The Chamber proposes additional long-term initiatives, to be funded via the TRC's Future Fund (Section 3.5) or surplus CIT revenues (Priority 11, Section 4.1.8), once debt reduction reaches a suitable point:

- Home Insurance Subsidies: A government-backed plan to offset natural disaster insurance costs, to reduce household expenses.
- Shipping Subsidies: Subsidize essential goods (e.g., food, medical supplies) and empty container exports, saving on reduction of import costs.
- Comprehensive Customs Duty Review: Assess duties further to reduce living costs as part of the Cost of Living Summit.
- Energy Subsidies: To help offset costs of electricity given our remote location and potential for increasing use of renewables, that may cause the bulk of the base load to be paid by a smaller proportion of users.

Other Economic Updates

In last years Pre-Budget feedback, that Chamber raised the following economic strategies and topics that require further public information for assessment.

- **Economic Development**– currently awaiting the public release of the housing strategy with potential costs and the latest strategy for Morgan's Point. Additionally, would look for updates on key industry's that have been earmarked, such as DABA, as to date, this has 22 jobs (down from 36 in 2023) of which only 11 (2023 was 21) are Bermudian[1] or Spouses, which would not be viewed as a economic pillar that was originally outlined, despite the numerous events and roadshows.
- **National Digital Bank** – we note that there has been no mention of highlighting of this initiative over recent periods or in the latest Throne Speech. Given that this has been outlined before, we call on the Business Plan to be made public so we as the business community can understand the aspects of this plan and support where necessary.
- **Internal Audits** – we note that there remain a number of quangos with outdated financial audits, from pre-2023[2]. Given the importance of a number of these quangos, we would

[1] 2024 Employment Survey Tabulation Set, Minor Division of Economic Activity, Table 3
[2] http://www.oagbermuda.bm/our-clients.php

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expect some updates on the audit plans (last audit in parathesis) around Bermuda Economic Development Corporation (2019), Bermuda Housing Corporation (2021), Board of Trustees of the Golf Courses (2020), Trustees of the National Sports Centre (2017) and Regulatory Authority (2020) to name a few. We also note that financial statements for Bermuda Housing Corporation do not appear to have been tabled in the House of Assembly for over the past 20 years, despite it appearing to be a requirement of the Bermuda Housing Act 1980, section 25 (2)3.

- **Regional Connectivity and Expanded Trade –** we expect to receive additional information on the costs and benefits of becoming a full member of Caricom, and from the business community, what are the meaningful trade opportunities that would open from our current affiliate membership. Also, we noted the Government has maintained a focus on Middle East engagement, which includes the appointment of a special advisor, we would look forward to a position paper on the wider activities and strategy that is being embarked on, as it is unclear if there is a formal plan/strategy with outcomes that has been made public to date.

Integration with Broader Policy Context

The Chamber awaits the Cost of Living Summit reports specific implementation and the outcomes from the Landlord Tenant Act consultation (held in October 2025) to assess their alignment with the TRC's housing and Cost-of-Living summit recommendations (Sections 4.1.2, 5.4). We also await public release of the 10 Year Housing Strategy that has been announced by the Ministry of Housing and look forward to future collaboration on meaningful steps to address the challenges. We recommend the government clarify how these initiatives support the Housing Infrastructure Tax Credit and address regulatory barriers (e.g., high property development costs, Section 5.4.2). A coordinated policy framework, integrating TRC recommendations with Summit outcomes and immigration reforms, is essential for holistic economic progress.

[3] https://www.bermudalaws.bm/Laws/Consolidated%20Law/1980/Bermuda%20Housing%20Act%201980

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