

# THE BERMUDA MONETARY AUTHORITY 2013 FEES

## EFFECTIVE 1<sup>st</sup> JANUARY 2013



For the convenience of the public, the following is a summary of the 2013 Fees for regulated entities pursuant to the Fourth Schedule to the Bermuda Monetary Authority Act 1969, the Banks and Deposit Companies Act 1999, the Banks and Deposit Companies (Fees) Act 1975, the Insurance Act 1978, the Investment Business Act 2003, the Investment Funds Act 2006, the Trusts (Regulation of Trust Business) Act 2001 and the Proceeds of Crime (Anti-Money Laundering and Anti-Terrorist Financing Supervision and Enforcement) Act 2008. Please note that there has been no change in fees between 2012 and 2013.

### Guidance Notes

#### Annual business fees for Class 3A insurers

The Authority will again be using its relevant powers under the Insurance Act 1978 to reduce the 2013 annual business fee for Class 3A insurers in accordance with the following schedule:

Class 3A insurer carrying on general business where gross premium is expected to:

not exceed \$5M.....	\$19,000
exceed \$5M but not exceed \$20M.....	\$22,500
exceed \$20M but not exceed \$35M.....	\$26,000
exceed \$35M.....	\$30,000
Class 3A affiliated reinsurer.....	\$19,000

#### Internal Capital Model Review Fees

For purposes of determining applicable fees for the Internal Capital Model review and approval process, the following clarification is provided in relation to the heading "Insurance Act 1978":

- (1) Under the Heading Insurance Act 1978 in the attached schedule, Paragraph 2 (m) is intended to refer to the pre-application process.
- (2) Under the Heading Insurance Act 1978 in the attached schedule, Paragraph 2 (p) is intended to be applicable for each changed section of an internal model where approval is sought subsequent to the initial model approval.

#### Entities holding more than one class of insurance licence

Prior to 2012, where an entity held more than one class of insurance licence (i.e. for the purposes of this Notice a "dual registrant"), the Authority levied the higher of the two fees otherwise applicable to the respective classes. From 2012 onwards dual registrants will pay an annual business fee for each class of licence held.

#### Late penalty fees

The Authority imposes late payment penalties on all regulated entities who fail to pay their annual business fees by the due date. In this regard, all regulated entities, except those licenced under *The Proceeds of Crime (Anti-Money Laundering and Anti-Terrorist Financing Supervision and Enforcement) Act 2008*, are required to pay a penalty amounting to 10% of any fee due for every month or part of a month that the annual business fee remains unpaid beyond the due date.

#### Class of insurer as at 1<sup>st</sup> January 2013

The amount of annual business fee due is based on an entity's assigned class as at 1<sup>st</sup> January 2013.

#### Deregistration of Insurance Groups

Designated insurers will be eligible for a pro-rata refund of any annual insurance groups fee paid from the date de-registration of an insurance group is made by the Authority.

#### Billing of material change fees to mutual funds

In an effort to enhance the efficiency and effectiveness of its operations, the BMA is introducing a web based portal for firms to provide electronic submissions of Investment Funds Act 2006 Section 6 and 25 requests. The BMA's Electronic Regulatory Information Compliance Application ("ERICA"), is currently in beta testing and is being successfully used by a limited number of Bermuda entities.

Effective 1<sup>st</sup> January 2013, the BMA will be introducing a change in practice to its billing of Investment Funds Act 2006 Section 6 and 25 transaction fees. How your firm is affected depends on whether or not your firm uses ERICA to process Section 6 and 25 submissions.

- a) For entities using the BMA's ERICA system to process Section 6 and 25 submissions

Fees do not have to be paid in advance. All Investment Funds Act 2006 Section 6 and 25 fees will be billed to the Fund and sent for settlement to the Fund Administrator of record. Submitting agents will no longer automatically receive billings for these transaction fees. Copies of invoices are available to be sent electronically to submitting agents on a standing order and request basis. Such requests should be made via email to [finance-receivables@bma.bm](mailto:finance-receivables@bma.bm). Included in the request should be details of the email address to which the invoice/statement copy should be sent.

- b) For entities not using the BMA's ERICA system to process Section 6 and 25 submissions

For those firms not using ERICA, the process remains the same, application fees are submitted with the application.

### The Banks and Deposit Companies Act 1999

- (1) Application for a licence pursuant to section 13(1).....\$22,050
- (2) Annual fee pursuant to section 116
  - (a) where an institution falls in band A.....\$18,200
  - (b) where an institution falls in band B.....\$121,300
  - (c) where an institution falls in band C.....\$242,550
- (3) For the purposes of paragraph (2) an institution falls:
  - (a) in band A if it has been consolidated gross assets not exceeding \$500 million;
  - (b) in band B if it has consolidated gross assets exceeding \$500 million, but not exceeding \$2 billion;
  - (c) in band C if it has consolidated gross assets exceeding \$2 billion
- (4) in this paragraph "consolidated gross assets" does not include assets included within the consolidated financial statements of a subsidiary company of the institution which is separately licensed under the Banks and Deposit Companies Act 1999.

Annual fees in respect of (2) above are due on or before 31<sup>st</sup> March 2013.

### The Banks and Deposit Companies (Fees) Act 1975

Annual fee pursuant to section 3 –

- (a) where the bank has consolidated gross assets (in all currencies) of less than \$2B in value .....\$262,500
- (b) where the bank has consolidated gross assets (in all currencies) of \$2B but less than \$5B in value.....\$1,443,750
- (c) where the bank has consolidated gross assets (in all currencies) of \$5B or more in value .....\$1,575,000
- (d) every deposit company .....\$10,500

Annual fees in respect of the above are due on or before 31<sup>st</sup> January 2013

### The Bermuda Monetary Authority Act 1969

- Application for a licence to carry on money service business pursuant to the Money Service Business Regulations 2007 made under section 20AA(2) of the Bermuda Monetary Authority Act 1969.....\$5,000
- Annual Fee pursuant to the Regulations.....\$5,000

Annual fees in respect of the above are due on or before 31<sup>st</sup> January 2013.

### The Proceeds of Crime (Anti-Money Laundering and Anti-Terrorist Financing Supervision and Enforcement) Act 2008

- Application fee under section 14(1).....\$105
- Annual fee pursuant to section 14(2).....\$825

The application for registration under section 10 must be accompanied by the application fee.

The first annual fee is payable upon registration. Thereafter annual fees shall be payable on or before 31<sup>st</sup> March every year.

### The Insurance Act 1978

- (1) Applying for registration as:-
  - (a) an insurer under section 4(1).....\$580
  - (b) an insurance manager, broker or agent under section 10.....\$315
  - (c) an insurance salesman under section 10.....\$75
- (2) Applying:-
  - (a) to vary or delete any conditions imposed on the Certificate of Registration under section 4(3).....\$390
  - (b) to register as a different class of insurer under section 4(6).....\$390
  - (c) [repealed]
  - (d) to be granted an extension to the filing deadline under section 17(4).....\$580
  - (e) to be exempted from the record keeping requirements of section 18C(2).....\$390
  - (ea) to notify new or increased shareholder control under section 30D.....\$390
  - (f) to file an affidavit prior to the payment of dividends exceeding 25% of a Class 3B or 4 insurer's statutory capital and surplus under section 31B.....\$390
  - (g) to receive Bermuda Monetary Authority approval for an insurer to reduce total statutory capital by 15% or more under section 31C.....\$580
  - (h) to be granted a direction under section 56 other than those mentioned in paragraph (ha).....\$390
  - (ha) to be granted a direction under section 56 in respect of:-
    - (i) exemption from requirement of section 18B to include opinion of Loss Reserve Specialist.....\$390
    - (ii) modifying of accounting provisions under sections 15 to 18 and Regulations.....\$580
    - (iii) modifying margin of solvency for general business under section 33 and Regulations.....\$390
    - (iv) modifying statutory financial returns under sections 15 to 18 Regulations.....\$390
  - (i) to be granted a direction under section 57A.....\$1,450
  - (j) to receive Bermuda Monetary Authority approval for an asset not appearing on lines 1, 2, 3(a), 5(a), 9, 10, 11 and 12 as required by the Insurance Accounts Regulations 1980, to be treated as "relevant assets".....\$580
  - (k) to receive Bermuda Monetary Authority approval of letters of credit Guarantees and any other instruments to be treated as other fixed capital.....\$390
  - (l) application for cancellation of registration under section 41(1)(a).....\$390
  - (m) application for approval of an internal capital model made under the provisions of a Rule made under section 6A.....\$40,000
  - (n) subject to paragraph 2A, application for review and approval of an internal capital model made under the provision of a Rule made under section 6A.....\$160,000
  - (o) annual fee for the monitoring of an approved internal capital model made under the provisions of a Rule made under section 6A.....\$15,000
  - (p) application for post approval of an internal capital model made under the provisions of a Rule made under section 6A.....\$15,000

(2A) Section 14(6) (which allows the Authority to reduce the annual fee depending on the nature and scale of operations of an insurer and the complexity of its business) shall apply with the necessary modifications to the application fee for review and approval of an internal capital model under paragraph 2(n) above.

Fees in respect of the above are due upon application.

- (3) Registering as:-
  - (a) an insurer:-

- (i) non-resident insurance undertaking under the Non-Resident Insurance Undertakings Act 1967 (fees in paragraphs (a)(ii) to (x) of this item do not apply to these undertakings).....\$3,650
  - (ii) Class 1 insurer carrying on general business.....\$971
  - (iii) Class 2 insurer carrying on general business.....\$2,200
  - (iv) Class 3 insurer carrying on general business.....\$12,000
  - (iva) Class 3A insurer carrying on general business where gross premium written is expected to:
    - not exceed \$5M.....\$19,000
    - exceed \$5M but does not exceed \$20M.....\$22,500
    - exceed \$20M but does not exceed \$35M.....\$26,000
    - exceed \$35M.....\$30,000
  - (ivb) Class 3B insurer carrying on general business where gross premium written is expected to:-
    - not exceed \$150M.....\$180,000
    - exceed \$150M but does not exceed \$350M.....\$200,000
    - exceed \$350M but does not exceed \$2B.....\$230,500
    - exceed \$2B.....\$260,000
  - (v) Class 4 insurer carrying on general business where gross premium written is expected to:-
    - not exceed \$150M.....\$180,000
    - exceed \$150M but does not exceed \$350M.....\$200,000
    - exceed \$350M but does not exceed \$2B.....\$230,500
    - exceed \$2B.....\$260,000
  - (vi) Special Purpose Insurers.....\$6,000
  - (vii) Long Term – Class A.....\$10,500
  - (viii) Long Term – Class B.....\$10,500
  - (ix) Long Term – Class C.....\$20,000
  - (x) Long Term – Class D.....\$40,000
  - (xi) Long Term – Class E.....\$60,000
- (b) an insurance manager, broker or agent under section 10.....\$1,406
  - (c) an insurance salesman under section 10.....\$140

- (4) Issuing any certificate under section 14(1)(c).....\$580
- (5) Inspecting the register under section 14(1)(d).....\$25
- (6) The furnishing by the Authority of any document or copy of a document under Section 14(1)(e):
  - (a) for the first three pages or part thereof.....\$25
  - (b) for each additional three pages or part thereof.....\$6

Fee in respect of the above are due upon application

- (7) Annual fee under section 14(2) payable by:
  - (a) An insurer:-
    - (i) Non-resident insurance undertaking under the Non-Resident Insurance Undertakings Act 1967 (fees in paragraphs (a)(ii) to (x) of this item do not apply to these undertakings).....\$3,650
    - (ii) Class 1 insurer carrying on general business.....\$971
    - (iii) Class 2 insurer carrying on general business.....\$2,200
    - (iv) Class 3 insurer carrying on general business.....\$12,000
    - (iva) See introductory guidance notes to this schedule referring to annual business fees for class 3A insurers
    - (ivb) Class 3B insurer carrying on general business where gross premium written in the previous year of assessment:
      - did not exceed \$150M.....\$180,000
      - exceeded \$150M but did not exceed \$350M.....\$200,000
      - exceeded \$350M but did not exceed \$2B.....\$230,500
      - exceeded \$2B.....\$260,000
    - (v) Class 4 insurer carrying on general business where gross premium written in the previous year of assessment:-
      - did not exceed \$150M.....\$180,000
      - exceeded \$150M but did not exceed \$350M.....\$200,000
      - exceeded \$350M but did not exceed \$2B.....\$230,500
      - exceeded \$2B.....\$260,000
    - (vi) Special Purpose Insurers.....\$6,000
    - (vii) Long Term – Class A.....\$10,500
    - (viii) Long Term – Class B.....\$10,500
    - (ix) Long Term – Class C.....\$20,000
    - (x) Long Term – Class D.....\$40,000
    - (xi) Long Term – Class E.....\$60,000