

**MINISTERIAL STATEMENT
TO THE HOUSE OF ASSEMBLY
BY THE HONOURABLE E. DAVID BURT, JP, MP
PREMIER & MINISTER OF FINANCE**

UPDATES TO BERMUDA'S AML/ATF FRAMEWORK

Friday 13th July 2018

Mr. Speaker

I'm pleased to give this statement today to update this Honourable House and the listening public on the Government's intentions for updating Bermuda's anti-money laundering and anti-terrorist financing (AML/ATF) legislative framework.

This is both timely and important, **Mr. Speaker**, because during the remaining sittings of this Honourable House during this Parliamentary session, seven (7) Bills addressing a variety of AML/ATF related issues will be tabled for debate. Therefore, I would like to provide some context for this and give a brief update on the status of the assessment of Bermuda's AML/ATF regime.

Mr. Speaker,

The assessment of Bermuda's AML/ATF regime is currently underway and is being conducted by an Assessment Team comprised of experts drawn from peer

jurisdictions who are all members of the Caribbean Financial Action Task Force, or “CFATF”. This assessment commenced early in 2018 when Bermuda was required to submit to the CFATF on the 23rd of March 2018, a Questionnaire outlining how Bermuda’s legislative and operational framework complies with the international requirements; and on 25th May 2018 a written submission detailing how Bermuda is effective in the fight against money laundering and terrorist financing.

Mr. Speaker

I am pleased to advise that Bermuda successfully met both deadlines in March and May 2018, due in no small part to the collaborative efforts of all of the responsible authorities in Bermuda, under the coordination and oversight of the National Anti-Money Laundering Committee. This is a continuation of the great work that this committee and the operational agencies have been doing as they have worked to update Bermuda’s anti-money laundering and terrorist financing regime and to prepare for this important assessment.

The Assessment Team will visit Bermuda, **Mr. Speaker**, for two weeks starting on September 24th. They will meet and interview key persons within government agencies, supervisory authorities and across the private sector, in order to verify the

truth of our assertions about the strength of our regime and its effectiveness. In the interim, the assessment team has provided Bermudian authorities with preliminary findings on Bermuda's compliance with the technical requirements, arrived at from their desk-based review of our written submissions. Therefore, we now have an opportunity to provide them with further clarification and where necessary, to also put in place additional legislative measures to provide more clarity or to fully address any identified gaps in the framework.

Mr. Speaker

Bermuda will get credit for any legislative amendments that are in force when the team arrives in September. It is therefore important that we take the necessary and important action during the remaining weeks of this Session to enact the required legislation

Mr. Speaker

The overarching goal of the work being doing by the members of the National Anti-Money Laundering Committee and other supporting agencies is to ensure that Bermuda maintains its reputation as a premier international financial centre with a robust and effective regulatory framework. This is necessary for us to retain existing

business which is a key component of our economic foundation and to attract new quality business which will assist us in implementing our programs for job creation and enhancement of services to the Bermuda public. To this end, the Government is focussed on ensuring that Bermuda is compliant with the international standards set by the Financial Action Task Force (FATF) and that we support the ongoing work of the community of nations to prevent and combat money laundering and terrorist financing within our financial system and beyond.

Mr. Speaker

As noted earlier, the evaluation of Bermuda's anti-money laundering and anti-terrorist financing regime has already commenced. This Government is fully aware of the significant challenges that other countries are having to face when this assessment process has resulted in low ratings in key areas, due to significant deficiencies in their framework. This Government recognised the importance of this work to Bermuda's economic future and has been working hard to ensure that Bermuda's AML/ATF regime has the necessary components to be effective and to demonstrate its effectiveness. Since becoming the Government, almost one year ago, we have worked with the public and private sector to advance necessary initiatives to increase our level of compliance with the required standards. It has also been an area of focus in our legislative program. Actions in this regard have been made a priority and resources

and time have been invested in this area, because, in order to grow, Bermuda must continue to be an attractive place for quality business.

Mr. Speaker

Placing this suite of amendment Bills before this Honourable House is part of our work to honour our commitment to the people of Bermuda, to provide more opportunities and a better future for the people of Bermuda.

The various AML/ATF-related Bills that have been tabled since the last sitting and which will be tabled in the upcoming week, all collectively address a number of issues that have been identified as outstanding gaps either by directly by the responsible agencies or through the initial feedback received from the assessment process.

In particular, **Mr. Speaker**, the various Bills seek to, among other things, amend the AML/ATF laws to:

- Specify in law that suspicious activity reporting obligations of regulated entities are to be carried out promptly, that is they will be required to promptly report suspicious activities in relation to either money laundering and terrorist financing;
- Expressly stipulate that the suspicious activity reporting obligation, applies also whenever a regulated entity suspects that a terrorist financing transaction is

being attempted. Such a report must be made even if the transaction was not successful or was not completed;

- Strengthen the provisions in relation to tipping off offences to ensure they fully adhere to international standards;
- Increase the penalties on legal persons for money laundering and terrorist financing offences, to address the requirement for such penalties to be dissuasive;
- Expressly state in clear language that regulated entities are required to identify, assess and understand their money laundering and terrorist financing risks and to keep these risk assessments up to date; and
- Strengthen Bermuda's anti-money laundering and anti-terrorist financing technical regime related to correspondent banking relationships.

Mr. Speaker, the amendments to other legislation will, among other things:

- Expressly allow the Attorney General, in her capacity as Bermuda's Central Authority for mutual legal assistance, to provide international assistance for non-conviction based confiscation proceedings in circumstances where the criminal defendant is deceased or for other similar reason no criminal proceedings can be commenced or continued;

- Enhance the intelligence gathering powers of the Financial Intelligence Agency;
- Expressly prohibit the use of agents by money service businesses;
- Enhance the information gathering powers of customs officers in relation to false declarations or non-declarations at the border, where currency and negotiable instruments are imported or exported;
- Expressly prescribe that beneficial ownership information filed with competent authorities and/or retained by relevant persons is kept up to date; and
- Strengthen the framework for oversight of the legal and accounting professions in relation to entry controls, discipline and accountability, while also enhancing the relationship between the Barristers and Accountants AML/ATF Board and the Bar Council, as well as their relationship with the Board of CPA Bermuda, to support better coordination and supervision of the professions.

Mr. Speaker

We are confident that these amendments will both bolster Bermuda's overall anti-money laundering and anti-terrorist financing regime, as well as provide a sound basis upon which Bermuda can expect to get ratings which will appropriately reflect its level of compliance and effectiveness. We look forward to the continued support of our

colleagues in both the House and the Senate, as well as those persons in the public and private sectors who are working tirelessly to ensure a better tomorrow for the people of Bermuda.