GOVERNMENT OF BERMUDA

Ministry of Home Affairs

PROMOTING COMPETITION AND MARKET FAIRNESS IN BERMUDA

Consultative Policy Document

PROPOSED COMPETITION ACT 2026

August 2026

Ministerial Foreword

Every household in Bermuda feels the cost of living. We feel it in the grocery bill, in the health insurance premium, in the price of a prescription, and in the cost of keeping the lights on. Over the past three years I have listened to seniors, families, workers, and business owners across this island describe the same pattern: prices rise, choices narrow, and no public body holds the power to ask why.

The facts tell the story. Grocery prices rose 38 percent in the decade to 2025, more than double the pace of general inflation. Two of our three major health insurers merged without any competitive review, and in February 2026 the merged group directed high-cost prescriptions to a single pharmacy group. The island’s largest grocery chains combined in October 2024 with no public process. Bermuda stands among the last developed jurisdictions without a general competition law.

The Government committed in the 2024 and 2025 Throne Speeches to close that gap. This document honours the commitment to consult before we legislate. It explains the problem, sets out a Competition Act built for a market of 64,000 people, and asks for your views before the law is drafted. The framework rests on conduct, on transparency, and on proportion. Success earned through better products, lower prices, or superior service remains untouched.

We listened. We are acting. Together we will deliver markets that serve the people of this country.

The Hon. Alexa N. H. Lightbourne, JP, MP

Minister of Home Affairs

Executive Summary

Bermuda operates without a general competition law. The consequences are measurable. Grocery prices rose 38 percent between 2015 and 2025, more than twice the pace of general inflation. Two of the island's three major health insurers amalgamated between 2023 and 2025 without any competitive review, and in February 2026 the merged group directed high-cost prescriptions to a single pharmacy group. The island's largest grocery chains merged in October 2024 without review. A Government survey of Bermudian emigrants found the cost of food, of housing and utilities, and of healthcare to be the top three reasons people leave. These pressures fall on seniors, families, and small businesses first.

The Government proposes a Competition Act 2026 built for a market of 64,000 people. Four principles govern the design: proportionality, conduct over structure, essential sectors first, and transparency as discipline. The proposed law prohibits agreements that fix prices, share markets, or rig bids. It prohibits the abuse of a dominant position, including the channelling of consumers to connected entities. It requires approval of mergers in seven essential sectors where the combined entity would hold 40 percent or more of the market, or where a health insurer acquires a health service provider. Comparable thresholds operate in Trinidad and Tobago and Barbados, and jurisdictions of Bermuda's size, Jersey and Guernsey among them, have run notification-based regimes for two decades.

The existing Regulatory Authority, renamed the Competition and Regulatory Authority (CRA), administers the regime through a new Competition Division with a dedicated Healthcare Competition Unit. Small undertakings are exempted by regulation. The proposed law reaches an undertaking only in so far as it supplies or acquires goods or services in Bermuda, on the model of the Stamp Duties (International Business Relief) Act 1990, so the international transactions of Bermuda exempted companies sit outside it by statute.

The framework answers the events that prompted it. An interim measures power allows the Authority to suspend a commercial arrangement in an essential sector pending investigation, subject to strict conditions of necessity, duration, and expedited appeal. A transitional review power reaches mergers completed before commencement in essential sectors, within a 12-month window and limited to behavioural remedies. Mandatory market studies in healthcare and pharmaceuticals, grocery retail, and fuel proceed on a sequenced statutory schedule.

Three further elements are carried in this consultation as open questions for a later phase: a designation regime for firms with substantial and entrenched market power, the commencement of criminal penalties for cartel conduct beyond the civil regime, and a power to review anti-competitive state measures. The reorganisation of non-housing consumer protection functions is proposed in principle and will be brought to Cabinet in a separate Memorandum following staff and Board consultation.

Accountability rests on four safeguards. The Authority reports annually to Parliament. It is statutorily independent in individual investigations, while the Minister may issue general policy directions published in the Gazette. Its decisions are appealable to the Supreme Court. An independent review of the law's operation is laid before both Houses at intervals of not more than five years.

The consultation closes on 15 September 2026.

Policy Document Outline

This document is structured in three parts:

- **Part A, The Policy (Chapters 1 to 4):** Explains why Bermuda needs competition law, what problems it addresses, and what principles guide the framework. It includes a candid assessment of the pace problem and the proposed reorganisation of consumer protection functions.
- **Part B, The Proposed Framework (Chapters 5 to 7):** Explains how the proposed Competition Act would work in plain language, including its application to specific sectors.
- **Part C, Consultation and Participation (Annexes A and B): Identifies the sector stakeholders and Government bodies to be engaged, sets out the cross-ministerial consultation schedule, and lists the abbreviations used in this document.**

PART A: THE POLICY

CHAPTER 1: WHY COMPETITION LAW MATTERS FOR BERMUDA

1.1 What Is Competition Law?

Competition law exists to ensure that markets work for consumers. It does three things. It prohibits businesses from colluding to fix prices or carve up markets. It prevents dominant firms from abusing their market power to exclude competitors or exploit consumers. And it ensures that mergers and acquisitions that would substantially reduce competition are reviewed before they proceed.

Competition law is not about preventing businesses from being successful. A business that achieves a strong market position through better products, lower prices, or superior service is not penalised. What is prohibited is conduct that harms the competitive process. Agreements to fix prices. Abuse of a dominant position through exclusionary tactics. Mergers that eliminate meaningful alternatives for consumers.

1.2 Why Bermuda Needs This Now

Bermuda is one of the few developed jurisdictions in the world without a general competition law. The consequences are visible in the cost of living that Bermudians experience every day.

- **Healthcare:** Two of Bermuda's three major health insurers merged in 2023 to 2025 to form a single group, which also owns medical practices and in February 2026 announced that high-cost prescriptions must be filled exclusively at one pharmacy group. No authority could review the merger for competitive impact. The Health Minister could only request, not require, a deferral of the pharmacy restriction.
- **Groceries:** The island's two largest grocery groups merged in October 2024, consolidating the largest grocery chain without any regulatory review. Grocery prices have risen 38 percent over the past decade. That is more than double the rate of general inflation.

- **Electricity:** The licensed electricity utility retains a legislated monopoly on transmission, distribution, and retail, now owned by an overseas multinational. The Regulatory Authority's tariff regulation saved consumers approximately $90 million between 2020 and 2024, a decision upheld by the Supreme Court in February 2024, yet this oversight does not extend to other essential sectors.
- **Media:** Bermuda has had a single daily print newspaper since 2014, when the island's two major media companies amalgamated their printing and online businesses and the island's second newspaper ceased publication.

In each case, market concentration has increased without any public process to assess whether consumers are being served. A government survey of Bermudian emigrants found that the cost of food, housing and utilities, and healthcare were the top three reasons people leave. These economic conditions are driving people from our island.

The 2024 Throne Speech foreshadowed scrutiny of mergers and acquisitions in essential sectors. The March 2025 Throne Speech committed the Government to "review and amend the Regulatory Authority's mandate to oversee both regulated and unregulated sectors, ensuring transparent pricing, fair competition, enhanced consumer protection and the power to prevent unnecessary concentration of market power in key sectors". This framework delivers that commitment.

A note on fairness: this document refers to market events and transactions in general terms because they form part of the public record and explain why the framework is proposed. No finding of breach of any law is made or implied against any undertaking. Any matter arising under the proposed Act would be determined under its statutory procedures, on evidence, and with full rights of reply.

1.3 Bermuda's Unique Context: A Small Island Economy

Any competition framework for Bermuda must reckon with a fundamental reality. In a community of 64,000 people on 21 square miles, some degree of market concentration is inevitable. It would not be practical to have ten grocery chains, five electricity providers, or eight health insurers. The question is not whether markets are concentrated. They will be. The question is whether adequate safeguards exist to ensure that concentration serves consumers rather than merely accumulating corporate power.

The proposed framework is built on four principles tailored to this reality:

- **Proportionality.** Regulatory burden must match the economy's scale. Small businesses are exempted. Review timelines are tight. The framework is administered by the existing Regulatory Authority, not a new bureaucracy.
- **Conduct over structure.** The framework prohibits the abuse of dominance, not dominance itself. A firm that holds a strong market position through efficiency or innovation is not penalised. Only conduct that exploits or entrenches that position at the expense of consumers.
- **Essential sectors first.** The framework designates seven essential sectors for priority attention. These are the sectors where concentration has the greatest impact on household costs and public welfare.

- **Transparency as discipline.** In a small market, public scrutiny is itself a competitive discipline. The framework requires publication of merger decisions, market study findings, exemption grants, and enforcement actions.

The proposed Act reaches only the supply or acquisition of goods and services in Bermuda, so the international transactions of Bermuda exempted companies sit outside it by statute. Section 5.6 sets out this territorial confinement in full.

1.4 The Models Drawn On, Sized for Bermuda

The framework imports no single jurisdiction's law. It draws on tested models and sizes each one for Bermuda. The prohibitions on anti-competitive agreements and abuse of dominance follow the approach used across the Commonwealth and the Caribbean, adapted to a single small market. The 40 percent notification threshold for essential sector mergers carries direct regional pedigree: Trinidad and Tobago and Barbados apply 40 percent tests in their fair competition regimes, and Jamaica's Fair Trading Commission has enforced conduct rules since 1993.

Jersey, with a population of about 103,000, and Guernsey, with about 63,000, have operated notification-based merger control since 2005 and 2012 respectively, each through a combined utility and competition regulator. That is the institutional model proposed here: one authority, sectoral regulation and competition enforcement under one roof, with resources shared and proportionality guaranteed by statute.

Each element is tested against one question, "*does it work for a market of 64,000 people?"* Provisions built for global platforms or continental economies are carried in this consultation as questions for a possible later phase, informed by the market studies, and are not proposed for enactment at the outset.

CHAPTER 2: THE PACE PROBLEM AND THE COST OF DELAY

2.1 Private Sector Velocity Versus Regulatory Response

The single greatest risk to this framework is that it will arrive too late. The private sector restructures markets on commercial timelines measured in weeks and months. The Government legislates on parliamentary timelines measured in years. This asymmetry is not unique to Bermuda, but in a jurisdiction of 64,000 people the consequences of delay are sharper and less reversible than in larger economies.

The healthcare consolidation illustrates this precisely. In June 2023, a major health insurer acquired a controlling stake of another health insurer. By mid-2025, the entities had amalgamated under a new brand. The group had already acquired primary care medical practices in 2020. In February 2026, exclusive pharmacy channelling of high-cost prescriptions was announced. Three phases of consolidation, horizontal merger, vertical acquisition of providers, and exclusive channelling of pharmacy access, completed in under three years. In that same period, the Government announced a Throne Speech commitment, held a Cost of Living Summit, issued a ministerial directive to the Regulatory Authority, and commissioned drafting of a competition framework.

The lesson is that any framework that relies entirely on a comprehensive statute enacted after full consultation and parliamentary process will, by definition, arrive after the consolidation it was designed to prevent.

2.2 Sequencing the Market Studies

The proposed Competition Act mandates market studies in the essential sectors where concentration bears most directly on household costs. These studies are necessary. They will provide the evidence base for informed enforcement and policy decisions. Their scheduling must match the capacity of a newly established Competition Division. The Government therefore proposes a sequenced statutory schedule in place of a single deadline: a combined healthcare and pharmaceuticals study commenced within six months of commencement; a grocery retail study commenced within 12 months; and a fuel and liquefied petroleum gas (LPG) study commenced within 24 months; each to be completed within 12 months of its own commencement.

Bermuda is invited to consider what can happen during that period. A market study requires the Authority to define the relevant market, identify participants, design a data collection methodology, issue information requests, analyse responses, consult stakeholders, draft findings, and publish recommendations. Each stage can be delayed by incomplete data, legal challenges to information requests, or resource constraints in a newly established Competition Division. Meanwhile, the businesses under study continue to operate, and nothing in the proposed framework prevents them from restructuring further while the study is underway.

The healthcare study illustrates a new landscape that would assess the competitive effect of the vertical integration described in Chapter 1, in a sector that moved from merger announcement to exclusive channelling in under three years. A study that starts late or runs long describes a market that no longer exists. The six-month commencement and the fixed completion period for the combined healthcare and pharmaceuticals study are proposed to manage that risk.

2.3 Mitigation: Parallel Tracks and Interim Powers

The framework addresses this risk through two mechanisms.

The interim measures power. The proposed framework grants the Authority power to issue directions on an urgent basis where it has reasonable cause to suspect a breach, even before completing an investigation. It specifically empowers the Authority to suspend commercial arrangements by vertically integrated undertakings in essential sectors pending investigation. The power operates under strict conditions stated on the face of the legislation. The Authority must be satisfied that a direction is necessary and urgent. A direction lapses after six months and is renewable once, with published reasons. An expedited appeal lies against it, and the Authority carries a duty to progress the underlying investigation while it stands. Had a power of this kind existed in February 2026, the deferral of the pharmacy restriction would have rested on legal authority in place of ministerial request.

Second, the transitional review power. This power allows the Authority to review mergers in essential sectors completed before commencement. A review may be opened only within 12 months of commencement, and only on published reasons. Remedies for a pre-commencement merger are limited to commitments and behavioural directions. Divestiture and unwinding are expressly excluded, and no financial penalty may be imposed in respect of the pre-commencement transaction itself. Within those limits, the power ensures that the largest consolidation events in Bermuda's recent history can be examined on their competitive effects, and that completed transactions do not pass beyond public scrutiny only because the legislative response followed the commercial execution.

CHAPTER 3: REORGANISING CONSUMER PROTECTION FOR THE NEW FRAMEWORK

3.1 The Current Structure and Its Limitations

Consumer protection in Bermuda is currently administered by the Consumer Affairs section within the Ministry of Home Affairs, operating under the Consumer Protection Act 1999. This section handles consumer complaints, investigates unfair business practices, administers the Consumer Affairs Board, and is responsible for price monitoring and essential commodity oversight. Its mandate also overlaps with the Cost of Living Commission's functions under the Cost of Living (Essential Commodities) Regulations 2022.

This arrangement has served Bermuda for over two decades, but it was designed for a pre-competition-law environment. Consumer Affairs was conceived as a complaints-handling and unfair-practices body, not as a market regulator. Its maximum penalty of $10,000 reflects this. Its investigative powers are limited to individual transactions and do not extend to systemic market conduct, merger review, or abuse of dominance. As the Government introduces economy-wide competition law, the consumer protection architecture must evolve in parallel.

3.2 The Proposed Transfer: Non-Housing Consumer Functions to the CRA

The Ministry of Home Affairs proposes to transfer all non-housing related consumer affairs functions from the existing Consumer Affairs section to the Competition and Regulatory Authority, subject to a separate Cabinet decision and to consultation with affected staff, the Bermuda Public Services Union, the Consumer Affairs Board, and the Cost of Living Commission. This proposal reflects a strategic judgement that consumer protection and competition enforcement are two sides of the same coin and are most effective when administered by the same body with the same powers and the same institutional knowledge.

Under this proposal:

- **The CRA would assume:** Consumer complaints intake and investigation for all sectors except housing. Price monitoring and transparency enforcement, including the Digital Grocery Price Tracker and pharmaceutical price reporting. Administration of the consumer protection provisions of the Consumer Protection Act 1999, with enhanced penalties to be sought through amendment. Essential commodity price monitoring currently performed by the Cost of Living Commission, integrated with the CRA's market surveillance function.

The proposal offers several practical benefits. It creates a single point of entry for consumers and businesses navigating competition and consumer protection issues. It ensures that consumer complaints about pricing, access, or quality in essential sectors are handled by the same body that has investigative and enforcement powers under the Competition Act. It eliminates the current gap where Consumer Affairs can identify a problem but lacks the tools to address its structural causes. And it positions the CRA as the comprehensive market regulator that the Throne Speech envisaged.

Small jurisdictions already combine market regulation functions in a single authority. Jersey and Guernsey administer competition enforcement and sectoral regulation through combined authorities, and that consolidation logic informs this proposal.

3.3 Consumer Protection as a Wrap-Around Function

The proposal represents a philosophical shift in how Bermuda approaches consumer protection. Under the current model, consumer protection is reactive. A consumer complains, Consumer Affairs investigates, and if the complaint is upheld, a penalty of up to $10,000 is imposed. The systemic causes of the problem, market concentration, information asymmetry, vertical integration, are beyond the reach of the existing framework.

Under the proposed model, consumer protection becomes a wrap-around function that operates at every level of market regulation. When the CRA conducts a market study in the healthcare sector, consumer complaints about pharmacy access and insurance premium increases are not just individual grievances. They are evidence of market dysfunction. When the CRA reviews a proposed grocery merger, the consumer complaint data on post-merger pricing in previously merged sectors informs the competitive assessment. When the CRA investigates abuse of dominance in the fuel sector, the price monitoring data from essential commodity tracking provides the baseline against which anti-competitive pricing can be assessed.

This integration means that every consumer who contacts the CRA with a complaint about the price of bread, the cost of a prescription, or the terms of their health insurance policy is simultaneously contributing to the Authority's intelligence base for market surveillance and enforcement. The consumer protection function feeds the competition enforcement function, and the competition enforcement function addresses the structural causes that generate consumer complaints.

3.4 Sector-Specific Consumer Protection Implications

The proposal has specific implications for each essential sector:

- **Healthcare:** Consumer complaints about premium increases, claims denials, pharmacy access restrictions, and provider choice limitations would be received by the same body that administers the vertical integration abuse provisions and the healthcare market study. The Bermuda Health Council (BHC) continues to handle clinical quality and licensing complaints. A Memorandum of Understanding (MOU) between the CRA and BHC would delineate which complaints are handled where.
- **Grocery:** Price complaints and reports of post-duty-relief margin retention would feed directly into the CRA's grocery market study and any abuse of dominance investigations. The Digital

Grocery Price Tracker, once operational, would be administered by the CRA, enabling real-time price comparison to be linked with competitive analysis.

- **Pharmaceuticals:** Consumer complaints about medication pricing, access restrictions, and formulary exclusions would be handled alongside the pharmaceutical market study and any investigation of exclusive channelling arrangements.
- **Fuel and construction materials:** Price complaints in these sectors would for the first time be received by a body with the power to investigate the structural causes of pricing, not just the symptoms.
- **Stevedoring:** Consumer complaints about the cost of imported goods attributable to port charges would inform the CRA's oversight of this essential sector monopoly infrastructure provider.

CHAPTER 4: INTERACTION WITH EXISTING REGULATION

Bermuda's economy is already regulated by multiple bodies. The proposed Competition Act is designed to complement, not conflict with, existing regulation.

Regulatory Authority (Telecoms, Electricity, Submarine Cables)

The existing competition provisions in the Regulatory Authority Act 2011 (sections 85 to 88) would be repealed and replaced by the economy-wide Competition Act. This consolidates competition law into a single statute. The repeal commences together with the new prohibitions, and transitional provisions carry existing determinations forward, so no competition law gap opens in telecommunications, electricity, or submarine cables at any point in the transition. Conduct that a licence condition or a tariff decision under those Acts requires of an undertaking does not itself breach the Competition Act, and a licence does not shelter conduct the licence does not require. Sector-specific licensing, rate-setting, and service standards continue under the Electronic Communications Act 2011, the Electricity Act 2016, and the Submarine Communications Cables Act 2020.

Bermuda Health Council (Healthcare)

The BHC becomes the Authority's mandatory consultation partner for healthcare competition matters. A formal Memorandum of Understanding would govern information sharing, referrals, and coordination. The BHC does not gain enforcement powers under the framework. It provides sector-specialist intelligence and clinical expertise. Any merger involving a health insurer acquiring a health service provider requires consultation with the BHC before the Authority makes its determination.

Bermuda Monetary Authority (Prudential Supervision)

The Bermuda Monetary Authority (BMA) assesses the prudential soundness of transactions. Where a merger involves an entity regulated by the BMA (including insurers, insurance market intermediaries, banks, funds, fund administrators, corporate services providers, trust businesses, digital asset businesses and money service providers), the BMA and the Authority would conduct parallel reviews but only if the transaction is in scope of the proposed Competition Act, which will only apply to transactions with entities supplying goods or services in Bermuda. With respect to assessments of transactions of regulated entities supplying services in Bermuda, the BMA assesses solvency and suitability of the controllers and persons involved. The Authority assesses competition. A coordination protocol would ensure these reviews run concurrently rather than sequentially.

Consumer Affairs and Cost of Living Commission

As described in Chapter 3, the Government proposes that the non-housing consumer affairs functions transfer to the CRA, and that the Cost of Living Commission's operational data functions migrate to the Authority's market surveillance capability, subject to a separate Cabinet decision. The Commission's policy advisory role remains with the Ministry.

Registrar of Companies (Beneficial Ownership)

The proposed law provides the Authority with a statutory gateway to ownership, control, and beneficial ownership information held by the Registrar of Companies under the Companies Act 1981, the Limited Liability Company Act 2016, the Exempted Partnerships Act 1992, and the Beneficial Ownership Act 2025. This enables the Authority to establish who controls an undertaking without separate amendment of each registry statute. Information obtained through the gateway is protected by a statutory confidentiality regime.

Corporate Income Tax Agency

The corporate income tax regime operates independently of the proposed framework and no conflict arises. The Agency will be consulted to confirm that the framework's information and coordination provisions do not affect its functions.

Ministry of Economy and Labour (Unfair Competition)

The Registry General, under the Ministry of Economy and Labour, opened consultation on 13 May 2026 on legislation addressing unfair competition, including misleading market practices and the protection of undisclosed information. The Government intends to deliver a single, consolidated competition framework, with the boundary between the two workstreams settled.

PART B: THE PROPOSED FRAMEWORK

CHAPTER 5: WHAT THE GOVERNMENT PROPOSES

5.1 The Four Core Prohibitions

The Government proposes to enact a Competition Act 2026 establishing four core prohibitions:

- **Prohibition of anti-competitive agreements.** Businesses must not collude to fix prices, share markets, rig bids, or restrict production. The most serious cartel conduct carries criminal penalties of up to $1,000,000 and five years' imprisonment. A leniency programme rewards the first participant in a cartel to come forward. The criminal offence commences by order once prosecution arrangements with the Director of Public Prosecutions are in place. Civil enforcement operates from commencement.

- **Prohibition of abuse of dominant position.** A firm holds a dominant position where it can behave with appreciable independence of its competitors, its customers, and consumers. Dominance itself is lawful. A dominant firm must not abuse its position through unfair pricing, restricting supply, discriminatory terms, or tying arrangements. Specific provisions address vertical integration and the channelling of consumers to connected entities.
- **Merger control.** Certain mergers and acquisitions must receive approval from the Competition and Regulatory Authority before they proceed. The Authority may approve unconditionally, approve with conditions, or block a merger that would substantially lessen competition. A two-stage review process ensures swift clearance of straightforward transactions. Filing fees fund the review process. Thresholds are adjusted annually for inflation.
- **Investigation and enforcement.** The Authority has power to investigate suspected breaches, require production of documents, enter premises, impose interim measures, issue directions, accept commitments, and levy financial penalties of up to $500,000 or 10 percent of annual turnover, whichever is greater. A final offer mechanism provides a binding resolution process where parties fail to comply with directions.

5.2 Essential Sector Designation

The proposed law designates seven sectors as essential sectors from commencement: food and grocery retail; fuel and energy; health insurance; health service provision including primary care, specialist care, hospital services, and pharmacy; pharmaceutical importation and distribution; construction materials; and stevedoring and port services. In essential sectors, mergers are subject to mandatory notification where the combined entity would hold 40 percent or more market share, or where a health insurer acquires a health service provider.

5.3 Substantial and Entrenched Market Power

A question for a later phase. The March 2026 discussion paper described a designation regime for firms with substantial and entrenched market power, under which the Authority could impose forward-looking conduct requirements relating to fair dealing, open choices, and transparency. The model derives from regimes built for global digital platforms, and no small-state precedent exists for it. The Government does not propose to include the regime in the first phase of the framework. The abuse of dominance prohibition and the essential sector tools address the conduct of concern at Bermuda’s scale. The Government invites views now on whether a designation regime should form part of a later phase, informed by three years of the market studies’ findings, so that the consultation record preserves the option.

5.4 Anti-Competitive State Acts

A question for a later phase. Competition disciplines can apply to government action as well as to private conduct. The proposal contains an advisory power for the Authority to review laws, regulations, and administrative measures for their effect on competition, with carve-outs protecting legislative functions, proportionate regulation, and procurement.

5.5 Institutional Arrangements

The existing Regulatory Authority would be renamed the Competition and Regulatory Authority and would administer the new regime alongside its existing telecommunications, electricity, and submarine cable functions. A new Competition Division would be established, including a dedicated Healthcare Competition Unit. The non-housing consumer affairs functions described in Chapter 3 would transfer to the CRA, creating a single body responsible for both competition enforcement and consumer protection. A Competition Decision Panel including at least one external expert would determine enforcement matters, subject to conflict-of-interest safeguards including a published register of interests. For a community of Bermuda's size the conflict of interest architecture goes further. The Government proposes statutory recusal rules for Panel members, an external chair where a matter involves a member's professional connections, publication of recusal decisions, and cooling-off periods before senior Authority staff join regulated entities. The proposed law adds three accountability safeguards. The Authority must report annually to Parliament on its enforcement record, merger decisions, market studies, and consumer protection activity. The Authority is statutorily independent in the conduct of individual investigations and enforcement decisions, while the Minister retains the power to issue general policy directions published in the Gazette. And the Minister must commission an independent review of the operation of the law at intervals of not more than five years, with the report laid before both Houses of the Legislature and published.

Ministerial exemption on public policy grounds. The proposal includes a ministerial exemption power. The Minister may, on grounds of public policy, exempt an agreement, conduct, or a merger from the prohibitions. The power is confined to exceptional and compelling reasons, is exercisable only after consultation with the Authority, requires publication of the Authority's advice and of the Minister's reasons, and is subject to the negative resolution procedure in the Legislature. The Government discloses the power here so that consultees can address it directly.

Funding the framework. The Authority's existing statutory financial structure funds the regime. Initial establishment of the Competition Division draws on Government funding, merger filing fees fund the review process, and enforcement costs are recoverable under the Authority's existing cost recovery powers. The proposed legislation would amend the Authority's Operating Fund provisions so that fee income from the regulated sectors may be applied to economy-wide competition work only where that use is reasonable and proportionate, and so that the sectoral functions those fees support remain adequately resourced. Telecommunications and electricity licensees will not cross-subsidise general competition enforcement. The Authority will prepare a business case for the Division, covering establishment, staffing, external counsel, panel fees, and per-study costs, so that final decisions on the framework are taken on full costings.

5.6 Territorial Scope and International Business

The proposed law applies to an undertaking only in so far as it supplies or acquires goods or services in Bermuda. An undertaking supplies goods or services in Bermuda if it supplies them to persons in Bermuda, whether from within or outside Bermuda. A business carried on from Bermuda exclusively with persons outside Bermuda does not, by that fact alone, fall within the framework. This confines the framework to the domestic economy and gives the international business sector statutory assurance that the Authority will not review international merger transactions of Bermuda exempted companies. The approach follows the precedent of the Stamp Duties (International Business Relief) Act 1990, which exempts international business from the operation of the Stamp Duties Act 1976.

CHAPTER 6: HOW THE FRAMEWORK APPLIES TO EACH SECTOR

This chapter examines how the proposed Competition Act would apply to each essential sector and other sectors of significance. For each sector, the current market structure, the specific competition concerns, and the applicable elements of the framework are described.

6.1 Healthcare and Health Insurance

Mandatory market study: combined healthcare and pharmaceuticals study commenced within six months of commencement

Current market structure

Bermuda's health insurance market is now dominated by a single amalgamated insurer group. A second private insurer and the Government Employee Health Insurance scheme serve remaining segments. The dominant group also owns primary care medical practices and in February 2026 directed high-cost prescriptions exclusively to a single pharmacy group. The Bermuda Hospitals Board (BHB) operates the sole acute care hospital. Annual per capita health spending exceeds $11,900, among the highest in the world.

Competition concerns

- **Horizontal concentration.** Two of three major insurers merged without competition review.
- **Vertical integration.** The dominant insurer owns medical practices and directs patients to a single pharmacy group, controlling the insurance-provider-pharmacy chain.
- **Exclusive channelling.** High-cost prescriptions representing 3 percent of scripts but 30 percent of spend are restricted to one pharmacy group, reducing patient choice.
- **Information asymmetry.** An insurer that owns providers holds commercially sensitive information about both payers and providers.
- **Independent provider viability.** Independent pharmacies and medical practices face revenue loss as volume is channelled to vertically integrated entities.

How the framework would apply

The abuse of dominance provisions and the vertical integration provisions establish a statutory process under which exclusive channelling arrangements in this sector can be examined, on evidence and with full rights of reply. Future insurer acquisitions of health service providers require Authority approval after mandatory BHC consultation. The interim measures power allows suspension of an arrangement pending investigation, subject to the necessity, duration, and appeal safeguards described in Chapter 2. The transitional review power allows completed essential sector mergers to be reviewed within the bounded terms described in Chapters 2 and 7. The BHC coordination framework ensures healthcare-specific expertise informs all competition decisions in this sector.

The consumer protection implications of the proposed transfer for this sector are set out in Chapter 3.

6.2 Grocery and Food Retail

Mandatory market study: commenced within 12 months of commencement

A single dominant group, enlarged by the October 2024 merger, is the island's largest grocery retailer. A small number of independent operators remain. Bermuda imports virtually all food, with concentrated import channels. Grocery prices rose 38 percent from 2015 to 2025. The October 2024 merger proceeded without review.

The framework allows completed essential sector mergers to be reviewed under the transitional review power within the bounded terms described in Chapters 2 and 7, allows investigation of any abuse of dominance through predatory pricing or discriminatory supplier terms, and mandates a market study examining post-merger pricing, margins, and independent retailer viability. Future grocery mergers above the 40 percent threshold require approval.

6.3 Pharmaceutical Importation and Distribution

Mandatory market study: combined with healthcare, commenced within six months of commencement

Bermuda imports all pharmaceutical products through a small number of importers and distributors. The February 2026 exclusive channelling arrangement has further concentrated dispensing of high-cost medications. GLP-1 (glucagon-like peptide-1) medications, biologics, and oncology therapies represent a growing share of total spend. Pricing is opaque. Consumers cannot easily compare pharmacy prices.

The framework establishes a process under which exclusive channelling arrangements can be examined as potential abuse of dominance, mandates a market study into pharmaceutical pricing and access, and provides for transparency requirements for pharmacy pricing.

6.4 Electricity and Energy

The licensed electricity utility holds a legislated monopoly on electricity transmission, distribution, and retail. Generation has been opened to competition. The Regulatory Authority already sets tariffs and service standards. The proposed Act consolidates competition provisions under a single statute while continuing rate regulation under the Electricity Act 2016. Renewable energy generators and battery storage providers would benefit from economy-wide protections against anti-competitive conduct by the incumbent monopoly provider.

6.5 Fuel and LPG Distribution

Mandatory market study: commenced within 24 months of commencement

Bermuda's fuel market is served by a limited number of distributors. LPG supply is highly concentrated. Pricing methodologies are not publicly transparent. The framework enables market studies, merger review, and abuse of dominance investigations in these sectors for the first time. The framework expressly applies to conduct in the fuels sector regulated under the Fuels Act 2022, and a licence granted or condition imposed under that Act does not of itself exempt conduct from the framework.

6.6 Construction Materials

Construction materials including aggregate, cement, lumber, and hardware are a critical input cost for housing and infrastructure. A limited number of importers and suppliers serve the market. Housing affordability depends in part on the competitiveness of this supply chain. The framework enables the Authority to study this market, review mergers, and investigate pricing conduct for the first time.

6.7 Stevedoring and Port Services

Bermuda's port operations are a critical chokepoint for all imported goods. A single operator provides all stevedoring services. Any increase in port charges feeds directly into the price of every imported product. The framework designates this as an essential sector, enabling the Authority to review pricing, conduct, and any future changes in ownership or control.

6.8 Telecommunications

Telecommunications is already regulated by the Authority under the Electronic Communications Act 2011 (ECA). The proposed Competition Act would replace the existing competition provisions in sections 85 to 88 of the Regulatory Authority Act 2011 with the economy-wide framework. Sector-specific licensing and spectrum management continue under the ECA.

6.9 Financial Services and Insurance

The proposed framework applies to the domestic health insurance market and local commercial insurance to the extent they constitute supply of services in Bermuda, as defined in the framework. The framework does not regulate the international reinsurance market, which is supervised by the BMA under a separate regime. Coordination between the Authority and the BMA is required where transactions involve licensed insurers supplying services in Bermuda. The Government invites views on whether the framework should expressly extend to other regulated financial services, including banking services supplied in Bermuda, and on the coordination with the BMA that this would require.

6.10 Media

Bermuda's media landscape has consolidated to a single daily print newspaper and a digital-only news outlet. The proposed Competition Act's merger control provisions would apply to future media transactions. The Government recognises that media regulation raises freedom of expression considerations and has not proposed sector-specific media provisions at this stage. However, the Government invites views on whether media plurality provisions are warranted.

CHAPTER 7: IMPLEMENTATION AND TRANSITION

Three instruments carry the framework. Primary legislation fixes the prohibitions, the essential sectors, the institutions, and the appeal rights. Regulations made under it, subject to the negative resolution procedure, set the adjustable machinery: notification thresholds, the definition of a small undertaking, and fees. Guidance and codes issued by the Authority explain how the law will be applied in practice. Consultees can therefore see what would be fixed in primary legislation and what remains adjustable after enactment.

7.1 Merger Control Thresholds

The proposed framework requires mergers in essential sectors to be notified where the combined entity would hold 40 percent or more market share. Additional thresholds based on transaction value or turnover would be prescribed by regulation. Thresholds are adjusted annually for gross domestic product (GDP) or consumer price index (CPI) changes. The initial review and standstill periods for notified mergers are five working days. This is a deliberate small-market choice. Comparable regimes run longer: the United Kingdom's phase one review runs 40 working days, and the Channel Islands regimes run four to six weeks. The shorter period limits the burden on merging parties and reflects the smaller evidence base of Bermudian transactions, at the cost of less time for third parties to comment. The Government invites views on whether five working days is adequate or whether 10 working days would serve the market better. For the supplementary turnover and transaction value thresholds, the Government will publish indicative bands during the consultation, so that parties can self-assess without settled market share data.

7.2 Penalties and Remedies

The proposed maximum financial penalty is the greater of $500,000 or 10 percent of annual turnover. Criminal penalties for hardcore cartel conduct are up to $1,000,000 and five years' imprisonment. The Authority may issue directions requiring businesses to change conduct or, in extreme cases, divest assets. Director disqualification for up to 15 years is available for serious offences. The criminal offence will be brought into force by commencement order once the Authority and the Director of Public Prosecutions have executed their Memorandum of Understanding and prosecution capability is in place. Civil enforcement operates from commencement.

7.3 Small Business Protections

Small undertakings may be exempted from certain provisions by regulation. The framework does not apply to bona fide employment arrangements. The definition of "small undertaking" will be prescribed by reference to turnover, market share, or number of employees. As a working proposal for consultation, a small undertaking would fall below stated turnover and employee bands.

The Government invites views on the definition.

7.4 Transition and Existing Arrangements

Businesses with existing arrangements that may be anti-competitive would have six months after commencement to bring them into compliance. Completed mergers in essential sectors may be reviewed within 12 months of commencement, on published reasons, with remedies limited to commitments and behavioural directions and with no financial penalty in respect of the pre-commencement transaction itself.

7.5 International Cooperation

The Authority would cooperate with foreign competition authorities, and the framework enables formal cooperation arrangements with regional and international counterparts.

7.6 Appeals and Procedural Fairness

Decisions, directions, and penalties of the Authority are appealable to the Supreme Court. The Court conducts a full merits review on the record of the material that was before the Authority, and is not restricted to questions of law. Fresh evidence is admitted only with the leave of the Court. The Court may sit with one or two economic assessors, which provides specialist assessment without creating a tribunal Bermuda cannot staff. Appeals against interim measures directions are determined on judicial review principles, reflecting their urgent and provisional character. An appellant has 21 days to appeal, and the Authority must serve its response within six weeks of the notice of appeal. An appeal does not suspend the decision under challenge, except in the case of financial penalties, unless the Court orders otherwise.

ANNEXES

ANNEX A: SECTOR CONSULTATION PARTICIPATION MATRIX

This annex identifies the stakeholders, Government bodies, and regulatory authorities whose participation is intended for each sector consultation. Abbreviations used in this annex are set out in Annex B.

Sector	Lead Ministry / Regulator	Key Stakeholders	Other Government Bodies
Healthcare and Health Insurance	Ministry of Health; BHC; CRA	Health insurers; Bermuda Medical Doctors Association (BMDA); Bermuda Dental Association; independent and group pharmacies; BHB; patient advocacy groups; BIU (healthcare workers)	BMA; Ministry of Finance (HIP/FutureCare); PS Home Affairs
Grocery and Food Retail	MHA (Consumer Affairs / CRA); CRA	Grocery retail groups; independent grocers; wholesalers and importers; Bermuda Farmers' Association; Chamber of Commerce	CoL Commission; Customs; Dept of Statistics; Ministry of Public Works
Pharmaceuticals	Ministry of Health; BHC; CRA	Pharmaceutical importers and distributors; all licensed pharmacies; BMDA; Bermuda Pharmaceutical Association; patient groups	Customs (CAPS data); Dept of Health; BMA
Electricity and Energy	CRA; Ministry of Home Affairs	The licensed electricity utility and its holding company; bulk generation licensees; renewable energy providers; large commercial consumers; BIU (utility workers)	Ministry of Public Works; Energy Commissioner; Dept of Planning
Fuel and LPG	CRA; MHA	Fuel distributors; LPG suppliers; retail service stations; marine fuel operators; Chamber of Commerce; BIU	Customs; Ministry of Public Works; Dept of Statistics

Sector	Lead Ministry / Regulator	Key Stakeholders	Other Government Bodies
Construction Materials	MHA; CRA	Hardware suppliers; aggregate and cement importers; construction companies; Bermuda Construction Association; developers; housing associations	Ministry of Public Works; Dept of Planning; Ministry of Housing
Stevedoring and Port Services	MHA; CRA	The stevedoring operator and its holding company; shipping lines; importers and exporters; Chamber of Commerce; BIU (dock workers)	Marine and Ports; Customs; Ministry of Finance; Ministry of Transport
Telecommunicati ons	CRA	ICOL licensees; large commercial users; consumer groups	MHA; Dept of ICT Policy
Financial Services and Insurance	BMA; CRA	Domestic health, property and casualty insurers; ABIC; ABIR; insurance brokers; employer groups	Ministry of Finance; Ministry of Health
Media	MHA; CRA	Daily and online news publishers; community and union media; journalists' associations	Dept of Communications; Human Rights Commission

Cross-Cutting Stakeholders (All Sectors)

- Attorney General's Chambers (legislative drafting, prosecution)
- Chamber of Commerce
- Bermuda Employers' Council
- Bermuda Industrial Union
- Bermuda Bar Association
- Bermuda Business Development Agency
- Opposition (OBA) spokesperson for Home Affairs and Health
- Department of Statistics
- Registrar of Companies
- Bermuda Public Services Union (staff transfer implications)
- Consumer Affairs Board
- Cost of Living Commission (functions migration)
- Ministry of Economy and Labour and the Registry General (unfair competition workstream)
- Commonwealth Secretariat (Possibly)

ANNEX B: ABBREVIATIONS

This annex lists the abbreviations used in this document. Where a term is expanded at its first use in the text, the expansion is repeated here for reference.

Abbreviation	Meaning
ABIC	Association of Bermuda International Companies
ABIR	Association of Bermuda Insurers and Reinsurers
BHB	Bermuda Hospitals Board
BHC	Bermuda Health Council
BIU	Bermuda Industrial Union
BMA	Bermuda Monetary Authority
BMDA	Bermuda Medical Doctors Association
CAPS	Customs Automated Processing System
CoL	Cost of Living, as in the Cost of Living Commission
CPI	consumer price index
CRA	Competition and Regulatory Authority, the proposed new name of the Regulatory Authority
ECA	Electronic Communications Act 2011
GDP	gross domestic product
GLP-1	glucagon-like peptide-1, a class of medicines used for diabetes and weight management
HIP	Health Insurance Plan, the Government health insurance scheme
ICOL	integrated communications operating licence
ICT	information and communications technology
LPG	liquefied petroleum gas
MHA	Ministry of Home Affairs
MOU	Memorandum of Understanding
OBA	One Bermuda Alliance
PS	Permanent Secretary