



MINISTERIAL STATEMENT

By:

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THE MINISTER LABOUR

Economic Investment Certificate

19TH February 2021

Mr. Speaker,

Since my appointment to the Ministry of Labour, I have remained steadfast and focused on achieving the Ministry's mission of creating policy which helps grow the economy and creates jobs. I rise today to introduce the Economic Investment Certificate and Residential Certificate policy.

Mr. Speaker,

The Economic Investment Certificate and Residential Certificate policy ensures a minimum investment in the Bermuda economy and, unlike the previous Residential Certificate policies, the Economic Investment Certificate has clear criteria for holders to be eligible to apply for the right to reside in Bermuda indefinitely while contributing to the economic wellbeing of the Island.

Mr. Speaker,

Under the previous Residential Certificate Policy of 2015, and its predecessor, which dates back to 2003, the target audience was the globally 'retired'. Persons were prohibited from obtaining gainful employment under the policy and they were required to have "substantial means". The substantial means requirement was particularly contentious, because of court challenges that arose from

certificate refusals. Additionally, the previous policies did not provide an incentive for those affluent persons to directly invest in Bermuda.

The new Economic Investment Certificate and Residential Certificate policy addresses all these issues by targeting a different audience of persons who seek to invest directly in Bermuda and thus expand the economy. It also solves the problem of quantifying substantial means by shifting the measurement from considering an individual's 'net worth' to simple measurement of the "investment".

An Economic Investment Certificate will require people who are granted the right to live in Bermuda to first make an economic investment of **\$2.5M** or more in the island. This requirement will allow Bermuda to capitalize on having more people living on island while also benefitting from those who have significant financial means.

If at or after five years, the Economic Investment Certificate holder decides he or she would like to reside in Bermuda indefinitely the holder may apply for the Residential Certificate. It is important to note that moving forward one must possess an Economic Investment Certificate in order to be eligible for a Residential Certificate.

If successful, a Residential Certificate will be granted. This will give the holder as well as the holder's spouse and/or dependents the right to reside in Bermuda for an indefinite period. The holder will also be granted automatic approval to work in the business to which he/she may have invested or to work in any other business. If the spouse of dependent of a Residential Certificate Holder desires to work in Bermuda, they will be subject to the Bermuda Work Permit Policy.

Mr. Speaker,

An Economic Investment Certificate applicant can make a minimum investment in Bermuda in any one or more of the following ways (not exclusive):

- i. Purchase Bermuda situs real estate, whether residential or commercial;
- ii. Purchase Bermuda Government bonds to be held for a minimum of five years;

- iii. Contribute to Bermuda's Sinking Fund for the purpose of Debt Reduction;
- iv. Contribute to the newly established Bermuda Trust Fund;
- v. Donate to a Bermuda Registered charity in the areas of sports development, youth, seniors and health;
- vi. Make a direct or indirect equity investment in an existing Bermuda based business, including BSX listed entities, but excluding where the investment is limited to holding listed securities in exempted undertakings;
- vii. Invest in the development and launch of a new Bermuda based business; or
- viii. Invest in such other social or useful venture that benefits Bermuda, Bermudians and things Bermudian as may be determined by the Minister.

Mr. Speaker,

The Economic Investment Certificate policy is a superior policy to our current residential certificate policy because it is designed to generate direct investment in Bermuda and simulate ongoing economic activity.

Mr. Speaker

Affluent individuals around the world seek to live in societies that meet certain criteria. They often seek safety, stability, sophisticated, connected places, with a comfortable climate, and the rule of law. Of utmost importance is they seek a place where they will feel comfortable with their children. These individuals and their families have the means to make significant financial investments, develop businesses, and create job opportunities, which can benefit Bermudians. Bermuda must take advantage of these opportunities.

Mr. Speaker,

The Economic Investment Certificate is good for Bermuda because it is a measured and controlled method of allowing Bermuda to increase its current residential population with individuals who will create immediate value to our economy.

Mr. Speaker,

It is good for Bermuda because it fully harnesses Immigration as one of many tools for creating economic growth for Bermuda, as it will enable business development supporting job growth and increase social finance which will aid local charities.

The Government of Bermuda welcomes individuals who are in a position to invest a substantial sum into our island to take advantage of our new Economic Investment Certificate and enjoy the ability to reside in Bermuda.

Mr. Speaker,

I pause here to ask that we take a moment to imagine the impact of let's say, 100 persons being granted the Economic Investment Certificate over the next 10 years. That will generate \$250 million into the economy and facilitate continued economic activity for years to come.

I know that many Bermudian businesses and homeowners are already enjoying and benefitting from the impact of the Work from Bermuda residential policy and are looking forward to that initiative being extended.

The impact of 100 Economic Investment Certificate holders would be far greater as their upfront and continued investment could potentially impact the real estate market, the construction industry, the retail and restaurant industry and much more given the economic activity spurred as a result of this policy.

Mr. Speaker,

Bermuda is not alone in its efforts to stimulate its economy. Since the onset of the pandemic, nations everywhere are looking at ways to leverage its immigration policies to achieve this aim. Given Bermuda's natural beauty, its 1st class infrastructure, it's handling of the pandemic and of course her people, Bermuda can become first choice for those seeking the quality of life that we enjoy every day.

Mr. Speaker,

The effective date of the policy is **1st March 2021**. A fee of \$2,625 will be charged for the issuance of the certificate, in accordance with the existing Government Fees Schedule.

The Government has established a Concierge Service to facilitate the submission and approval process, as appropriate for the affluent investors targeted. The Department of Immigration partnered with the Government Concierge and the Bermuda Business Development Agency to ensure that a 'high touch' service is provided. Thank you to all stakeholders from the public and private sectors who have assisted in the implementation planning for the certificate.

Investors may register their Expressions of Interest and obtain full information at: <https://www.bda.bm/>

Mr. Speaker,

I will close with a quote from former US President Obama who said, and I quote, **"If it is orderly and lawful, immigration is good for the economy."**

This revised Residential Certificate is indeed orderly and lawful, and like the Work from Bermuda Certificate, it will prove to be **better than good** for the Bermuda economy as it will provide the economic stimulus needed to turn Bermuda in the right direction. In these problematic financial times, this economic activity will undoubtedly result in jobs and greater prosperity for Bermudians.

For this reason I look forward to all of Bermuda welcoming those persons who will be granted an Economic Investment Certificate and a Residential Certificate in the coming months.

Thank you Mr. Speaker.