



**BERMUDA MONETARY AUTHORITY**  
**INVESTMENT FUNDS ACT 2006 (THE ACT)**  
**INVESTMENT FUND GUIDELINES**

**UPDATED DECEMBER 2019**

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## **1. Application Process**

The incorporation of investment funds, and the approval of investment activity to be carried on in or from within Bermuda, involve careful vetting of applications by the Bermuda Monetary Authority (Authority or BMA). This approach ensures that promoters and service providers are suitable and that schemes meet the high standards required in Bermuda.

The above-noted approach entails two separate vetting processes. The first relates to the incorporation, pursuant to the Companies Act 1981, of companies intending to carry on business as investment funds, including mutual fund companies (collectively defined within the Act as “company funds”). The process followed by the Authority in respect of such applications parallels the approach taken to all company incorporation applications. The second and more intensive process relates to approval by the Authority of the investment fund activity that the applicant proposes to carry on in or from within Bermuda. Specifically, the granting of such approval entails the Authority authorising or registering any vehicle which meets the definition of “investment fund” within the Act (and which is not specified by the Investment Funds (Definition) Order 2019 as an arrangement not falling within that definition), or designating any overseas investment fund (as defined within the Act).

The Authority recognises that applications for the incorporation of funds are frequently time-critical and that there is potential for the necessary vetting process to delay the approval of an application. Accordingly, the Authority has implemented a number of arrangements with a view to avoiding unnecessary delays. Those submitting applications may, as they prefer:

a) Seek to have the company incorporated/vehicle established in advance of submitting a related investment fund registration/authorisation application. In such cases, the Authority will immediately proceed to complete the standard incorporations-related due diligence process. This may include a review of the intended participating shareholders and an early decision on incorporation/establishment without prejudice to its eventual decision regarding the application for registration/authorisation of a fund. Where an application for incorporation is approved, the promoters will then be in a position to quickly prepare for the fund to begin operations by opening the necessary bank accounts and taking other steps that are normal, following establishment. However, the fund cannot operate until it is registered/authorised under the Investment Funds Act 2006 (the Act); or

b) Ask for the incorporation/establishment and registration/authorisation applications to be processed simultaneously in which case the Authority will conduct, as expeditiously as possible, both the initial incorporations-related vetting and the full review of the offering document, promoters, key service providers and overall proposed arrangements. This will ensure the fund meets the legal requirements and adheres to the Authority's policy guidelines. The Authority seeks to complete both review processes as quickly as possible but will not approve the application for fund registration/authorisation until the incorporation process is finalised and the qualification requirements stated in the Act have been met. Thereafter, the signed consent and registration/authorisation approval letters will be issued simultaneously. If the fund applies for a licence pursuant to the Segregated Accounts Act 2000 (the SAC Act), the Registrar of Companies will seek confirmation from the Authority as to whether it objects to the application before issuing a licence under the SAC Act. The Authority can only provide its support for an application if it has a record of the fund's existence. Therefore, the fund must ensure the registration/authorisation application has been filed with the Authority.

## **2. Anti-Money Laundering/Anti-Terrorist Financing Compliance**

Authorised, Private and Professional funds meet the definition of AML/ATF regulated financial institutions (AFIs). As such, they fall within the scope of the requirements set out in the Proceeds of Crime (Anti-Money Laundering and Anti-Terrorist Financing Supervision and Enforcement) Act 2008 (POCA).

Under POCA, RFIs must appoint a Money Laundering Reporting Officer (MLRO) and a Compliance Officer (CO) that satisfy fit and proper criteria. The operator of the fund is required to furnish the Authority with the contact information for the MLRO and the CO, and provide a copy of the Board-approved Anti-Money Laundering (AML)/Anti-Terrorist Financing (ATF) Policies and Procedures at the time of registration. This information can be filed as an attachment to the submission related to the fund's registration/authorisation, or by emailing the information to the funds mailbox (Funds@bma.bm) referencing “AML/ATF Information” in the subject line. If the fund's appointed administrator has been contracted the responsibility for ensuring controls are in place for preventing and detecting money laundering and terrorist financing, and the fund administrator is licenced in Bermuda, the Authority may already have a copy of the Board-approved AML/ATF policies and procedures on file.

It is important to note that where a Bermuda fund has appointed an overseas fund administrator, the operator of the fund must ensure the controls that are in place for detecting and preventing money laundering/terrorist financing are of the same standard as those prescribed by POCA; otherwise, the fund will be deemed to have not met POCA requirements.

Where responsibility for ensuring that the fund complies with AML/ATF requirements has been contracted to the appointed fund administrator and a new fund administrator is appointed to the fund, the operator of the fund shall furnish the Authority with a copy of the new AML/ATF policies and procedures along with the contact information for the new MLRO and CO (if applicable).

It should be noted that while the operator of a fund can outsource the compliance work to a fund administrator, it is the operator of the fund which remains legally responsible in complying with AML/ATF Regulations.

### 3. Reporting Requirements

**Designated funds shall provide the following to the Authority in the prescribed format:**

Overseas Fund designated pursuant to Section 5A(7) of the Act	<u>Annually – Pursuant to Section 5B</u> Due on or before 30 June	<ul style="list-style-type: none"> <li>- Statement of Compliance from the overseas regulatory authority</li> <li>- Annual Declaration Form, inclusive of: <ul style="list-style-type: none"> <li>o Material Changes to the Offering Document (OD)</li> <li>o Confirmation of the Fund’s continued compliance with the Act</li> </ul> </li> </ul>
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**Registered funds shall provide the following to the Authority in the prescribed format:**

Professional Class A fund registered pursuant to Section 6B(1) of the Act	<u>Annually – Pursuant to Section 6B(2)&amp;(3)</u> Due on or before 30 June	<ul style="list-style-type: none"> <li>- Audited Financial Statements</li> <li>- Annual Certification Form, confirming that the registration requirements continue to be met, and disclosing: <ul style="list-style-type: none"> <li>o Material Changes to the Fund</li> <li>o The Net Asset Value</li> <li>o Amounts Subscribed</li> <li>o Amounts Redeemed</li> </ul> </li> </ul>
Professional Class B fund registered pursuant to Section 8A(1) of the Act	<u>Annually – Pursuant to Section 8A(6)&amp;(7)</u> Due on or before 30 June	<ul style="list-style-type: none"> <li>- Audited Financial Statements</li> <li>- Annual Certification Form, confirming that the registration requirements continue to be met, and disclosing: <ul style="list-style-type: none"> <li>o Material Changes to the Fund</li> <li>o Changes to the fund’s directors and service providers</li> <li>o The Net Asset Value</li> <li>o Amounts Subscribed</li> <li>o Amounts Redeemed</li> </ul> </li> </ul>
Private fund registered pursuant to Section 6(3C) of the Act	<u>Annually – Pursuant to Sections 6(3D) &amp; (3E)</u> Due on or before 30 June	<ul style="list-style-type: none"> <li>- Audited/Unaudited Financial Statements</li> <li>- Annual Certification Form, confirming that the registration requirements continue to be met, and disclosing: <ul style="list-style-type: none"> <li>o Material Changes to the Fund</li> <li>o The Net Asset Value</li> <li>o Amounts Subscribed</li> <li>o Amounts Redeemed</li> </ul> </li> </ul>
Professional Closed fund registered pursuant to 8C(1) of the Act	<u>Annually – Pursuant to Section 8C(3)</u> Due on or before 30 June	<ul style="list-style-type: none"> <li>- Audited Financial Statements</li> <li>- Annual Certification Form, confirming that the registration requirements continue to be met, and disclosing: <ul style="list-style-type: none"> <li>o Material Changes</li> <li>o The Net Asset Value</li> <li>o Amounts Subscribed</li> <li>o Amounts Redeemed</li> </ul> </li> </ul>

**Authorised funds shall provide the following to the Authority in the prescribed format:**

Standard fund authorised pursuant to Section 12 of the Act	Monthly - Pursuant to Section 7(2) of the Investment Fund Rules 2019 Due within 20 business days after the month-end	<ul style="list-style-type: none"> <li>- Net Asset Value</li> <li>- Amounts Subscribed</li> <li>- Amounts Redeemed</li> </ul>
	Annually - Pursuant to Sec.26 of the Act Due within six months of the fund's financial year-end.	<ul style="list-style-type: none"> <li>- Statement of Compliance*</li> </ul>
Institutional fund authorised pursuant to Section 12 of the Act	Quarterly - Pursuant to Section 7(2) of the Investment Fund Rules 2019 Due within 20 business days after the end of each calendar quarter	<ul style="list-style-type: none"> <li>- Net Asset Value</li> <li>- Amounts Subscribed</li> <li>- Amounts Redeemed</li> </ul>
	Annually - Pursuant to Sec.26 of the Act Due within six months of the fund's financial year-end	<ul style="list-style-type: none"> <li>- Statement of Compliance*</li> </ul>
Administered fund authorised pursuant to Section 12 of the Act	Quarterly - Pursuant to Section 7(2) of the Investment Fund Rules 2019 Due within 20 business days after the end of each calendar quarter	<ul style="list-style-type: none"> <li>- Net Asset Value</li> <li>- Amounts Subscribed</li> <li>- Amounts Redeemed</li> </ul>
	Annually - Pursuant to Sec.26 of the Act Due within six months of the fund's financial year-end	<ul style="list-style-type: none"> <li>- Statement of Compliance*</li> </ul>
Specified Jurisdiction fund authorised under Section 12 of the Act	Quarterly - Pursuant to Section 7(2) of the Investment Funds Rules 2019 Due within 20 business days after the end of each calendar quarter	<ul style="list-style-type: none"> <li>- Net Asset Value</li> <li>- Amounts Subscribed</li> <li>- Amounts Redeemed</li> </ul>
	Annually - Pursuant to Sec.26 of the Act Due within six months of the fund's financial year-end	<ul style="list-style-type: none"> <li>- Statement of Compliance*</li> </ul>

\*Where a breach in compliance has occurred, the particulars concerning the breach must be disclosed and once compliance with the Act has been restored, the fund shall resubmit the Statement of Compliance.

#### 4. Cancelling a fund authorisation/registration/designation

Winding up an authorised fund	<ul style="list-style-type: none"> <li>- Section 25(1)(g) of the Act requires the operator of an authorised standard fund to seek prior approval from the Authority to wind up its affairs.</li> <li>- However, pursuant to Section 25(4), the operator of an Institutional or Administered fund is only required to provide the Authority written notice of their intentions to wind up the affairs of the respective funds</li> </ul>
Revocation of authorisation by the Authority	<ul style="list-style-type: none"> <li>- Section 27 of the Act permits the Authority to cancel the registration of an authorised investment fund if: <ul style="list-style-type: none"> <li>o Requirements are no longer satisfied</li> <li>o The operator of the fund or the fund's service providers have breached the Act</li> <li>o The operator has provided false or misleading information or</li> <li>o No investment activity has been carried out</li> </ul> </li> </ul>
Revocation of authorisation by request	<ul style="list-style-type: none"> <li>- Section 29 of the Act permits the operator of an authorised fund to file a request for the fund's authorisation to be revoked by the Authority if: <ul style="list-style-type: none"> <li>o 100% subscriptions are redeemed</li> <li>o All investors are paid</li> <li>o Filings are up to date and</li> <li>o The fund does not owe any money to the Authority</li> </ul> </li> </ul>
Cancellation of registration by the Authority	<ul style="list-style-type: none"> <li>- Section 10A of the Act permits the Authority to cancel the registration of an investment fund if: <ul style="list-style-type: none"> <li>o Requirements are no longer satisfied</li> <li>o The operator of the fund or the funds service providers have breached the Act</li> <li>o The operator has provided false or misleading information or</li> <li>o No investment activity has been carried out</li> </ul> </li> </ul>
Cancellation of a fund's registration by request	<ul style="list-style-type: none"> <li>- Section 10C of the Act permits the operator of a registered fund to file a request for the fund's registration to be cancelled by the Authority.</li> <li>- The registration may be cancelled if: <ul style="list-style-type: none"> <li>o 100% subscriptions are redeemed</li> <li>o All investors are paid</li> <li>o Filings are up to date and</li> <li>o The fund does not owe any money to the Authority</li> </ul> </li> </ul>
Cancellation of an Overseas Fund designation by the Authority	<ul style="list-style-type: none"> <li>- Section 5C of the Act permits the Authority to cancel the designation of an Overseas Fund if: <ul style="list-style-type: none"> <li>o Requirements are no longer satisfied</li> <li>o The operator of the fund or the funds service providers have breached the Act or</li> <li>o The operator has provided false or misleading information</li> </ul> </li> </ul>
Cancellation of an Overseas Fund's designation by request	<ul style="list-style-type: none"> <li>- Section 5E of the Act permits the operator of a designated Overseas Fund to file a request for the fund's designation to be cancelled by the Authority.</li> <li>- The designation may be cancelled if the fund is no longer being managed or carrying on promotion in or from within Bermuda and the Authority is satisfied that there are no matters to be investigated before the designation is cancelled.</li> </ul>

## 5. Alteration to Service Providers, Directors and Officers and Material Change Permissions

A change is a material change if it would, if known, reasonably affect the mind of a prudent participant in deciding whether to participate or to continue to participate in the fund, and “materially” has a corresponding meaning. Pursuant to the Schedule to the Act, all operators, officers and service providers to an investment fund must be fit and proper persons to act as such in relation to the respective fund.

Authorised Funds	<ul style="list-style-type: none"><li>- Section 25 of the Act requires the operator of an authorised fund to seek prior approval from the Authority for changes to service providers (custodian, administrator, investment manager, registrar and auditor of a fund) and material changes to the offering document. In the context of the Act, changes that are material include the matters set forth in the Investment Fund Offering Document Rules 2019.</li><li>- Section 25 (1)(d) and Section 46 of the Act requires the operator and fund administrator to provide written notice of changes to director appointments. Section 25 of the Act also sets out a number of additional matters of which the operator of an authorised fund must give the Authority written notice.</li></ul>
Registered Fund – Professional Class B Fund ONLY	<ul style="list-style-type: none"><li>- Section 8A(8) of the Act requires the operator of a Professional Class B fund to seek the Authority’s prior approval in relation to changes to directors or service providers (custodian, administrator, investment manager, registrar and auditor of a fund).</li></ul>

## 6. Segregated Account Companies (SACs)

The following policies must be observed by all funds that are also licenced as a SAC:

- a) SACs must be licenced under the SAC Act; where this is not the case, the fund must demonstrate to the Authority that the provisions of the relevant Private Act have a substantially equivalent legal effect;
- b) Where SACs are to conduct investment fund business, no other business may be conducted by the SACs and each account other than the general account must comprise an investment fund or be a part of such a fund. The Authority needs to be satisfied as to the overall structure of each SAC;
- c) All accounts within the SAC must have the same auditor, and must share the same accounting and financial year-end;
- d) Where the SACs elect to have separate audits each SAC must be subject to an audit unless, on application, the requirement that an audit of the SAC be conducted is formally waived by the Authority;
- e) Where an existing fund seeks to register as a SAC, the Authority needs to be satisfied that adequate written notice has been given to investors, enabling them to have an opportunity to sell or redeem their holdings in advance of such constitutional change occurring;
- f) While authorisation relates to the SAC as a whole, the operator may choose to offer units relating to separate segregated accounts by way of standalone offering documents. The Authority views the preparation of such documentation upon the formation of additional segregated accounts as a material change to the offering document of the fund. In the case of an authorised fund, the Authority's approval must be sought in accordance with the provisions of Section 25 of the SAC Act; and
- g) SACs may appoint different service providers (with the exception of the auditor) to the authorised fund with respect to individual segregated accounts. The Authority's approval must be sought for such appointments in accordance with the provisions of the SAC Act. The Authority applies a “look-through” approach in assessing whether the requirements under

the Act have been met so that the investors in the SAC are afforded all of the safeguards given to an investor that does not participate in a SAC structure.

## 7. Qualification Criteria for Modifications or Waiver of Rules

To provide clarity and greater transparency regarding the exercise of the Authority’s power under sections 10(D), 14(5) and 40 of the Act to grant waivers from and modifications of any of the requirements of sections 6(2A), 6(2B), 6(2C), 6A(2), 7(2) and 8B(2), set out below are instances where the Authority would consider whether to grant any such modification or waiver. These examples should not be construed as exhaustive or as an indication that the Authority will automatically grant its approval in the specified circumstances. The Authority will consider each situation on a case-by-case basis and be guided accordingly.

### a) Custodian Waiver

Pursuant to Section 10(D), the Authority may waive the requirement for fund property to be entrusted to a custodian where it is satisfied appropriate alternative arrangements are in place for safeguarding the investment fund property. This waiver may be granted to a registered or authorised fund as applicable.

<b>Basis for Waiver:</b> The Authority reserves the right to consider each case based on its own merit.	<b>BMA Policy</b>
A. A Master feeder structure or a fund of funds structure, where the investment is solely in the related master fund, which appoints a custodian or an approved prime broker	A custodian waiver may be granted to the feeder fund if the investments are held by the master fund, and the master fund has appointed a fit and proper custodian or prime broker for the safekeeping of the fund’s assets
B. A fund of funds structure where the assets held consist predominantly of cash at a bank and registered shares in the underlying funds	A custodian waiver may be granted to the fund if the assets held consist predominantly of cash at a bank and the bank is responsible for the safekeeping of the applicable assets
C. Where the investment fund has an investment strategy tied to Insurance-Linked Securities (ILS)	A custodian waiver may be granted where the proceeds from the issuance of shares are placed in a trust account maintained by a Trustee, who manages the proceeds in the Trust in accordance with the terms and conditions of the agreements governing the ILS transaction (which includes but is not limited to the offering document, trust agreement, (re)insurance agreements and any investment guidelines)
D. Where the fund is investing principally in infrastructure type assets or private equity investments	A custodian waiver may be granted where the underlying investments tend not to be readily saleable, if ownership can be verified and the fund has appropriate alternative arrangements in place for safeguarding the investment fund property



b) **Modification or Waiver of an Investment Fund Offering Document Rule**

Pursuant to Section 40 of the Act, upon application, the Authority may, subject to conditions, grant a waiver from or modification of any Investment Fund Offering Document Rule, provided it is satisfied that—

1. Compliance with the rule or an unmodified rule would be unduly burdensome or would not achieve the purpose for which the rule was made; and
2. The waiver or modification would not result in undue risk to investors.

<b>Basis for Waiver or Modification:</b> The Authority reserves the right to consider each case based on its own merit	<b>BMA Policy</b>
A. In the case of a master feeder structure, where the investment is solely in the related master fund	An offering document waiver may be granted to either the master fund or the feeder fund (as applicable) as long as the feeder invests all of its assets in the related master fund; there is an offering document published at either the master or feeder level, and the particulars disclosed in the offering document apply to both the master and the feeder fund
B. Where a fund is part of a master feeder structure and the operator wishes to waive the requirement to publish the offering document or otherwise make copies available to participants and potential participants	The Authority may consider waiving the requirement to publish the offering document for a master fund, which has a feeder fund of the same structure operating as the only investor of said master fund. The respective feeder fund must prepare and issue an offering document
C. Where the investment fund is listed on a stock exchange, and the listing rules of the respective stock exchange govern the content and disclosure requirements of the offering document	The Authority will consider these requests on a case-by-case basis in order to determine whether a waiver can be granted. At a minimum, the fund must demonstrate that there are alternative arrangements in place that ensure there is an adequate level of transparency, and disclosure between the fund and its investors

c) **Waiver of Investment Fund Rules 2019 – audit waivers**

Sections 10D and 14(5) provide that on the application of the operator the Authority may waive the requirement that the financial statements of a fund be audited in any particular year, where the Authority considers it appropriate to do so. Approvals are granted annually; thus the fund must file a new application each year in order to extend the approval.

<p><b>Basis for Waiver:</b> The Authority reserves the right to consider each case based on its own merit</p>	<p><b>BMA Policy</b></p>
<p>A. The units of all investors have been redeemed and the operator of the fund wishes to obtain a waiver of the requirement that a fund’s financial statements be subject to an audit</p>	<p>The Authority may consider whether to grant a waiver where all the units of investors in a fund have been redeemed and the fund is preparing to wind down</p>
<p>B. The fund is closed-ended and all investors have agreed in writing that no audit is required</p>	<p>An audit waiver may be granted if the fund has suitable methodology to determine the value of the assets in the absence of an audit and all investors have agreed in writing to waive the audit requirement</p>
<p>C. The investment fund has recently been authorised or registered by the Authority and has not accepted any subscriptions since the application for authorisation/registration was approved</p>	<p>The Authority may consider whether to grant a waiver on the basis that the fund, having been recently registered/authorised, has not accepted subscriptions since it was registered or authorised</p>
<p>D. The assets in the fund are not material and the cost of the audit will erode all the assets</p>	<p>An audit waiver may be granted if the fund is winding down, the cost of producing the audited financial statements will negatively impact investor redemptions and the investors have agreed to such a waiver</p>
<p>E. There is a Unanimous Written Resolution of the fund’s board of directors agreeing to waive the audit requirement</p>	<p>A Unanimous Written Resolution of the Board alone does not qualify the fund for a waiver from the requirement to file audited financial statements with the Authority. However, if the fund has a small number of investors and they agree to forego the audit in order to preserve the assets, the Authority may consider granting a waiver</p>
<p>F. The fund has an audit waiver and would also like to obtain a waiver from the requirement to appoint an auditor</p>	<p>The requirement to appoint an auditor is not automatically waived where the Authority has granted to a fund a waiver of the audit requirement. This does, however, provide a basis on which the application to obtain a waiver of the requirement to appoint an auditor can be made</p>
<p>G. The fund would like to file financial statements that are prepared according to standards or principles other than Bermuda, US, UK, Canadian GAAP or IFRS (the “other GAAP”)</p>	<p>Pursuant to Investment Fund Rule 15(c), a fund is required to prepare financial statements according to Bermuda, US, UK, Canadian GAAP or IFRS (individually, a “permitted GAAP”) unless the Authority recognises the other GAAP</p> <p>An application for a waiver may be considered where the operator of the fund has presented a gap analysis of the key differences between the other GAAP and a permitted</p>

	<p>GAAP (inclusive of the valuation principles and pricing policies), and the differences are found to be minimal</p> <p>The other GAAP must be found to be comparable to the valuation principles and pricing policies applicable had the audit been conducted in accordance with a permitted GAAP, and the financial statements presented according to the “other” GAAP must not misrepresent the actual value of the fund or disadvantage the investors in any way</p>
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Approvals of applications for waivers of the audit requirement are granted for a single year only. Therefore, the fund must file a new application for a waiver each year in order to extend an approval.

**d) Waiver of qualification criteria related to a fund classification**

On the application of the operator, the Authority may waive a requirement related to qualification criteria for a particular fund classification if it is satisfied appropriate arrangements are in place to safeguard the interests of investors in the fund.

There are very few cases where a waiver of fund classification criteria would be granted; however, the Authority recognises that there could be nuances that arise given the nature of the fund. The Authority will only consider granting a waiver related to fund classification criteria where the articulated classification criteria are not applicable given the nature of the underlying investment or the fund structure. The instances where a waiver may be granted have already been discussed in the sections above that cover the granting of waivers of the requirement to appoint a custodian and the requirements related to the appointment of an auditor or conducting an audit.

**8. Designated Overseas Funds**

An “overseas investment fund” means an investment fund incorporated or established in a jurisdiction outside Bermuda.

No overseas investment fund shall be managed or carry on *promotion* in or from within Bermuda unless it is designated as an Overseas Fund in accordance with Section 5A(7) of the Act.

“Promotion” means the following activities initiated by or on behalf of an overseas investment fund:

- advertising;
- issuing an offering document, application form or proposal form and stating the method of issue; or
- circulating or making available promotional material, including describing the general nature of the material and the persons to whom, and the manner in which, it is to be circulated or made available

An overseas investment fund can seek to obtain designation as an Overseas Fund by completing the Overseas Fund Submission Form on ERICA (the investment fund electronic filing platform), or by emailing the notification and the supporting document to [OverseasFundDesignation@bma.bm](mailto:OverseasFundDesignation@bma.bm). The designation will be granted once the Authority is satisfied that an overseas investment fund has met the requirements set out under Section 5A(2) of the Act and the fund has provided evidence that the fee disclosed on the BMA fee schedule has been paid. Once the designation has been granted by the Authority, the name of the Overseas Fund will be published on the Authority’s website.

## **9. Professional Closed fund – Investor Warnings to be provided prior to the purchase of units**

Section 8B(c) of the Act requires all qualified investors to be provided with an investment warning prior to the time of the purchase of units, which shall be in such form and contain such statements and information as the Authority deems appropriate.

An example of acceptable wording is provided below:

“[This fund] has been established in Bermuda as a Professional Closed fund. It is suitable only for those who fall within the definition of “qualified participants” discussed in Section 9 of the Investment Funds Act 2006 as amended (the “IFA”).

Requirements which may be deemed necessary for the protection of retail or unsophisticated investors, do not apply to Professional Closed funds. By acknowledging this statement, you are expressly agreeing that you fall within the definition of an “qualified participant” and accept the reduced requirements accordingly [or in the case of existing investors “you are expressly confirming the fact that your investment in the fund pre-dated 31 December 2019 being the date the IFA was amended to bring such funds in scope”.]

If you are an investment manager acquiring an interest in [this fund], directly or indirectly, for or on behalf of qualified participants, the Bermuda Monetary Authority expects you to be satisfied that the investment is suitable for the underlying investors and that the underlying investors are able to bear the economic consequences of investment in the fund, including the possibility of the loss of the entire investment.

You are wholly responsible for ensuring that all aspects of [this fund] are acceptable to you. Investment in Professional Closed funds may involve special risks that could lead to a loss of all or a substantial portion of such investment. Unless you fully understand and accept the nature of [this fund] and the potential risks inherent in [this fund] you should not invest in [this fund].”

The investor or his duly authorised agent must acknowledge in writing that he has received and accepted this investment warning.

## **10. Investment Fund Billing Contact Details**

Typically, the *fund administrator* is also the billing contact. To ensure the Authority has the fund’s correct billing information on file, please promptly disclose the new billing contact details on the submission form when the billing information has changed.

## **11. Bermuda Monetary Authority Banking Details**

### ***Domestic Payments***

The Authority is pleased to announce that effective immediately, licenced institutions can make payments directly to the BMA via the online banking systems at HSBC Bermuda and Butterfield Bank. Twelve payment streams have been set up:

- Proceeds of Crime (AML)
- Bank and Deposit Company Act (BDCA)
- Corporate Registration Process (CRP)
- Corporate Service Providers (CSP)
- Currency Customers (CUR)
- Digital Asset Business Act (DABA) – *HSBC only*
- Investment Funds Act 2006 – Fund Administrators (FNDADM)
- Insurance Act 1978 and amendments (INS)
- Investment Business Act 2003 (IBA)
- Investment Funds Act 2006 (IFA)
- Trust Act 2001 (TBA)
- Miscellaneous charges (MISC)

Each payment stream is easily identifiable within the “Bill Payee” section of each online banking system via the prefixes ‘Bermuda Monetary Authority’ or ‘BMA’.

## ***International Payments***

*The following is information for international wire transfers to the Bermuda Monetary Authority's two bank accounts:*

*For payments to our Bank of N.T. Butterfield & Son Limited account, please use the following:*

*The Bank of New York Mellon*

*ABA 021000018*

*SWIFT IRVTUS3NXXX*

*Account number: 8900570903*

*Credit to:*

*Bank of N.T. Butterfield and Son Limited*

*SWIFT BNTBBMHM*

*In favour of:*

*Bermuda Monetary Authority*

*Account No: 20 006 060 894331 100*

*For payments to our HSBC account, please use the following:*

*HSBC Bank USA, N.A.*

*ABA 021001088*

*SWIFT MRMDUS33*

*Credit to:*

*HSBC Bank Bermuda Limited*

*SWIFT BBDABMHM*

*In favour of:*

*Bermuda Monetary Authority*

*Account No: 010 308427 001*

If you have any queries regarding payments, please email [\*\*\*finance-receivables@bma.bm\*\*\*](mailto:finance-receivables@bma.bm)

**12. General Queries:** Please send general fund-related queries to [\*\*Funds@bma.bm\*\*](mailto:Funds@bma.bm). Please send ERICA-related queries to [\*\*ERICA@bma.bm\*\*](mailto:ERICA@bma.bm).