



# REGULATORY UPDATE | April–June 2024



## Preface

This Regulatory Update reports on activities at the Bermuda Monetary Authority (Authority or BMA) for the quarter ended 30 June 2024\*.

If you wish to receive an e-mail when the next edition is available, you may sign up for our subscription service by clicking the e-alerts button on the homepage of the Authority's website.

*\*Published August 2024*

## REGULATORY

### Consultation/Discussion Papers

The BMA issued the following paper for consultation in Q2–2024:

- The Authority published a Consultation Paper entitled *Proposed Enhancements to the Corporate Service Provider Business Act 2012*. The Consultation Paper followed a peer review of the Bermuda Trust and Corporate Service Provider Regimes by the Group of International Financial Centre Supervisors. It presents a comprehensive set of proposals designed to enhance prudential requirements, improve supervisory powers and make housekeeping amendments that bolster regulatory oversight and promote transparency within the sector. The consultation closed on Friday, 9 August 2024

### Policy and Guidance

The BMA issued the following guidance:

- The Authority published a Guidance Note (GN) entitled *Digital Asset Business Single Currency Pegged Stablecoins (SCPS)*. The GN sets out the expectations applicable to operators qualifying as Single Currency Pegged Stablecoin Issuers (SCPSIs). Additionally, the GN covers governance, risk management, market-making due diligence, backing assets, attestations and disclosures. The Authority aims to ensure that SCPSIs conduct their operations prudently to enhance consumer protection, financial stability and market integrity within the digital asset ecosystem

### Updates to Policy, Reporting Forms and Guidelines

The Authority published the following reporting forms and guidelines in Q2–2024:

- 2023 Year-end Limited Purpose Insurers Supporting Documents (Revised) (4 April)
- 2023 Year-end Filing Requirements for Class 1, 2, 3, A and B (4 April)
- Discount Rates 31 March 2024 (9 April)
- Discount Rates 30 June 2024 (9 July)
- 2024 Quarterly Financial Return Template – PC (11 April)
- Default and Downgrade Costs for the Scenario-Based Approach (14 April)
- Group 2024 BSCR – Interim (26 April)
- Class 4 2024 BSCR – Interim (26 April)
- Class C 2024 BSCR – Interim (26 April)
- Class D 2024 BSCR – Interim (26 April)
- Class E 2024 BSCR – Interim (26 April)
- Class 3A 2024 BSCR – Interim (26 April)
- Class 3B 2024 BSCR – Interim (26 April)
- *2024 Interim Long-Term Instructions Handbook* (23 May)
- *2024 Interim Insurance Group Instructions Handbook* (23 May)
- *2024 Interim General Business Handbook* (23 May)

## BMA Reports and Surveys

The Authority published the following reports and surveys in Q2-2024:

- *Bermuda Insurance Market Sustainability Results Report 2023* (10 May)

## LEGISLATIVE

### Insurance (Prudential Standards) (Recovery Plan) Amendment Rules 2024

The Insurance (Prudential Standards) (Recovery Plan) Rules 2024 (the “Rules”) outline the requirements for insurers to create a recovery plan. The Rules provide for the matters that the Bermuda Monetary Authority shall consider when determining which insurers need to prepare a recovery plan and its contents. The Rules will take effect on 1 May 2025.

## INTERNATIONAL AFFAIRS

The BMA played an active role on the international stage throughout Q2-2024.

### International Association of Insurance Supervisors (IAIS)

The BMA is represented on nearly all IAIS Committees and Subcommittees and actively participated in the work conducted by these groups during the second quarter. The BMA also participated virtually in the IAIS Committee meetings from 18-21 June.

The Executive Committee (ExCo) of the IAIS agenda included:

- Approval of the draft audited 2023 financial statements
- Approval of the draft Application Paper on fair treatment of diverse consumers for public consultation
- Discussion of the way forward on the ICS implementation

- Update on progress with the AM comparability assessment
- Approval of the scope of the Global Monitoring Exercise (GME) 2024 scope of collective discussion
- Overview of the impact of the implementation of IFRS 9 and 17 on the GME
- Approval of the draft outline of the IAIS report to FSB SRC on the outcomes of the Holistic Framework
- An update on the Issues Paper on structural shifts in the life insurance sector
- Approval of the Global Insurance Market Report (GIMAR) 2024 mid-year summary for publication
- Approval of the 2025-2029 Strategic Plan and Financial Outlook (SPFO)
- Approval of the proposal on meeting and event planning under the 2025-2029 SPFO
- Discussion on the preparations for the ExCo strategic retreat in September
- Update on preparation for the 2024 Annual General Meeting of Members (AGM) and Annual Conference.

### Other International Affairs Activity

The BMA also attended the following meetings during the quarter:

- An in-person bilateral meeting with the Federal Insurance Office in Washington, D.C., to discuss regulatory developments and areas of common interest
- A BMA delegation of senior leaders met with the Prudential Regulatory Authority senior executives in London as well as Lloyd’s of London as part of an engagement programme
- A BMA delegation met in person with Autorité de Contrôle Prudentiel et de Résolution senior executives in Paris to discuss regulatory and supervisory matters of common interest
- A BMA delegation attended the Group of International Insurance Centre Supervisor (GIICS) meeting and

- AGM in London and provided market and regulatory updates to the GIICS group
- The Bank for International Settlements (BIS) 94th Annual General Meeting in Basel
- The International Organisation of Securities Commissions (IOSCO) 49th Annual Meeting in Athens
- The Group of International Financial Centre Supervisors (GIFCS) Spring Plenary in Basel
- The Caribbean Group of Banking Supervisors (CGBS) Meeting in Basel to discuss supervisory colleges and topics such as financial conglomerate supervision
- The Caribbean Group of Banking Supervisors (CGBS) Annual Meeting in Tortola, British Virgin Islands
- The International Conference of Banking Supervisors (ICBS) Meeting in Basel
- The IAIS Committee meetings in Basel
- The OECD Insurance and Private Pensions Committee meetings in Paris
- The FSB Regional Consultative Group for the Americas in the British Virgin Islands
- Representatives from the Investment Funds Unit attended the Alternative Investment Management Association's (AIMA) Digital Asset Fund Manager Conference in New York
- The BMA attended the Caribbean Financial Action Task Force (CFATF) Plenary in Port of Spain, Trinidad
- The Authority participated in a conference on Financial Stability, which took place in Washington, D.C.
- The BMA participated in the Global Financial Innovation Network (GFIN) Coordination Group.
- The BMA presented its regulatory framework to the Financial Stability Board's Regional Consultative Group for the Americas (FSB RCGA) Working Group on Crypto Assets, along with several other jurisdictions
- The BMA engaged with the Dubai Financial Services Authority, Anguilla Financial Services Commission, and the Turks and Caicos Financial Services Commission regarding developments in the digital

- The BMA participated in a panel discussion at the Consensus Conference in Austin, Texas
- The BMA attended the Identity Week Europe Conference in Amsterdam, the Netherlands

## Event Participation

- A BMA delegation attended the Insurance Europe conference in Helsinki, Finland
- In May, the BMA attended the NAIC International Insurance Forum, where the CEO participated in a panel discussion on the investment landscape
- The BMA also hosted the Caribbean Association of Insurance Regulators annual conference and AGM in Bermuda from 28 to 29 May

## Other Meetings and Developments

- The BMA hosted an in-person meeting of the Operational Resilience Working Group of the IAIS on 10 and 11 April in Bermuda.
- On 31 May 2024, the BMA and Lloyd's of London signed a Memorandum of Understanding (MoU) to promote innovation and collaboration in the international insurance market. The agreement represents a mutual commitment to supporting, developing and facilitating the exchange of insurance industry expertise, educational resources and knowledge
- On 10 June 2024 the BMA and the Financial Services Regulatory Authority of The Abu Dhabi Global Market (ADGM) announced the signing of a joint Digital Assets MoU. The MoU creates a framework that enables collaboration between the BMA and the FSRA to support the establishment of digital assets entities across the two jurisdictions and ensure their effective supervision. This framework encompasses regulatory and supervisory cooperation, investigative assistance and capacity enhancement initiatives



## **BMA House**

43 Victoria Street, Hamilton HM 12, Bermuda  
P.O. Box 2447, Hamilton HM JX, Bermuda

Tel: (441) 295 5278 Fax: (441) 292 7471

Email: [enquiries@bma.bm](mailto:enquiries@bma.bm)

[www.bma.bm](http://www.bma.bm)

