



REGULATORY UPDATE

January–March 2025



Preface

This Regulatory Update reports on activities at the Bermuda Monetary Authority (Authority or BMA) for the quarter ended 31 March 2025*.

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REGULATORY

Consultation/Discussion Papers

The BMA issued the following Consultation Papers (CP) for consultation and other related documents in Q1-2025:

- [Template for Public Disclosure of Assets and Liabilities](#) (published on 28 February 2025)
- [Class IILT Regulatory Framework and Proposed Enhancements for Class IIGBs and LPIs](#) (published on 31 December 2024) – The BMA introduced the Class IIGB and Class IILT license classes under the Insurance Act 1978 in 2019 and 2022, respectively. The Authority proposes to formalise the regulatory framework (i.e., annual return filing requirements) applicable to Class IILT insurers by exercising the power conferred to it by section 6A of the Insurance Act 1978. The CP also includes housekeeping enhancements. Industry and other stakeholders were invited to provide feedback no later than 28 February 2025
- [Operational Resilience and Outsourcing Package](#) (published on 14 January 2025) – The purpose of this CP is to gather feedback from stakeholders on the BMA's proposed Operational Resilience standards for financial institutions. These standards are designed to strengthen the sector's capacity to prevent, adapt, manage, recover and learn from operational disruptions, whether they arise within the organisation or from third-party service providers engaged by the organisation. The aim is to ensure that critical services for customers can continue operating without delays or interruptions. Industry and other stakeholders were invited to provide feedback no later than 14 March 2025

- [Embedded Supervision in the context of Decentralised Finance](#). This CP is soliciting proposals for a joint pilot project to test Embedded Supervision practices in the Decentralised Finance (DeFi) sector. The initiative aims to examine the potential of integrating regulatory supervision into DeFi's technological framework, facilitating oversight, compliance and automated reporting. The insights from the project will directly influence future policy considerations and shape the BMA's supervisory mechanisms in response to the evolving DeFi landscape. The consultation period ends on 30 April 2025

Policy and Guidance

The BMA issued the following guidance:

- [AML-ATF Ministerial Advisory 1 2025](#). This publication highlights the requirement to apply enhanced due diligence for higher-risk jurisdictions. According to the Proceeds of Crime (Anti-Money Laundering and Anti-Terrorist Financing) Regulations 2008 (POCA Regulations), Bermuda-regulated entities are required to apply enhanced customer due diligence where customers, persons or transactions are from or in higher-risk countries. The publication also provides updated lists of jurisdictions that are under increased monitoring by the Financial Action Task Force (FATF) and should therefore be considered as higher risk
- [New prudential information returns for banks in Q1 2025](#) pursuant to the revised Basel III for Bermuda Banks – Guidance Notes issued in Q4 2024

Updates to Policy, Reporting Forms and Guidelines

The Authority published the following forms and guidelines in Q1-2025:

- Discount Rates 31 December 2025 (17 January 2025)
- Group 2024 BSCR (Version 1.2) (21 January)
- Class E 2024 BSCR (Version 1.2) (21 January)
- Class D 2024 BSCR (Version 1.2) (21 January)
- Class 4 2024 BSCR (Version 1.2) (21 January)
- Class 3B 2024 BSCR (Version 1.2) (21 January)
- Class 3A 2024 BSCR (Version 1.2) (21 January)
- 2024 Year-end Filing Requirements for Class 1, 2, 3, A and B Insurers (10 February)
- 2024 Year-end Limited Purpose Insurers Supporting Documents (10 February)
- Condensed General Purpose Financial Statements (7 March)
- Notes to Condensed Consolidated General Purpose Financial Statements (IFRS Basis) – (7 March)
- Lapse, Liquidity and Scenario-Based Approach Return – 2024 Completion Instructions – (19 March)
- Brokers and Agents Annual Return 2025 (1 April)
- Insurance Manager Annual Return 2025 (1 April)
- 2025 Quarterly Financial Return Template – Long Term (3 April)
- 2025 Quarterly Financial Return Template – Property and Casualty (3 April)

BMA Reports and Surveys

The BMA issued the following reports and surveys in Q1-2025:

- [*Insights and Reflections on Asset Intensive Insurance in Bermuda*](#) (21 March) – This report addresses financial stability issues, the BMA's regulatory enhancements and supervisory oversight of Asset Intensive Insurance. It evaluates protection and capital gaps and discusses regulatory measures and insights. The application of ICP 13 in the Bermuda context is also supplied in the report
- [*BMA Captive Report 2023*](#) (24 March) – This report provides aggregated information based on the annual statutory filings of Bermuda captive insurers. It highlights macroprudential trends, regulatory developments for captives, key statistics and analysis of market data

LEGISLATIVE

Insurance Account Amendment Rules 2025

The Insurance Account Rules 2016 were amended to allow those insurers who can submit condensed general purpose financial statements to submit such condensed statements when preparing their financial statements in accordance with International Financial Reporting Standards. The Insurance Account Amendment Rules 2025 became operative on 26 February 2025.

Digital Asset Business (Custody of Client Assets) Rules 2025

The Digital Asset Business (Custody of Client Assets) Rules 2025 (Rules) set out requirements for digital asset businesses holding client assets. The Rules became operative on 12 February 2025.

INTERNATIONAL AFFAIRS

The BMA played an active role on the international stage by participating in the following international meetings, conferences and activities throughout Q1-2025.

International Association of Insurance Supervisors (IAIS)

The BMA is represented on nearly all of the IAIS Committees and Subcommittees and actively participated in the work conducted by these groups during the fourth quarter.

The Executive Committee (ExCo) of the IAIS had discussions and/or made decisions on the below topics:

- Reviewed the mandate of the Strategic Plan and Financial Outlook Task Force (SPFOTF)
- Approved the mandate for the Small Group on Insurance Capital Standards
- Approved the final version for consultation of the *[Draft] Issues Paper on structural shifts in the life insurance sector* published on 19 March, and for which the feedback deadline has been recently extended to 2 June 2025
- Discussed IAIS annual meetings and proposed changes to the venue selection process
- Supported the IAIS contribution to the G20 Sustainable Finance Working Group under the South African G20 Presidency by developing a paper on Natural Catastrophe (NatCat) insurance protection gaps
- Approved the revised IAIS climate risk application paper following consultation, together with supporting materials on macroprudential and group supervision, climate public disclosures and supervisory reporting, published on 16 April 2025

Other International Affairs Activity

The BMA also participated in and/or attended the following meetings and international conferences during the quarter:

- Bilateral virtual meetings with the Central Bank of the Netherlands, Malta Financial Services Authority and the Monetary Authority of Singapore
- Bilateral virtual meetings with the European Insurance and Occupational Pensions Authority
- Virtual meetings with the Federal Reserve Board
- Meeting with the Hong Kong Insurance Authority in Hamilton, Bermuda
- Meeting with the Japan Financial Services Agency in Tokyo, Japan
- Meeting of the North American Chief Risks Officer Council in Hamilton, Bermuda
- Meeting with the Utah Commissioner and a representative from the Central Bank of Ireland in Bermuda
- Panel discussion at the Cyber Insurance and Innovation Summit in London, UK
- Panel discussion on Artificial Intelligence during the World Captive Forum in Orlando, Florida
- Bermuda Wealth Forum in London, UK
- IAIS Operational Resilience Working Group Meetings in Washington, DC
- Lloyd's Lab Pitch Day event in London, UK
- Bermuda Risk Summit hosted by the Bermuda Business Development Agency in Hamilton, Bermuda
- National Association of Insurance Commissioners (NAIC) Spring 2025 National Meetings in Indianapolis, Indiana
- Refocus Conference in Las Vegas hosted jointly by the American Council of Life Insurers (ACLI) and the Society of Actuaries (SOA)
- FinTech Islands Conference in Barbados
- Panel discussion on Reinsurance at the XXIII Conference on Insurance Regulation and Supervision of Latin America ASSAL-IAIS

Other International Affairs Activity continued

- IAIS Macroprudential Supervision Working Group (MSWG) meeting in Basel
- FinTech Islands Conference in Barbados
- Participated in a panel at the Cyber Insurance and Innovation Summit in London
- Participated in a panel on AI during the World Captive Forum
- Joined the Bermuda delegation led by the Bermuda Business Development Agency and Ministry of Economic Development at the Bermuda Wealth Forum in London
- Participated in the IAIS Operational Resilience Working Group Meetings in Washington DC
- Lloyd's Lab Pitch Day event in London
- The Bermuda Risk Summit
- Took part in the BIS Innovation Hub Workshop on March 27 and 28, 2025, in London, UK
- Held bilateral meetings with the Hong Kong Securities Futures Commission, the Dubai Virtual Asset Regulatory Authority (VARA), the Dubai Financial Services Authority (DFSA) and the Abu Dhabi Financial Services Regulatory Authority (FSRA) to discuss cross-border collaboration within the Digital Asset Business sectors
- Received and continues to respond to survey/assessment requests from the International Organisation of Securities Commission (IOSCO) and Financial Stability Board (FSB)
- Attended the Satoshi Roundtable, an 'un-conference' hosted in Dubai. The event explored key emerging topics in digital assets
- Played an active role in the Global Financial Innovation Network (GFIN) Annual General Meeting (AGM) and Board Meeting in Calgary, Canada. The FinTech Department provided updates during the quarterly Board Meeting and also presented regulatory and innovation highlights during the AGM. The FinTech Department also led a roundtable on Academia and GFIN collaboration. The conference provided a useful opportunity to advance relationships with the FCA, Anguilla, and other Canadian securities regulators

Other International Meetings and Developments

- Attended the International Organisation of Securities Commissions (IOSCO) Inter-American Regional Committee Meeting on 26 March 2025
- Attended the BIS Innovation Hub's 2025 Analytics Showcase in London, UK. The session explored innovative proposals for collaborative technology solutions to combat financial crime and simplify compliance
- Hosted the UK Overseas Territories Financial Services Regulators Meeting in Miami, USA. Attending regulators engaged in constructive dialogue on topical regulatory issues, shared insights regarding human capital, and made progress towards the final draft of the group's Terms of Reference, which will set the stage for the organisation's proactive approach
- Participated in a Financial Action Task Force (FATF) Policy Development Group (PDF) Working Group that was tasked with enhancing FATF guidance on conducting National Risk Assessments
- Took part in the Hong Kong FinTech Week and Japan Fintech Week during the quarter. The content shared and opportunities to network during these events provided a multitude of insights
- Afore Consulting's 9th Annual FinTech and Regulation Conference 2025: Making the Right Policy Choices in Brussels, alongside the Bermuda Government's Brussels Representative. This session explored the many facets of the EU's FinTech initiatives in light of its competitiveness agenda as well as the wider geopolitical context





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