



Bermuda regulatory updates Q1 2026

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Financial Sanctions Implementation Unit (“FSIU”): Financial sanctions updates ([International Sanctions Measures](#) | [Government of Bermuda](#))

- **Financial sanctions have been published/updated by the FSIU for the following:** Russia regime; Office of Financial Sanctions Implementation (“OFSI”) Consolidated List (administrative amendments made to ensure the Consolidated List and UK Sanctions List match before the Consolidated List was retired and the move to a single UK Government sanctions list was made on January 28, 2026); Iran regime; Sudan regime; Myanmar regime; the UK’s designation of entities, individuals and ships under the Russia (sSanctions) (EU eExit) Regulations 2019; the UK’s designation of an individual under the Global Anti-Corruption Sanctions Regulations 2021; delisting of an entity and addition of individuals under the UK’s ISIL (Da’esh) and Al-Qaida regime; Afghanistan regime; and the global human rights regime.
- A general license to allow payments and other permitted activities to take place in relation to insolvency proceedings associated with GTLK Europe and GTLK Capital and their subsidiaries was also published by the Financial Sanctions Implementation Unit (“FSIU”) for Bermuda ([General Licence – GTLK Companies and their subsidiaries – Insolvency related payments and activities](#)).

Bermuda Monetary Authority (“BMA”): Anti-money laundering/anti-terrorist financing (“AML/ATF”) ministerial advisory 1, 2026, published by the FSIU on February 24, 2026 ([International Sanctions Measures](#) | [Government of Bermuda](#))

- Updated lists from the Financial Action Task Force (“FATF”):
 - [High-Risk Jurisdictions subject to a Call for Action - February 13, 2026](#)
 - [Jurisdictions under Increased Monitoring - February 13, 2026](#)

BMA: Stakeholder letter about the discussion paper on asset tokenisation ([Discussion/consultation papers - BMA](#))

- In response to the discussion paper on asset tokenisation, respondents expressed support for a principles-based regulatory framework for tokenisation; identified areas within Bermuda’s legislative framework that require amendments to support the successful development of an asset tokenisation framework, noting that certain matters fall outside of the BMA’s direct remit; requested guidance regarding licensing and regulatory requirements for those issuing or otherwise engaging with tokenised assets; and emphasised that enhancements to the regulatory framework should not impede innovation.
- Respondents also suggested merging the licensing processes for the Digital Asset Business Act (“DABA”) and the Investment Funds Act (“IFA”) or introducing targeted exemptions for regulated entities. A few respondents supported maintaining a single regulatory regime for tokenised funds that would fall under the IFA.
- The BMA advised that where a licensee under the Fund Administration Provider Business Act 2019 intends to provide fund administration business services to tokenised funds, such licensee will be exempted from licensing requirements under DABA. Similarly, investment funds that

have tokenised fund units will be exempted from requirements under the Digital Asset Issuance Act (“DAIA”). While licensees may be exempted from specified licensing requirements, they will be expected to adhere to requirements under the Digital Asset Business Operational Cyber Risk Management Code of Practice and relevant AML/ATF requirements.

- Respondents highlighted that a fund’s constitutional documents typically set out investor rights and governance arrangements and observed that tokenisation could challenge these frameworks, particularly where the ability to identify token holders at any point in time may be limited, which may be the case in permissionless environments. Noting this challenge, they recommended implementing robust governance requirements tailored to tokenised funds to ensure that existing investor protections and oversight mechanisms are appropriately preserved.
- The BMA proposes amendments to the IFA to allow a fund register to be tokenised and maintained on-chain.
- The BMA intends to introduce clear requirements for functional roles in tokenisation, including issuers, those that facilitate access to or trade tokenised assets, and custodians.
- The BMA also proposes expanding the application of the DAB AML/ATF Sector-Specific Guidance Notes to all regulated financial institutions (“RFIs”) engaging with tokenised assets. In line with this outcomes-focused approach, the BMA expects RFIs to establish monitoring systems commensurate with the nature, scale, and complexity of their activities. RFIs will be required to implement robust customer due diligence and transaction monitoring mechanisms tailored to their specific tokenisation business models, ensuring that the unique risks associated with tokenised assets are appropriately identified, assessed, and mitigated.
- The BMA will require that all smart contracts, particularly those involving custody or asset transfer, undergo comprehensive independent security audits prior to deployment and would expect regulated entities to implement continuous security lifecycles, including deterministic testing, smart contract upgrade governance, and oracle risk management.
- The BMA expects regulated entities to identify, manage, and mitigate operational and cyber risks that could materially impact customers, including risks arising from distributed ledger infrastructure, smart contracts, custody arrangements, third-party dependencies, and network disruptions.
- A consultation paper (“CP”) detailing the BMA’s regulatory approach to asset tokenisation was issued on April 9, 2026, which will be recapped in the next quarter’s regulatory updates (in the meantime, see: [Discussion/consultation papers](#) - BMA for the CP).

Stakeholder letter: Feedback from the CP on sustainability-related investment disclosures **([Investment funds - BMA](#))**

- General feedback indicated support for promoting transparency regarding the sustainability-related claims made by investment funds. Respondents recommended flexible and principles-

based regulatory enhancements and cautioned against introducing requirements that significantly differ from or duplicate reporting standards in other jurisdictions.

- It was recommended that risk disclosure requirements focus on those risks that are material to the fund's sustainability objective or investment strategy.
- The BMA responded by stating that:
 - They will introduce principles-based, outcomes-focused requirements to ensure that investors have access to sustainability-related information that is fair, clear, not misleading, and proportional to the level of materiality of the fund's sustainability objectives and investment strategy.
 - The BMA proposed that a definition of 'sustainable factors' be introduced to complement the refined definition of sustainable investing and to clarify disclosure requirements.
 - They will also adopt an outcome-focused approach to disclosure requirements.
 - Bermuda feeder funds will remain within the scope of the proposed disclosure requirements and where such funds already comply with economic, social, and governance-related/sustainability-related disclosure regimes, it is expected that such compliance may be relied upon to demonstrate compliance with the Bermuda framework.
- It is anticipated that once these amendments are incorporated into the applicable legislation, registrants will have six months to comply.

BMA: Webinar on travel Rule outreach for the DAB sector (November 17, 2025) - [Useful links related to AML/ATF - BMA](#)

- The main points covered in this webinar included the following:
 - Payment service providers ("PSPs") in Bermuda must ensure that all transfers of funds, including digital assets, are accompanied by complete information on the payer (originator) and payee (beneficiary), which should consist of the full name, account number, and address for the payer, as well as the full name and account number of the payee.
 - The BMA should be informed if a PSP regularly fails to supply the information on the payer.
 - The intermediary PSP (correspondent bank, payment processor, or blockchain intermediary) should consider the omission and incompleteness of information as factors for applying enhanced measures and assessing suspicion of money laundering, terrorist financing and/or filing suspicious activity reports ("SARs") with the Financial Intelligence Agency ("FIA") in Bermuda.

- There are several challenges involved in the implementation of the travel rule globally. 30% of jurisdictions have not implemented travel rule legislation; enforcement is weak (with only 26% taking active supervisory actions); there are no standard communication protocols across DABs; there is difficulty in verifying counterparty compliance status; and different adoption timelines in jurisdictions create cross-border transfer issues.
- Tips for maintaining compliance with the travel rule, including recommendations to maintain an up-to-date registry of counterparty DABs and jurisdictional equivalence; avoid single provider lock-in; log and retain all travel rule messages; consider applying enhanced due diligence and assessing transactional risk; determine if transfer should be delayed or prevented and filing a SAR if applicable; and to record evidence on checks on counterparty DABs.

BMA: Regulatory updates and notices

- **Q4 2025 regulatory update ([Regulatory updates - BMA](#)):**
 - A DAB thematic review request was sent to all DABs with licenses in Bermuda to collect sector-wide insights into key operational and regulatory practices, focusing on vertical integration, governance, outsourcing, and head office requirements.
 - The aim was to identify sector patterns, trends, and emerging risks while recognising differing levels of maturity and sophistication across firms based on business models, scale, and development stages.
- **Notices (<https://www.bma.bm/notices>):**
 - **An updated personal declaration (“PD”) form for directors and officer appointments was published on January 16, 2026.** The revised PD form will take effect immediately and the BMA will not accept previous versions of the PD or any variation of the PD after February 1, 2026. The updated PD on the BMA letterhead is accessible via the BMA website: see Insurance - BMA and Investment Funds - BMA.
 - **Pre-approval process for new Bermuda funds:** The BMA has introduced a streamlined approval in principle (“AIP”) process, where applicants who submit the required documentation may receive conditional pre-approval within two to three business days. For more information on the AIP process, please email funds@bma.bm.

Registrar of Companies (“RoC”): Beneficial Ownership (“BO”) (Amendment) Act (2025) - [Bermuda Laws Online](#)

- This act arose from the RoC’s engagement with industry stakeholders that led to the conclusion that some sections should be amended or repealed.

- It received the assent of the Governor of Bermuda on the December 31, 2025 and was published by the RoC on January 2, 2026.
- The Beneficial Ownership Act 2025 (the Principal Act) was amended and repealed as follows:
 - Section 15(1) was amended by changing “beneficial owners” to “registrable persons,” which includes both beneficial owners and legal entities in its definition, per page four of the Principal Act.
 - Section 16, which required beneficial owners to be approved by the registrar, was repealed.
 - Section 27(2)(a), which allowed the minister to make regulations relating to the registrar's approval of a person as a beneficial owner of a legal person for the purposes of this act, was also repealed, as section 16 is no longer relevant.
 - Section 27(2)(c) regarding the prescribing of fees for any function or service performed under the act or under any regulations was also repealed.
 -

RoC: BO regulations and guidance notes 2025

- The BO Act consolidated the BO regime into one act while also expanding the scope of entities that must comply with the new requirements.
- As such, funds are no longer exempt and are now considered in-scope (unless listed or a subsidiary of a listed person), which means that investment funds must now:
 - Identify their beneficial owners;
 - Maintain a BO register;
 - File BO information with the RoC;
 - Keep BO registers accurate and up to date; and
 - Comply with verification and disclosure obligations under the BO Act
- The BO Act has also repealed the exchange control regime requirement for the BMA's permission to be sought for the issue or transfer of securities in Bermuda entities to non-resident persons. Prior-approval by the RoC for the issue or transfer of participating interests in an investment fund is not currently required, but investment funds will need to be mindful of additional steps to comply with its applicable BO obligations when participating interests are issued or transferred – which may be an adjustment from previously being able to allow participating interests to be freely issued, transferred, and sold.
- There will be a 'transition period' until June 1, 2026, before the RoC begins enforcing the new BO regime. Also, further regulations and guidance notes are expected to be released in the coming weeks.

RoC and Corporate Income Tax Agency (“CITA”) notices

- The RoC sent an email to stakeholders to advise that responsibility for the administration, monitoring, and enforcement of Bermuda’s economic substance regime will transfer from the RoC to CITA, effective from March 31, 2026, after the Economic Substance Amendment Act 2026 was passed.
- According to an article published on CITA’s website on April 1, 2026, this strategic decision was made after the introduction of corporate income tax in Bermuda and it was recognised that the administration of the international tax compliance function is more appropriately aligned with the responsibilities of a dedicated tax agency (see [CITA New Changes Economic Substance Automatic Exchange of Information - Corporate Income Tax Agency \(CITA\) Bermuda](#)).
- All existing obligations of in-scope entities under the economic substance regime remain unchanged and companies that are in-scope of the economic substance regime should continue to submit their economic substance declarations via the RoC portal until further notice.
- Correspondence in connection with the economic substance regime should be directed to the new dedicated email account at supportexchange@cita.bm.
- The RoC also sent an email to advise that the Minister of Finance has designated CITA to exercise, in his stead as his delegate, any functions to be performed as the competent authority under the International Cooperation (Tax Information Exchange Agreements) Act 2005 and the USA – Bermuda Tax Convention Act 1986, and any regulations made pursuant thereto. All correspondence in connection with these two acts should be directed to the Agency at Wellesley House South, 1st Floor, 90 Pitts Bay Road, Pembroke, HM08, Bermuda or to the following email address: competentauthority@cita.bm.
- Copies of the designation notices regarding the above can be found using these links:
 - [International Cooperation \(Tax Information Exchange Agreements\) Act 2005](#)
 - [U.S.A. - Bermuda Tax Convention Act 1986](#)

RoC: The Companies (Prohibition of Bearer Shares and Nominees Directors) Amendment Act 2025 ([Bermuda Laws Online](#))

- Companies are now required to indicate whether a director holds office as an alternate director and, where applicable, to provide the particulars of the existing director for whom the alternate director is appointed.
- The RoC portal has been updated to capture this additional information and companies are reminded to review and update their Register of Directors, where applicable, before June 1, 2026, after which any amendments will attract the standard filing fee for changes to the list of directors.

- This act also amends the Companies Act 1981 and the Limited Liability Company Act 2016 to require that any bearer shares and bearer share warrants currently in issue be converted to registered shares within ninety (90) days of the act's commencement date, December 10, 2025.
- The act further requires that a declaration confirming that any bearer instruments have been converted to registered shares is submitted to the registrar. This declaration should take the form of a signed letter submitted by email to registration@rocbda.com.
- The deadline for both the conversion of any bearer instruments and submission of the accompanying declaration was March 10, 2026.

Deadlines for Q2-Q4 2026:

- **CITA**
 - June 30, 2026 - Economic Substance Declarations (for entities whose year-end is December 31)
 - December 31, 2026 - Economic Substance Declarations (for entities whose year-end is June 30)
- **Bermuda Government - Ministry of Finance:**
 - May 31, 2026 – Common Reporting Standard (“CRS”) filings
 - September 30, 2026 – Annual CRS compliance certification form
- **BMA**
 - **June 30, 2026** - Statement of compliance for designated funds, registered funds, standard funds, institutional funds, administered funds and specified jurisdiction funds (for entities whose year-end is December 31)
 - **December 31, 2026** - Statement of compliance for designated funds, registered funds, standard funds, institutional funds, administered funds and specified jurisdiction funds (for entities whose year-end is June 30)



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