

## Bermuda regulatory update Q2 2025

The Bermuda Monetary Authority (“BMA”) and other regulatory bodies have issued key updates this quarter, including changes to sanctions guidance, new requirements for digital identity and corporate service providers, and strengthened expectations around risk assessments and reporting. Recent consultation papers, enforcement notices and upcoming deadlines highlight the continued focus on market integrity and financial oversight. This quarterly update is intended to keep you informed and aligned as we close Q2 2025.

### BMA: Financial sanctions updates

- Financial sanctions have been published/updated by the BMA for: Global Anti-Corruption; Iran; Russia (including sanction licenses for legal fees); counter-terrorism; Syria; Zimbabwe; ISIL (Da'esh) and Al-Qaida; and Global Human Rights (see [International Sanctions - BMA](#))

### Director disqualification sanctions (UK) ([Director disqualification sanctions - GOV.UK](#)) – *applies to England, Wales, Scotland and Northern Ireland*

- Guidance about director disqualification sanctions for the UK was published on April 8, 2025, which states that unless a licence has been issued or there is an exception in place, individuals who are subject to director disqualification sanctions are banned from:
  - Being a director of a UK company, a director of a foreign company that has sufficient connection to the UK, even if it is not registered in the UK; for example, if it carries out business or has assets in the UK, or taking part in or being concerned in the promotion, formation or management of a company

### Financial Sanctions Implementation Unit (“FSIU”): Bermuda guidance on countering the financing of proliferation of weapons of mass destruction ([International Sanctions - BMA](#))

- Entities should be aware that proliferation networks have additional ways to evade sanctions through the use of cryptocurrencies, which are difficult to trace and can be laundered repeatedly.
- Also, technologies such as 3D printing, synthetic biology, chemical synthesis, nano-biotechnology, etc. could allow for easier production of standard chemical or biological agents, or the creation of novel agents, with a substantially lower risk of detection by the international community. The financing of such technologies could be used to evade prohibitions to combat proliferation.
- Supervised entities must identify, assess and understand their Targeted Financial Sanctions-Proliferation Financing risks when dealing with their customers and take appropriate mitigating action commensurate with the level of risks identified to fully comply with Recommendation 7 of the FATF Recommendations.
- All relevant firms, natural and legal persons, are required to supply the FSIU with information if they know or reasonably suspect a person is designated or has committed

offences under the International Sanctions Regulations using a Compliance Reporting Form.

- Firms must also file all relevant Suspicious Activity Reports (SARs) and Suspicious Transaction Reports (STRs) related to Proliferation Financing (PF) with the Financial Intelligence Agency (FIA) via their goAML reporting platform: <https://www.fia.bm/sars/>.

**BMA: Consultation paper: Proposed Corporate Service Provider (“CSP”) Business Rules 2025** ([Bermuda Legislations Discussion and Consultation Papers - BMA](#))

- Stakeholders were invited to submit their views on the proposals set out in this consultation paper by June 4, 2025 to [policy@bma.bm](mailto:policy@bma.bm)
- Per the proposed Rules, CSP licensees will need to:
  - o maintain appropriate liquidity and net assets, as well as report this to the BMA
  - o minimum net asset requirements will be set at \$12,000 for limited licenses and \$50,000 for unlimited licenses
  - o CSPs must also maintain liquid assets equivalent to one month (for limited licenses) or three months (for unlimited licenses) of their annual expenditure.
  - o notify the Authority promptly of breaches in net assets or liquidity requirements, as well as other specified significant financial developments that may threaten their viability
  - o adhere to rigorous standards for managing client money including the segregation of accounts, regular reconciliations, transparent disclosures and an annual review by an approved independent person
  - o file annual and quarterly returns, accompanied by signed declarations from senior officers
- After the consultation period, the BMA will review and incorporate the feedback, then publish the final Rules and guidance, incorporating any necessary amendments to the CSP Act.

**BMA: Consultation Paper on the Proposed Framework for Digital Identity Service Providers (DISP)** - [Digital Identity Service Provider Business -Discussion/Consultation Papers - BMA](#))

- A new licensing and supervision regime is to be introduced by the BMA for providers of non-governmental digital identities (Digital IDs), which will be called Digital Identity Service Providers (DISPs), for individuals in Bermuda.
- All DISPs will be required to comply with the regulations, even if they are not providing all end-to-end services, unless they operate solely as an outsourced service provider to licensed DISP.

- DISPs should be able to accelerate consumer access to financial services and alleviate the burden on financial institutions, as they will allow the identity of individuals to be verified online.

#### **BMA: Business risk and customer risk assessment presentation - AML/ATF outreach session** ([Useful Links Related to AML/ATF - BMA](#))

- The BMA held an outreach session for Registered Financial Institutions (“RFIs”) to provide guidance on Business Risk Assessments (BRAs) and Customer Risk Assessments (“CRAs”) and examples of non-compliance for these RAs on May 1, 2025.
- Topics discussed included the key requirements, stages, methods and timing of BRAs and CRAs; trends of non-compliance detected about BRAs and CRAs during on-site visits; and case studies with examples of non-compliance.
- It was noted that the BRA and CRA must align with the Business Plan strategy and that there must be an alignment of risks between the BRA and CRA.
- A FAQ document for BRAs was also provided to RFIs

#### **BMA: Updates, reports, and notices**

- Q1 2025 regulatory update ([Regulatory updates - BMA](#))
- 2024 annual report ([Annual reports by the Bermuda Monetary Authority - BMA](#))
- Notices and warnings (<https://www.bma.bm/notices> and [warning list - BMA](#)):
  - A public warning was issued about a posting on social media that appeared to be a fraudulent article from the Royal Gazette (RG), which stated that a well-known local journalist was arrested due to his involvement in an online investment trading platform called NetherexPro, which is not licensed/registered by the BMA.
  - An Order of Prohibition was published for Mr. David Douglas King, as he did not ensure that Swift Intermediaries Ltd., a company for which he was a director, complied with statutory obligations under several BMA acts and regulations and he is therefore not considered to be a fit and proper person to perform any regulated activity under the Insurance Act for 3 years.
  - A posting appeared on social media, including WhatsApp, in which someone claiming to be BMA Capital made false claims about the Authority, stating that the BMA is part of a multinational financial conglomerate including BMA Capital, Bermuda Finance, Pakistan BMA and BMA International Platform.

- An organisation calling itself Bermuda Financial Markets Commission is operating a fake website ([www.bfmcommission.com](http://www.bfmcommission.com)). The BMA advises that no such organisation exists in Bermuda and that the operators of this website have illegally copied the format, logo, text, information and images from the BMA's website. The BMA has taken action to have the fake website removed.

#### **Financial Intelligence Agency ("FIA") Survey on red flag indicators ([Survey - FIA](#))**

- In June 2025, the FIA requested that Money Laundering Reporting Officers of reporting entities complete a survey to identify new and emerging ML/TF indicators to assist the FIA in enhancing future threat assessments, developing typology reports, and updating Bermuda's National Risk Assessment.

#### **Deadlines for Q3 and Q4 2025**

- **Ministry of Finance**

September 30, 2025 - Annual CRS Compliance Certification Form

- **BMA**

December 31, 2025 - Statement of Compliance for funds whose year-end is June 30, 2025

- **Registrar of Companies**

December 31, 2025 - Economic Substance Declarations for in scope entities whose year-end is June 30, 2025