



GOVERNMENT OF BERMUDA

Ministry of Finance

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Registrar of Companies

**INDUSTRY NOTICE**

**26 February 2019**

**To: Corporate Service Providers and Local Companies**

**ENHANCEMENTS TO BERMUDA'S BENEFICIAL OWNERSHIP REGIME ENACTED**

Bermuda is a forerunner in requiring information on persons who own or control businesses registered in Bermuda. Disclosure of certain details related to beneficial owners is required both during the initial registration process and prior to certain transfers of ownership interests or voting rights in Bermuda entities. The information collected is stored in a central registry which Bermuda has maintained for approximately 70 years.

Financial Action Task Force (FATF) recommendations and the Organisation for Economic Cooperation and Development (OECD) standards require jurisdictions to maintain beneficial ownership. FATF issues guidelines for combatting money-laundering and terrorist financing, while the OECD sets standards for international cooperation and tax information sharing. Such information must also be accessible and made available upon request to a requesting jurisdiction, for the administration or enforcement of their domestic laws, be it for tax, anti-money laundering, regulatory, commercial or other reasons.

The amendments to the Companies Act 1981, the Limited Liability Company Act 2016, and the Partnership Act 1902, represent Bermuda's efforts to our compliance with FATF and OECD guidelines for transparency regarding the beneficial ownership of legal persons. These amendments also help meet commitments undertaken pursuant to the Exchange of Notes agreement between the Government of Bermuda and the Government of the United Kingdom, which was executed in April 2016, also known as the UK Agreement. References to the FATF and OECD standards and the requirements under the UK Agreement are made, collectively, as "the international standards."

The underlying goals of the international standards on beneficial ownership are to establish transparency within legal entities, deter and prevent the misuse of legal persons and legal arrangements, and enhance the effectiveness of cooperation and information sharing amongst participating countries and law enforcement authorities. As such, jurisdictions are required to ensure that adequate, accurate, and timely information on the beneficial ownership of a legal entity is available and can be accessed by competent authorities upon request.

Bermuda has committed to meeting, and continues to strive to meet, such international standards.

As a result of these amendments, local companies and local LLC are required to file changes to their beneficial ownership<sup>1</sup>. Historically, local companies and LLCs had to file beneficial ownership information only at the time of incorporation or formation, and had no obligation to update this information with the Bermuda Monetary Authority. The recent legislative amendments will ensure that information regarding the ownership of local companies and LLCs is kept up-to-date.

### Compliance Requirements

The legislative framework requires Bermuda legal entities, **including local companies and local LLCs**, to keep a beneficial ownership register of individuals and/or relevant legal entities (RLEs) that own or have control over such entities, unless such entities are specifically exempted from the requirements. See section 98D of the Companies Act 1981. This obligation to keep a beneficial ownership register is in addition to the obligation to keep other information, such as a register of members, register of limited partners and a register of directors or register of managers (as the case may be).

Legal entities, **including local companies and local LLCs**, have statutory and regulatory obligations with respect to beneficial ownership information. As a result, legal entities:

- have a duty to keep a beneficial ownership register;
- must take reasonable steps to identify the individual beneficial owners, if any, of a legal entity;
- should contact these persons whom it believes to be registrable persons, to confirm whether they meet the conditions and, if so, obtain the minimum required information in respect of such registrable persons;
- must enter the minimum required information on the legal entity's beneficial ownership register;
- must file the minimum required information with respect to beneficial owners with the Bermuda Monetary Authority (BMA); and
- must keep the minimum required information on such beneficial ownership up-to-date .

### Applicability of the BO requirements

The requirement to maintain a beneficial ownership register applies to all registered legal entities, **including local companies and local LLCs**, except those that are specifically exempted. There is currently no affirmative duty to file with the BMA any claim of exemption from the beneficial ownership requirements.

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<sup>1</sup> Exempted companies, partnerships and LLCs are also required to obtain, maintain, and file beneficial ownership information. This Industry Notice, however, makes clear that Local Entities are also covered by these legislative requirements.



## HOW TO FILE BENEFICIAL OWNERSHIP INFORMATION WITH THE BMA

**Local companies and local LLCs must file beneficial ownership information with the BMA via the BMA's online system, INTEGRA, no later than 28 February 2019.**

Users of the INTEGRA system must first request, and be granted access to the system from the BMA. Persons wishing to contact the BMA for assistance regarding the use of the INTEGRA system, should send an email to [CA-Integra@bma.bm](mailto:CA-Integra@bma.bm). Thereafter, someone within the Corporate Authorizations Unit will contact the individual.

Once the BMA receives the request for access, they will provide the requester with the proper user documentation (i.e., user manual), to assist with completing beneficial ownership filings. These controls were introduced to monitor persons requesting access to the system, as well as, to ensure the individual is given the correct access rights based on the functions he or she will be performing.

### CONTACT

Local companies, local LLCs, and corporate service providers should direct queries regarding beneficial ownership as follows:

<b>Bermuda Monetary Authority (BMA)</b>	<b>Registrar of Companies (ROC)</b>
<ul style="list-style-type: none"><li>• questions about what information to needs to be filed with the BMA and any other filing questions</li></ul>	<ul style="list-style-type: none"><li>• questions about the minimum requirements for beneficial ownership information, as provided by section 98H of the Companies Act</li></ul>
<ul style="list-style-type: none"><li>• questions about how to use the BMA's beneficial ownership filing system (INTEGRA), or questions how to submit BO filings through INTEGRA</li></ul>	
Corporate Authorisations Unit: <a href="mailto:CA-Integra@bma.bm">CA-Integra@bma.bm</a>	ROC Compliance Unit: <a href="mailto:syhasan@gov.bm">syhasan@gov.bm</a>



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