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## PRESS RELEASE

**For Release: Friday, 14 June 2019**

### **BERMUDA MONETARY AUTHORITY FINES ESTERA SERVICES (BERMUDA) LIMITED**

**HAMILTON, BERMUDA** – The Bermuda Monetary Authority (the **Authority**) has imposed civil penalties totalling \$500,000 on ESTERA SERVICES (BERMUDA) LIMITED (the **Company**) pursuant to the provisions of sections 29A and 33B of the Trusts (Regulation of Trust Business) Act 2001 (the **Act**).

The civil penalties have been imposed for the Company's failure to adequately comply within a specified time frame with certain requirements of the Proceeds of Crime (Anti-Money Laundering & Anti-Terrorist Financing) Regulations 2008 (the **Regulations**), and specifically the regulations relating to the application of Customer Due Diligence and Enhanced Due Diligence, internal controls, and risk assessment.

The Company was acquired from a group in January 2016 and is licenced to conduct Trust business by the Authority. Following an on-site inspection conducted by the Authority in late 2016, a number of deficiencies in the Company's AML/ATF programme were identified. These were historic and pre-dated the acquisition. The Authority required these deficiencies to be rectified by 31 December 2017. The remediation was not, however, completed within that timeframe.

The Regulations have been in effect since 2009 and this matter highlights (1) the importance of licencees having up-to-date AML/ATF policies and procedures in place which are appropriate, effective, and fully implemented in order to avoid the risk of financial products or legal structures being used as a vehicle for money laundering or terrorist financing; and (2) the importance of licencees remediating the findings of the Authority within reasonable timeframes.

In determining the appropriate level of the civil penalties, the Authority took account of the following factors:

- (1) The problems identified during the on-site inspection were 'legacy' issues that arose before the Company was acquired
- (2) The Company's full cooperation during the on-site process
- (3) The Company's agreement to continue the implementation of enhanced controls going forward to ensure continued compliance
- (4) The new controls implemented by the Company during 2017 represent an improvement over previous controls and were implemented at significant cost

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