



INTERNATIONAL COOPERATION POLICY

Contents

1	Purpose and objectives	3
2	Statement of Principles for International Cooperation	4
3	Commitment to and Engagement with International Fora	7
4	Exchange of Information with Foreign Authorities	9
4.1	Overview of procedures in place	9
4.2	Management of confidential information	11
5	Approach to International Group Supervision	13
5.1	Supervision of international groups based in Bermuda	13
5.2	Supervision of international groups based outside of Bermuda	14
6	Roles and Responsibilities	16
7	Appendix A: Glossary	18
8	Appendix B: Related Regulatory Acts	19
9	Appendix C: International Affiliations (MMoUs)	20
10	Appendix D: International Organisations - BMA participation as at January 2018	22

1 Purpose and objectives

The purpose of this international cooperation policy is to set out a comprehensive overview of the Bermuda Monetary Authority's ("BMA" or "Authority") approach to its engagement with foreign counterparts on prudential and Anti –Money Laundering/Anti-Terrorist Financing (AML/ATF) matters relating to the regulated financial institutions under its ambit. This policy exhibits clear targets including outlines of procedures and actionable goals that align with global standards set for international cooperation with foreign supervisors and foreign law enforcement. The policy was developed in line with the BMA's objective to offer a wide range of international cooperation techniques as well as clear and effective gateways to facilitate the prompt and constructive exchange directly between counterparts.

This policy is a formal articulation of the BMA's internal view of the approach to international cooperation, and is intended for internal use.

Section 1 provides the high-level principles which inform the design of the international cooperation policy and the proposed AML/ATF regime for financial groups. Section 2 describes the BMA's commitment to and engagement with international fora. The approach to the exchange of information with foreign authorities, including considerations of the confidentiality of data, is discussed in Section 3. The design of BMA's consolidated group supervision is described in Section 4. Lastly, Section 5 sets out roles and responsibilities of the relevant departments, committees, stakeholders, etc. in the execution of the international cooperation policy.

2 Statement of Principles for International Cooperation

The BMA is committed to providing the widest possible range of international cooperation to its foreign counterparts within its legal boundaries. The BMA expects its staff of highly skilled professionals to utilize existing gateways to request information that will enable them to make informed decisions. It has agreements in place to ensure effective exchange of information regarding AML/ATF supervision, enforcement issues and other supervisory matters.

The BMA upholds key principles for international cooperation

1. Engagement -The BMA is focused on engagement with international regulatory bodies and standards setters. Engagement with international regulatory organizations includes:
 - Conducting and taking part in workshops;
 - Offering training;
 - Participating in and contributing to meetings, conferences and panels;
 - Hosting and participating in Supervisory Colleges; and,
 - Maintaining positions on key committees.

These engagements allow the BMA to monitor international regulatory developments, promote recognition of Bermuda's regulatory regime, facilitate industry benchmarking and educate key stakeholders.

2. Sharing information with international counterparts-As Bermuda is a member of the international financial community, the BMA is committed to sharing information with foreign competent authorities where allowed by legislation. The BMA has procedures in place enabling clear and effective gateways to facilitate the prompt and constructive exchange of ML/TF and prudential information directly between regulators. Key principles of exchange of information include:
 - Legislative powers which enables the BMA to disclose the information;
 - Exchange of information is permitted;
 - Information received by the BMA is maintained as confidential;
 - Information received by the BMA is only used for the purposes for which it was received;
 - Information provided by the BMA will be maintained and treated as confidential; and,
 - Information provided by the BMA will only be used for the purposes for which it was requested.

The information obtained through international cooperation facilitates actions against criminals and their assets. The information also assists with fit and proper assessments.

3. Supporting Financial Group supervision-The Authority is committed to protecting customers and ensuring financial stability by conducting prudential Group Supervision across the Banking and Insurance sectors. The overarching principles underpinning the approach to prudential Group Supervision are to:
 - Adopt a risk-based and proportionate approach to Group Supervision;

- Facilitate effective Group Supervision including developing a Group Supervisory Plan with input from Supervisory Colleges;
- Operate with transparency and accountability;
- Regularly consider opportunities to improve relationships and reinforce mutual trust among involved competent authorities;
- Provide an efficient and secure platform for information sharing; and,
- Facilitate sharing of supervisory methodologies and best practices among competent authorities.

In addition to prudential Group Supervision, the BMA is implementing an AML/ATF regime for financial groups, as required by Financial Action Task Force (FATF) Recommendations 18, 23 and 26.

The term “financial group” is defined as “a group, designated by Bermuda’s Minister of Legal Affairs upon the advice of competent authorities, which consists of a parent company or a legal person exercising control and coordinating functions over the rest of the group, together with branches and subsidiaries.” The financial group will be designated where the group conducts activities under Section 42A(1) of the POCA.

Where the financial group is designated by the Minister, it will be done through Orders. Financial groups will have 12 months to comply with the AML/ATF legislative provisions before the designation takes effect.

These requirements are set out in Regulation 12A of the Proceeds of Crime (Anti- Money Laundering and Anti-Terrorist Financing) Regulations 2008. . The financial group must address the following:

- a. Develop, document and implement a group-wide AML/ATF programme that should include the following:
 - i. Internal policies, procedures and controls;
 - ii. Group compliance function to ensure that the group effectively implements the requirements of the AML/ATF programme throughout the group;
 - iii. Policies and procedures to screen employees against high standards and when hiring employees;
 - iv. Ongoing employee training programme;
 - v. Independent audit function to test the group’s AML/ATF programme; and
 - vi. Policies and procedures for sharing information, within the group, that will support the group’s ability to manage money laundering (ML) and terrorist financing (TF) risks.
- b. Develop information sharing mechanism within the financial group that should include:
 - i. Information for, and arising from, customer due diligence assessments;

- ii. Information about the customer, the account(s) and transactions;
 - iii. Information and analyses on unusual or suspicious transactions and where such has generated a suspicious activity report (SAR) and whether the SAR has been filed; and,
 - iv. Any other such information that supports the group's AML/ATF risk management programme.
- c. Where the financial group operates in jurisdictions that do not have a comparable AML/ATF regime to that of the home country, the financial group must manage the additional risks and advise their competent authority.
 - d. Where a financial institution, which is a member of the financial group, relies on another member to conduct customer due diligence (CDD), the financial group must:
 - i. Apply the CDD measures, record-keeping requirements and manage risks associated with dealing with politically exposed persons (PEPs) as laid out in Recommendations 10, 11 and 12;
 - ii. Have and implement an AML/ATF group-wide programme as noted above; and
 - iii. Establish policies and procedures in this area, and ensure they are implemented.

In line with these requirements the Authority applies a risk-based supervisory approach depending on the financial group's risk profile including the following:

- a. The nature, scale and complexity of the financial group, including the number, type of financial institutions within the group, and the level of supervisory discretion applied to the group and its financial institutions;
- b. The ML/TF risks that the financial group is exposed to;
- c. The financial group's overall AML/ATF programme, including its policies, procedures and internal controls;
- d. The accessibility of relevant information required by competent authorities as they conduct their supervisory functions;
- e. The level of compliance or (potential or actual) non-compliance by the financial group;
- f. Any major changes or events that affect the financial group's management and operations;
- g. The home country's competent authorities supervise the effective implementation of the CDD measures, recording keeping requirements and the AML/ATF programme at the group level; and,
- h. Re-assessing, on a periodic basis, the financial group's risk profile to ensure proper alignment with its risk-based supervisory approach.

The Authority intends to issue AML/ATF Guidance Notes for financial groups and will develop designation criteria, including materiality factors.

3 Commitment to and Engagement with International Fora

The BMA is committed to building key relationships, trust and mutual respect amongst peer regulators and international regulatory organisations. Commitment to and engagement with international fora enables the BMA to:

- Ensure that the Bermuda regulatory framework is up to date and in line with international standards;
- Monitor international regulatory and supervisory developments;
- Promote understanding and recognition of Bermuda's regulatory regime with overseas regulatory authorities;
- Facilitate industry benchmarking; and,
- Educate key stakeholders.

The BMA participates in numerous meetings and maintains positions on key committees within international regulatory organisations (see below). It also takes part in workshops which facilitate greater understanding of regulatory standards internationally. As part of its engagement efforts, the Authority attends and conducts workshops to facilitate training of the regulatory community. For example, professionals from the BMA share information and techniques with overseas supervisors on how Bermuda supervises captives and Special Purpose Insurer (SPIs). The BMA also provides significant input to the Core Curriculum work of the International Association of Insurance Supervisors, which is used as an educational resource for supervisors worldwide.

The BMA's most significant international engagement commitments are as follows:

- **International Association of Insurance Supervisors (IAIS)** – the BMA holds Vice Chair positions for numerous groups (e.g. Policy Development Committee; Macroprudential Committee; Financial Crime Task Force). The BMA also contributes significant resources to the development of the IAIS Core Curriculum materials which are intended as an educational resource for supervisors worldwide.
- **International Organisation of Securities Commissions (IOSCO)** – the BMA participates in IOSCO plenary sessions and also in the regional groups which seek to promote common regulatory practices and facilitate exchange of information /transfer of technology and expertise.
- **National Association of Insurance Commissioners (NAIC)** – the BMA takes part in NAIC National meetings, monitors NAIC developments of relevance to the Authority and engages biannually via the BMA/NAIC bilateral regulatory dialogue.
- **Financial Stability Institute (FSI)** – the BMA engages as an FSI trainer at global and regional seminars.
- **Financial Stability Board (FSB)** – the BMA plays an active part in the FSB Regional Consultative Group for the Americas and FSB Shadow Banking monitoring exercise.
- **Regulatory Oversight Committee of the Legal Entity Identifier Initiative (ROC LEI)** – the BMA is an observer at ROC LEI.
- **Coordinated Portfolio Investment Survey (CPIS)** – the BMA takes part in the CPIS, under the leadership of the International Monetary Fund.

- **International Locational Banking Statistics (ILBS)** – the BMA participates in ILBS, under the leadership of the Bank for International Settlements.

Group(s) of International Financial and Insurance Centre Supervisors (GIFCS/GIICS) – BMA staff represent Bermuda on both these offshore groups where members discuss a common response to international regulatory developments and provide a forum for information sharing via the organisation of training and seminars.

4 Exchange of Information with Foreign Authorities

The BMA is committed to exchanging domestically available information in a timely manner with foreign counterparts for intelligence or investigative purposes relating to money laundering or terrorist financing, associated predicate offences and prudential matters. The BMA has bilateral Memoranda of Understanding (“MoUs”) and Multi-lateral Memoranda of Understanding (“MMoUs”) in place with various national and international regulators to facilitate the sharing of information on supervisory issues. The MMoUs have the *de facto* effect of the BMA having many bilateral MoUs under the one MMoU agreement, as the BMA can cooperate with just one other regulator under the MMoU if all parties choose to do so. All MoUs and MMoUs are signed by the CEO of the BMA and in some cases the Senior Advisor of the Legal Department.

4.1 Overview of procedures in place

The mechanisms by which the BMA may request and obtain information are as follows:

1. Direct contact with an overseas regulator: or,
2. Exchange of information in accordance with a MoU/MMoU.

Any request to be made pursuant to a MoU/MMoU by a Supervisory Department (e.g. BTCSI, Insurance or AML/ATF) or Corporate Authorisations Department is reviewed by the Legal Department to ensure that it meets the requirements of that particular information sharing agreement. Where there is no MoU/MMoU in place, Supervisors are still required to obtain the views and advice of the Legal Department on how to proceed.

Once the Legal Department has advised that there is a legal “gateway” for the BMA to request or disclose information, the Supervisors themselves manage the process. For disclosures Supervisory Departments have their own specific procedures in place for handling information requests. There are no express laws prohibiting the form or type of information which may be disclosed once a legal “gateway” has been established. The Legal Department when undertaking its review must be satisfied that the overseas regulator carries on functions which are equivalent to the BMA’s and that the information will remain confidential and be used to carry out the overseas regulator’s functions or it may be used in criminal proceedings. Where a request is to be made, similar checks are undertaken.

In general, the internal procedures for handling the information are as follows:

- **Direct requests:** Usually direct requests are oral exchanges with other regulators. Information requested usually pertains to the fit and properness of individuals who may be controllers or officers. These conversations are documented.
- **Requests made through the regulator to regulator request for assistance portal on the BMA’s website:** The request is logged and reviewed by the Legal Department if the request is being made pursuant to a MoU/MMoU and forwarded to the relevant department for appropriate action. The request is tracked to ensure it is addressed in a timely manner. Similarly where there is a request made by the BMA, the request is logged by the relevant team.

- **Information received under MoUs:** All incoming and outgoing information received must be held in a restricted access file that is marked ‘Confidential’.
- **Information outside of the BMA:** If the request requires the BMA to obtain the information from a Bermuda-based third parties, the Legal Department will serve a Section 30B Notice under the Bermuda Monetary Authority Act 1969 directly to the third party to produce the information. Upon receipt, the Legal Department will forward the information to the overseas regulator.

In general, the key steps of the Exchange of Information Process can be seen in Figure 1 for incoming requests, and Figure 2 for outgoing requests.

Figure 1: General Exchange of Information Process (Incoming request)

Information is requested by a foreign regulator	A foreign regulator can make the request through the BMA assistance portal or a direct request with a BMA employee.
The request is logged	All requests for information are logged. (incoming)
Legal reviews the request	Legal reviews the request to ensure it meets the requirements of a particular information sharing agreement.
Legal determines whether there is a gateway	If a gateway is available, the request is forwarded to the relevant Supervisory Team to address.
Supervisory Team addresses the matter	Supervisory Team addresses the matter from that point onward. Designated persons within the Departments manages the process for responding, maintains a log which includes logging responses given to the foreign regulator, ensures that information received is filed in a confidential manner, and follows up with the foreign regulator.

Figure 2: General Exchange of Information Process (Outgoing request)

Request for information is drafted by the Supervisory Team	The request for information from another regulator is drafted by the relevant Supervisory Team. Designated persons in the Departments manage the requests being made.
Legal reviews the request	Legal reviews the request to ensure it meets the requirements of a particular information sharing agreement.
Legal determines whether there is a gateway	If a gateway is available, Legal will advise the Supervisory Team.
The request is logged	All requests for information are logged. (outgoing)

Supervisory Team forwards the request for information	Supervisory Team forwards the request and is responsible for the matter from that point onward. Designated person will follow up with the foreign regulator if necessary, log receipt of the information and ensure the information is filed in a confidential manner.
--	---

This process is followed whether the request for assistance is being made under a MoU, MMoU and supported by the relevant supervisory legislation including the POCA Supervision and Enforcement Act if requests pertain to AML/ATF queries. The only exception is when a request for a certificate of compliance is made. In that case, the Legal Department does not get involved and the matter is handled entirely by the relevant Supervisory team.

If the request for assistance is made under the BMA Act Section 30B, the process is as presented in Figure 3. It is handled primarily by the Legal Department. Enforcement will review the material collected under Section 30B and determine whether to open a local investigation, as well as identify any issues that might need to be escalated to other departments within the BMA (Supervisory Departments or Corporate Authorisations), other local regulators, or law enforcement.

Figure 3: Exchange of Information under Section 30B

Information is requested by a foreign regulator	A foreign regulator can make the request through the BMA assistance portal or a direct request with a BMA employee.
The request is logged	All requests for information are logged. (incoming/outgoing)
Legal reviews the request	Legal reviews the request and determines whether the BMA is legally able to assist.
Legal serves the appropriate Notice(s)	Legal serves the appropriate Notices upon the relevant persons. The Notices specifies a time limit within which to respond.
Legal receives documents from relevant persons	The documents are received from the Bermuda person, generally electronically. The date of the response is logged, and the documents are reviewed by Enforcement.
Documents transmitted	The documents are forwarded to the requesting regulator, and the date of the BMA’s response is logged.

In relation to all of the information disclosed, the BMA shall request from the receiving regulator to:

- Maintain all information received as confidential;

- Only use the information for the purposes for which it was received;
- Obtain the prior written consent of the BMA before onwards sharing with any third party; and,
- Acknowledge that the BMA is the owner of the disclosed information.

4.2 Management of confidential information

The BMA's approach to managing confidential information is detailed in the document 'Policy relating to the Management of Confidential Information by the Bermuda Monetary Authority'.

Sharing restricted information with other regulators

The BMA may disclose confidential information under two circumstances: where it has received consent from the owner of the information, or has legislative power to disclose. Legislative power based on relevant Regulatory Acts enables the Authority to share confidential information in its possession with overseas regulators. To process the sharing of confidential information, the Supervisor of the regulated entity shall seek confirmation from the Legal Department prior to disclosing information, to ensure that the disclosure falls within the relevant provisions of the regulatory Acts. Once the Legal Department has advised that there is a legal "gateway" for the BMA to disclose information, the Supervisors themselves manage the process of disclosure.

Managing information received from overseas regulators

The BMA may make a request for assistance to an overseas regulator. These requests may arise under the following circumstances;

- Direct request to a supervisor: The BMA may request information from other regulators in order to carry out a duty or function of the BMA.
- Requests made by the BMA under an MOU: Where the BMA has entered into MOU's or MMOU's, a request may be made by a Supervisor in accordance with the conditions arising in that information sharing document.

Once such information has been received, the BMA must ensure that the information is protected and maintained appropriately.

Sending information received from overseas regulator to a third party

The regulatory Acts make provision for the BMA to share information which it has received from an overseas regulator to third parties but only with that regulator's consent. However an overseas supervisor may also provide "pre-consent" under the terms of a MMOU or MOU which it has signed. In this situation, the BMA may share relevant information without obtaining prior consent.

5 Approach to International Group Supervision

As mentioned in section 1 above, the Authority conducts prudential Group Supervision across Banking and Insurance sectors. The main objectives of prudential Group Supervision are to:

- Protect customers;
- Promote financial stability;
- Ensure at least one competent authority has a complete view of the Group and its associated risks; and,
- Address any supervisory gaps, the risk of contagion and the impact of any regulated entities within a Group.

In addition, and as also described in Section 1 above, the Authority has begun the process of establishing an AML/ATF regime related to financial groups.

5.1 Supervision of international groups based in Bermuda

The BMA is committed to considering carefully, in relation to each institution for which it has lead supervisory responsibility, whether there is a need to conduct consolidated supervision in addition to supervision of the individual licensed entity. Major activities of Group Supervision include the establishment, maintenance and execution of a Supervisory Plan and the coordination and exchange of information through Supervisory Colleges.

The Authority sees consolidated supervision of banks as a complement to, not a substitute for, solo supervision. The purpose of consolidated supervision is not to supervise all the companies within a group, but rather to ensure that the licensed entity is supervised as a part of its group.

Banking

Consolidated supervision involves an overall evaluation of the strength of a group to which a licensed entity belongs, in order to assess the potential impact of other group companies on the licensed institution. Consolidated supervision may be conducted on either a qualitative or a quantitative basis, or including elements of both. Generally, the Authority expects that the policies and procedures judged prudent for the licensed entity are also applied and enforced, *mutatis mutandis*, throughout the consolidated group to which it belongs. Quantitative consolidated supervision is based on consolidated financial returns, reflecting an accounting consolidation of the licensed entity with parts or the whole of the group to which it belongs, together with the direct application of consolidated capital adequacy and other prudential requirements. In certain cases; however, accounting consolidation is not meaningful, because of the nature of particular assets and activities conducted in other parts of a group. In such cases, the Authority undertakes a qualitative consolidated supervision of the group as a whole, focussing on the group's general business and the environment, in which it operates, as well as its controls, organisation and management in order to evaluate material risks to the reputation or financial soundness of licensed institutions.

In the course of its supervision of licensed institutions within consolidated groups, the Authority maintains under close review the scope of on-site and off-site supervision that is appropriate in relation to overseas operations. Where necessary, additional routine reporting requirements may be put in place. On-site examinations of material overseas operations are also conducted, as part of the Authority's risk-based review schedule.

The Authority establishes and maintains appropriate arrangements with other prudential regulators of licensed institutions and entities within their consolidated groups for the sharing, on a confidential basis, of information on financial condition, performance and compliance of the institutions or entities concerned. The BMA establishes, where appropriate, formal cooperation arrangements e.g. through suitable MoUs/MMoUs. In this regard, the BMA holds Supervisory Colleges every two years to which all host regulators are invited and where key issues facing the group entities are discussed. Often MMoU's for colleges are specifically developed to assist with the conduct of the college. The host regulators have a chance to share their jurisdiction specific issues and concerns with the rest of the Supervisory College.

Insurance

The Authority has the following functions with regard to Group Supervision as set out in the Insurance Act 1978 and related group supervision prudential rules:

- Coordination of the gathering and dissemination of relevant or essential information for going concerns and emergency situations, including the dissemination of information which of importance for the supervisory activities of other competent authorities;
- Supervisory review and assessment of the financial situation of insurance groups;
- Assessment of compliance of insurance groups with the requirements on solvency and of risk concentration and intra-group transactions;
- Assessment of the system of governance of insurance groups and whether the members of the administrative or management body of participating companies meet the requirement set out therein;
- Planning and coordination, through regular meetings held at least annually or by appropriate means, of supervisory activities in going concerns as well as in emergency situations;
- Coordination of any enforcement actions that may be taken against insurance groups or any of their members; and,
- As part of the supervision of insurance groups, the Authority regularly plans and coordinates meetings of colleges of supervisors to be chaired by the Authority.

In addition, as per Section 1 above, the Authority has begun the process of establishing an AML/ATF regime related to financial groups.

5.2 Supervision of international groups based outside of Bermuda

There will be instances where the Authority determines it should not be the Group Supervisor. Under such circumstances, the Authority may take the following actions:

- Contact the competent authority who may be in a position to perform the role of Group Supervisor and/or,
- For all Bermuda registered licence-holders the BMA performs solo supervision and takes into consideration group contagion risk.

However, the Authority may assess the necessity to create a Bermuda Subgroup and perform Subgroup Supervision as set out in the Group Supervision Manual – Insurance with details on scope of Subgroup Supervision.

The BMA supports Supervisory Colleges and as a host supervisor attends Supervisory Colleges organised by home supervisors. One of the main functions of the Supervisory College is to facilitate enhanced supervision of the Group and solo entities by providing greater access to information for the College members. It is an important regulatory tool in achieving effective and efficient supervision of cross-border groups and conglomerates.

Furthermore, there is an on-going dialogue with relevant home regulators throughout the year. Appropriate arrangements are established with all home regulators to enable effective sharing of information. Comprehensive and timely exchange of information is a core element for the effective supervision of cross-border groups in both normal and crisis situations.

See Section 1 above for a description the Authority's proposed AML/ATF regime related to financial groups.

6 Roles and Responsibilities

The BMA's commitment to international cooperation relies on close cooperation and efficient coordination of several internal and external stakeholders.

Exchange of information with foreign stakeholders depends on whether there is direct contact with an overseas authority or if the exchange is in accordance with a MoU/MMoU. Where, there are instances when the BMA does not have statutory powers to assist a foreign non-counterpart, the BMA will identify the relevant domestic competent authority who can assist and coordinate with the foreign non-counterpart the steps to be taken to access the information in Bermuda. For example the BMA cannot share information directly with overseas enforcement authorities and if an enquiry was made, the BMA would reach out to the FIA or the BPS to provide the assistance required to that enforcement authority.

Internal stakeholders

The BMA is responsible under POCA SEA for managing its obligations with respect to negotiating and signing relevant MoUs and MMoUs. Furthermore, there are several departments within the BMA that support the engagement with foreign counterparts.

Legal Department: The Legal Department is responsible for reviewing incoming requests from other national and international competent authorities and referring these to the appropriate department for a response. The Legal Department may provide legal advice as required on whether the request is a valid one under any MoU /MMoU in force. All incoming requests for information are logged.

For outgoing requests, the Legal Department advises on whether an existing MoU/MMoU is in place with the relevant supervisor and if not, how a request for information might best be made in its absence. All outgoing requests for information are logged.

The Legal Department is not directly involved in the engagement in international fora as that is the remit of the Supervisory Departments. Therefore Legal is not involved in workshops, training, conferences, etc. with international setting bodies. It does however sit as a member on the IAIS MMoU Working Sub-Group.

Supervisory Departments (e.g. BTCSI, Insurance or AML/ATF) and Corporate

Authorisation Department: The relevant Supervisory Department and Corporate Authorisation Department has the responsibility for providing an accurate and timely response with comprehensive and up-to-date information to any international requests forwarded by the Legal Department. The relevant Supervisory Department or Corporate Authorisation Department prepares a response to the information request upon reviewing the file of the subject and liaising with the Legal department to ensure appropriate agreements are in place and logging the actions taken.

Furthermore, the Supervisory Departments are responsible for direct engagement in international fora. This includes designing a yearly engagement plan, preparing workshop/ training materials, attending relevant meetings, and communicating relevant outcomes as appropriate.

Enforcement Department:

The Enforcement Department reviews outgoing material collected under Section 30B to identify potential actions that should be taken within Bermuda, including opening a local investigation, advising other regulators or law enforcement. Enforcement may also review material received or provided under other agreements which may require escalation. All material reviewed may be sanitised for use in developing typologies or strategic analysis.

External stakeholders

Strong cooperation and coordination with key external stakeholders enhances BMA's international efforts.

FIA and prosecution agencies: If the BMA is unable to provide assistance to an overseas supervisor due to a lack of statutory powers, the Legal Department will issue requests to the FIA, BPS, DPP or another appropriate national body.

External requests made by the BMA

Supervisory Departments and Corporate Authorisations may make requests for assistance from other foreign regulators. The object of the request may be to assist with Prudential oversight, enforcement, licensing requirements, vetting of controllers or AML/ATF related. The requests may be formally written or informal exchange.

Once the request is made the Department's designate will log the request and follow up with the foreign regulator as required. When the information is received, the designate will ensure that the information is filed in the manner as set out in Section 4 and receipt of information is logged.

The Legal Department is responsible for advising, the Departmental representative any issues related to confidentiality when making the request.

The Enforcement Department may be requested by the Department to assist with the assessment of the information received to determine if there are any matters related to enforcement to be considered.

Appendix A: Glossary

Acronym	Definition
AML	Anti-money laundering
ATF	Anti-terrorist financing
BMA	Bermuda Monetary Authority
BPS	Bermuda Police Services
BTCSI	Banking, Trusts, Corporate Services and Investments
CFATF	Caribbean Financial Action Task Force
CFE	Controller of Foreign Exchange
CPIS	Coordinated Portfolio Investment Survey
CSP	Corporate Service Providers
ExCo	Executive Committee
FATF	Financial Action Task Force
FIA	Financial Intelligence Agency
FSB	Financial Stability Board
FSI	Financial Stability Institute
GIICS	Group of International Insurance Centre Supervisors
IAIS	International Association of Insurance Supervisors
ILBS	International Location Banking Statistics
L&A	Licensing and Authorisations
ML	Money laundering
MMoU	Multilateral Memorandum of Understanding
MoU	Memorandum of Understanding
MSB	Money service business
NAIC	National Association of Insurance Commissioners
NAMLC	National Anti-Money-Laundering Committee
NAV	Net asset value
NLP	Non-licensed person
NPO	Non-Profit-Organisation
NRA	National risk assessment
OSRC	Onsite Review Committee
OWG	Operational Working Group
PEP	Politically Exposed Person
RFI	Regulated financial institution
RiskCo	Risk Committee
ROC	Registrar of Companies
ROC LEI	Regulatory Oversight Committee of the Legal Entity Identifier Initiative
SOP	Statement of Principles
SPI	Special Purpose Insurer
TSP	Trust Service Providers
TF	Terrorist financing
ToRs	Terms of Reference

Appendix B: Related Regulatory Acts

Regulatory Acts
Controller of Foreign Exchange Act 1972
Insurance Act 1978
Companies Act 1981
Banks and Deposit Companies Act 1999
Segregated Account Companies Act 2000
Trusts (Regulation of Trust Business) Act 2001 (as amended)
Trusts (Regulation of Trust Business) Exemption Order 2002
Investment Business Act 2003 (“the IBA”)
Investment Funds Act 2006 (“the IFA”)
Insurance Amendment Act 2008
Corporate Service Provider Business Act 2012
Money Service Business Act 2016
Proceeds of Crime 1997 (“POCA”)
Anti-Terrorism (Financial and Other Measures) Act 2004 (“ATFA”)
Proceeds of Crime (Anti-Money Laundering and Anti-Terrorist Financing Supervision and Enforcement) Act 2008 (“SEA”)
Proceeds of Crime (Anti-Money Laundering and Anti-Terrorist Financing) Regulations 2008 (“POCA Regulations”)

Appendix C: International Affiliations (MMoUs)

Table 1: Signed MMOUs with other jurisdictions/organisations as of June 2018.

Signed MMOUs with other jurisdiction/organisations	Date Signed
US Commodity Futures Trading Commission	March 3 rd 1997
States of Jersey Financial Services Department	April 10 th 1997
Isle of Man Financial Supervision Commission	October 28 th 2002
UK Financial Services Authority	April 21 st 2004
Luxembourg (Commission de Surveillance du Secteur Financier)	May 31 st 2005
Cayman Islands Monetary Authority	June 30 th 2005
Financial Services Board of the Republic of South Africa	August 15 th 2005
International Organization of Securities Commissions	June 6 th 2007
Malta Financial Services Authority	June 3 rd 2008
The Office of the Superintendent of Financial Institutions of Canada	August 19 th 2008
New York State Insurance Department	September 25 th 2008
Luxembourg (Commissariat Aux Assurances)	February 2 nd 2009
International Association of Insurance Supervisors (IAIS)	June 25 th 2009
Florida Office of Insurance Regulation	September 24 th 2009
Nebraska Department of Insurance	October 28 th 2009
Pennsylvania Insurance Department	December 10 th 2009
Swiss Financial Market Supervisory Authority	March 11 th 2010
Regional Regulatory Authorities (Caribbean)	May 27 th 2011
Financial Supervisory Authority of Norway	May 2 nd 2012
Ohio Department of Insurance	February 14 th 2013
Arizona Department of Insurance	August 6 th 2012
Missouri Department of Insurance (MDIFP)	September 6 th 2013
Illinois Department of Insurance	November 19 th 2013
Division of Insurance and Financial Oversight of the Georgia Department of Insurance	August 1 st 2014
Texas Department of Insurance	November 1 st 2014
National Association of Insurance Commissioners (NAIC)	August 15 th 2015
Maryland Insurance Administration	January 19 th 2016

New Hampshire Insurance Department	November 23 rd 2016
EIOPA (European Insurance and Occupational Pensions Authority)	January 16 th 2017
North Carolina Department of Insurance	April 18 th 2017

Signed MMOUs with other organisations	Date Signed
Superintendent of Real Estate	February 21, 2018
Bermuda Police Service	April 28, 2017
Bermuda Casino Gaming Commission	April 28, 2017
Financial Intelligence Agency	March 31, 2017
Barristers and Accountants AML/ATF Board	January 23, 2017

Appendix D: International Organisations - BMA participation as at January 2018

International Organisations – BMA participation
International Association of Insurance Supervisors (IAIS) <ul style="list-style-type: none"> • Executive Committee • Policy Development Committee • Macroprudential Committee • Capital Solvency & Field Testing WG • Insurance Groups Working Group • Accounting & Auditing Working Group • Macroprudential Policy & Surveillance Working Group • Resolution Working Group • Financial Crime Task Force • Supervisory Forum
National Association of Insurance Commissioners (NAIC)
International Organization of Securities Commissions (IOSCO) <ul style="list-style-type: none"> • IOSCO General • IOSCO Growth & Emerging Markets Committee • Council of the Securities Regulators (COSRA) – American Regional group of IOSCO • Inter-American Regional Committee (IARC) – American Regional group of IOSCO
Financial Stability Board (FSB) <ul style="list-style-type: none"> • FSB Regional Consultative Group of Americas (FSB RCG) • FSB Regulatory Oversight Committee of Legal Entity Identifier Initiative (ROC LEI) • FSB RCG Shadow Banking Working Group • Financial Action Task Force (FATF) Plenary – Bermuda is a Member
Offshore:
Group of International Insurance Centre Supervisors (GIICS)
The Group of International Financial Centre Supervisors (GIFCS)
Caribbean Financial Action Task Force (CFATF) Plenary – Bermuda is a Member
Caribbean Group of Banking Supervisors (CGBS)
Offshore Group of Collective Investment Scheme Supervisors (OGCISS)

Caribbean Group Securities Regulators (CGSR)
Financial Stability Institute (FSI) – ASSAL (Latin American Association of Insurance Supervisors)
Wider:
Risk & Insurance Management Society (RIMS)
European Insurance & Occupation Pensions Authority (EIOPA)
European Securities and Market Authority (ESMA)
Federal Insurance Office (FIOs)