20 July 2026

BERMUDA MONETARY AUTHORITY

NOTICE

Consultation Paper: Guidance Note on the Use of Recognised Stablecoins in Insurance and Investment Funds

The Bermuda Monetary Authority (Authority or BMA) has published a Consultation Paper for industry feedback on a proposed Guidance Note (GN) on the Use of Recognised Stablecoins in Insurance and Investment Funds. The proposed GN clarifies the Authority's supervisory expectations for eligible insurance entities and investment funds that use recognised stablecoins for specified operational, settlement, treasury or investment-related purposes.

The consultation supports responsible financial innovation while maintaining appropriate prudential, governance, AML/ATF, sanctions, custody, valuation, disclosure and operational resilience safeguards. The Guidance does not create general permission for all regulated entities to use stablecoins. Instead, the applicability and any notification or approval requirements will vary based on the entity, sector, use case and regulatory framework. At this stage, traditional special-purpose insurers remain outside the proposed framework. Separate guidance for parametric or other digitally enabled insurance structures may be considered once the relevant framework is finalised.

Scope of the Proposed Guidance

The Guidance addresses stablecoin eligibility, governance and risk management expectations. It covers additional expectations related to AML/ATF, sanctions, custody, wallet and private-key management controls and includes information related to:

- Valuation, liquidity and redemption risk
- Contractual settlement and transaction finality
- Disclosure, reporting and supervisory notification requirements
- The use of recognised stablecoins by eligible Limited purpose insurers and investment funds
- The relevant expectations for intermediaries, service providers and intra-group arrangements

Consultation Period

The Authority invites feedback from regulated entities, industry associations, professional advisers, service providers and other interested stakeholders. Comments should be submitted to **policy@bma.bm** by **30 September 2026**. The Consultation Paper and proposed GN are available on the Authority's website under **Consultation Papers**.