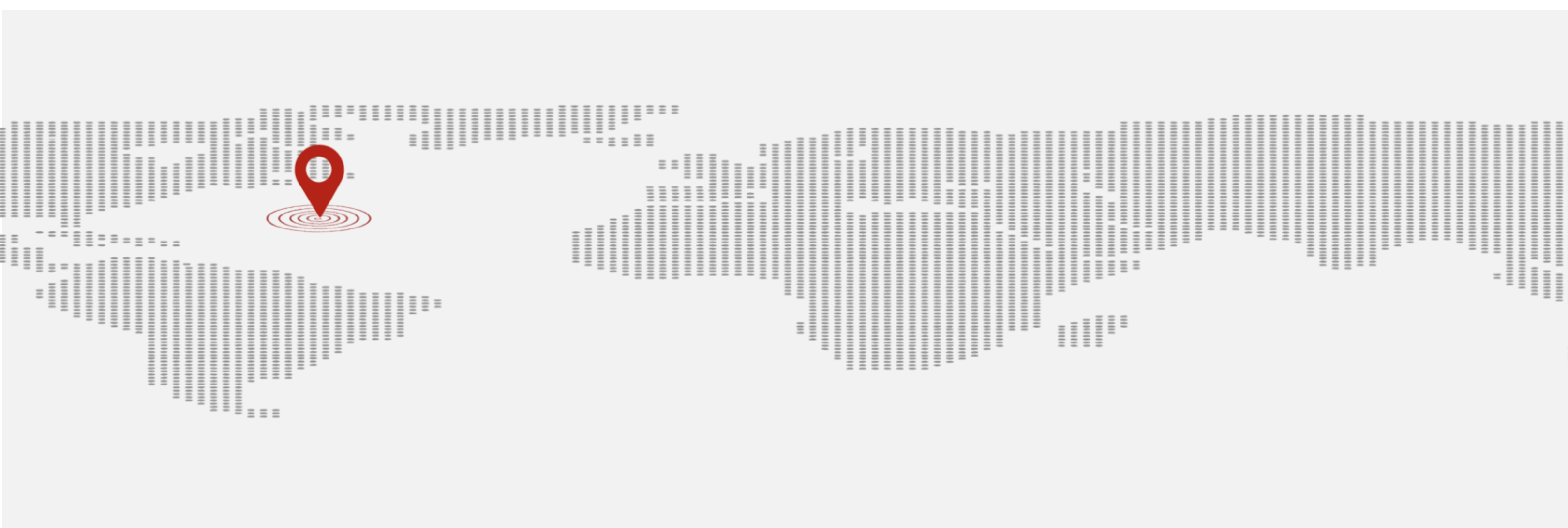
Friday, 14 August, 2026

CONSULTATION PAPER

Proposed Amendments to the Bermuda Monetary Authority Act 1969

Comments to be received by 14 September 2026



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I. INTRODUCTION

1. This Consultation Paper (CP) seeks feedback on proposed amendments by the Bermuda Monetary Authority (Authority or BMA) to the Bermuda Monetary Authority Act 1969 (BMA Act). The proposed amendments include the following:

   i. **Amendments to section 3:** To update the Authority's principal objects to include acting as the Resolution Authority for relevant financial institutions, initially banks, deposit companies and credit unions, thereby formally recognising and defining its expanded mandate to oversee and manage the resolution process for such financial institutions;
   ii. **Amendments to the Fifth Schedule**: To make administrative amendments in relation to insurance industry fees generally, including the removal of a duplicated annual fee for insurance marketplace providers. These updates are purely administrative in nature and do not introduce any new fees or fee increases. Following the amendments being made, the Fifth Schedule will be repealed; and
   iii. **Amendments to the Fourth Schedule:** To move all insurance sector fees that are currently payable under the Fifth Schedule into the Fourth Schedule of the Act.

2. Industry and other stakeholders are invited to provide feedback on the proposals outlined in this paper and its attachments by emailing their comments to policy@bma.bm by the close of business on 14 September 2026.

II. BACKGROUND

Principal objects

3. In May 2026, the Ministry of Finance elected to designate the BMA as the Resolution Authority for entities licensed under the Banks and Deposit Companies Act 1999 (BDCA) and the Credit Unions Act 2010 (CUA).

4. Under this proposal, 'resolution' generally refers to the actions a national authority should take to mitigate the impact of the failure of systemically important domestic banks, deposit companies and credit unions. The aim is to safeguard critical functions essential to Bermuda's financial stability, economy, and international reputation while also protecting depositors.

3. It is important to note that, although this consultation includes a proposal to amend the principal objects of the BMA Act, the underlying resolution framework that will support a resolution regime for banks, deposit companies and credit unions is a long-term initiative that will be developed over the next several years. The BMA will conduct subsequent consultations and engagement with impacted stakeholders as this framework is built and developed.

Fifth Schedule Amendment and Repeal

4. In 2023, the Fifth Schedule to the BMA Act was introduced to provide for the phased

implementation of gradual fee increases for the insurance sector. These increases were structured over a three-year period through Parts A (2024), Part B (2025) and Part C (2026). As this phased implementation will conclude at the end of 2026, the Fifth Schedule will have served its intended purpose. It is therefore necessary to revise the BMA Act to ensure that the fees payable by the insurance sector from 1 January 2027 are clearly and appropriately reflected. Accordingly, it is proposed that the Fifth Schedule be repealed with effect from 1 January 2027.

5. A housekeeping amendment to paragraph 7(c) of the Fifth Schedule will also be made to rectify an error identified for correction. Once this amendment has been made, the Fifth Schedule will be repealed with effect from 1 January 2027, as outlined in paragraphs 4 and 8.

Fourth Schedule Amendment

6. Prior to the introduction of the Fifth Schedule, all fees payable by the insurance sector were detailed under the Fourth Schedule of the BMA Act. As a direct consequence of the proposed repeal of the Fifth Schedule, it will be necessary to amend the Fourth Schedule to reinsert all insurance sector fees currently contained in the Fifth Schedule, thereby ensuring that these fees continue to be reflected in the BMA Act from 1 January 2027.

III. KEY PROPOSALS

Principal objects

7. It is proposed that a new principal object be added to section 3 of the BMA Act to enable the Authority to act as the Resolution Authority (RA) for banks, deposit companies and credit unions. The inclusion of this additional object would formally establish the Authority's role as RA and facilitate the continued development of a resolution framework to support the objectives outlined above. Initially, the Authority's role as RA would apply only to banks, deposit companies and credit unions within the scope of the BDCA and the CUA. While it is recognised that the RA's remit may need to extend to other sectors in the future, any such expansion would be subject to further consultation and engagement with the relevant stakeholders.

Fifth Schedule Amendments

8. It is proposed that the Fifth Schedule be repealed, as the three-year phased implementation of fee increases for the insurance sector will be complete by the end of 2026 and the three separate parts and associated timelines outlined above will no longer be required. As a consequence, the fees currently set out under Part C (2026) of the Fifth Schedule will be incorporated into the Fourth Schedule. To achieve the policy intent of these necessary updates, the Fifth Schedule be repealed with effect from 1 January 2027.

9. It is further proposed that paragraph 7(c) of Part C (2026) of the Fifth Schedule be amended by removing the words ‘or insurance marketplace provider’ as the annual fees applicable to insurance marketplace providers are already provided for under paragraph 7(f). The corresponding

amendment will be reflected in the Fourth Schedule as part of the proposed transfer of fees from the Fifth Schedule.

Fourth Schedule Amendments

10. It is proposed to amend the Fourth Schedule to reintroduce the fees payable under the Insurance Act 1978, as had existed before the commencement of the three-year phased fee implementation process in 2024. As a consequence, it is proposed that the fees currently set out in Part C (2026) of the Fifth Schedule be transferred to the Fourth Schedule effective on 1 January 2027.

11. No new fees or any increases to existing fees are being proposed.