

Bermuda Captive Network Subcommittee Report	
SUBCOMMITTEE	BCN/BMA Advocacy Group
DATE OF REPORT	Q3 2025

Year to date report – September 30, 2025

The Bermuda Captive Network, BCN/BMA advocacy group, was established to provide its members with

1. Unified voice with the regulator
2. Policy influence and advocacy
3. Regulatory engagement and transparency
4. Alignment with International Standards
5. Education and knowledge sharing and;
6. Problem Solving platform

The BCN advocacy group held regulatory and industry topic meetings in **February, April and July 2025**. Key topics included;

- **Operational Resilience Consultation:** A new consultation paper on Operational Resilience and Outsourcing Code was published on January 14, 2025, targeting all regulated financial institutions except captives, with a focus on insurance managers. The consultation period ends March 14, 2025, and BCN plans to engage with BMA representatives for detailed discussions. This paper was updated and published in Q3, 2025. *Updated for September 2025* <https://www.bma.bm/document-centre/policy-and-guidance-outsourcing>
- **SAC Final Paper and Audit Updates:** The Special Audit Committee (SAC) is finalizing its paper with expected issuance by February 2025. Key points include maintaining materiality thresholds, rotational audit reviews every three years for cells, updated governance, and expanded application renewal clarifications. BCN and insurance managers will have one-on-one dialogues with BMA on these updates. BCN has submitted its secondary comments (Sept 2025) to the updated guidance notes. The BMA feedback /response remains outstanding at the date of this report.
- **Licensing and Application Feedback:** BMA provided detailed feedback highlighting the need for clear business plans, articulation of funding and exposure, investment strategies, board composition,

- and proper documentation for individual captive owners. Material changes require governance and resource assessments, and early dialogue with BMA is encouraged for cross-border transactions.
- **Industry Events and Regulatory Updates:** The Captive Education Summit received excellent feedback and plans for increased capacity and additional sessions are underway. The Hong Kong regulator visit discussed redomestication and compliance challenges for outward branches. The regulator visit was deemed a success and will likely include more cross jurisdiction collaboration.
- **Bermuda Captive Conference:** This year's Bermuda Captive Conference held in June 2025, was well attended and deemed a success. It was noted that the BMA will again be participating next year and welcome any suggestions by the members.
- **Regulatory oversight updates:** The BMA's insurance intermediaries' team is focusing on brokers and agents for prudential and on-site reviews, while the AML/ATF team continues desk-based and on-site reviews, requiring annual independent audits and updated risk assessments.
- **The National Risk Assessment** audit will conclude this year, with findings to be shared ahead of the 2027 Mutual Evaluation.
- **Stablecoin supervisory policy:** The BMA reviewed blockchain technology and confirmed that recognized stablecoins fully backed by fiat currency can be used by limited insurers for premium collection and claims payment without additional licenses, subject to approval. This was communicated following discussions with Bermuda audit firms. (*see Appendix I*)
- **Class 3A classification bulletin:** The BMA issued a June 2025 bulletin detailing two categories within Class 3A participants: Category I for entities with limited insurance experience and Category II for well-established experienced participants. The Bulletin further outlined the minimum requirements for applications including those specific to the Life & Annuity market. (*see Appendix II*)

- **Regulatory oversight and upcoming events:** The BMA provided updates on AML/ATF desk reviews and preparations for the 5th Round FATF Mutual Evaluation in early 2027, including ongoing National Risk Assessment efforts and data calls. The group discussed future networking events and scheduled meetings for late 2025 and 2026.

Appendix I



Notice - Supervisory
Policy for Captives U

Appendix II



Class 3A Minimum
Requirements Bullet