

<b>Bermuda Captive Network Subcommittee Report</b>	
<b>SUBCOMMITTEE</b>	BCN/BMA Advocacy Group
<b>DATE OF REPORT</b>	Year End Report 2025

Year End Report

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The Bermuda Captive Network (BCN) and Bermuda Monetary Authority (BMA) held regulatory and compliance meetings in **February, April, July, October and December 2025** to discuss recent policy updates, conference feedback, and upcoming regulatory activities. Key topics included;

**NEWS FLASHES**

- **Segregated Accounts – Guidance Notes:** After much deliberation throughout the year, the FINAL SAC Guidance Notes will be issued to the market **in early January 2026 as attested by the BMA.**
  
- **Corporate Income Tax (Bermuda) application to Stat Return** -The Minister of Finance continues to work with the market regarding tax credits for insurance and reinsurance companies. Any impact to the Deferred Tax Asset will come into effect for 2026 and not for 2025.
  
- **BMA introducing new ILS working Group** – The BMA will be introducing an industry ILS Working Group to collaborate on regulation and speed to market application to better assist with both the industry and with the BMA.
  
- **BMA Ins.Mgrs ON SITE findings-** The BMA provided observations based on their recent onsite findings for the Insurance Managers that include;
  - **How have new staff been onboarded including evidence thereof**
  - **Understanding the role of Principle Representative and mitigating controls thereof**
  - **What are the internal control procedures for Cells and Rent a Captives.**

## RECAP OF THE YEAR

- **Operational Resilience Guidance Note:** This paper was updated and published in Q3, 2025. *Updated for September 2025* <https://www.bma.bm/document-centre/policy-and-guidance-outsourcing>
- **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.
- **Bermuda Captive Conference:** This years Bermuda Captive Conference held in June 20205, 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



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- 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, outlining minimum requirements for applications to the Life & Annuity Committee. *(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 August, October, and December 2025.

## Appendix I



Notice - Supervisory  
Policy for Captives U

## Appendix II



Class 3A Minimum  
Requirements Bullet