

2017/18 SESSION
of the
BERMUDA
HOUSE OF ASSEMBLY

OFFICIAL HANSARD REPORT

27 April 2018
Sitting number 25 of the 2017/18 Session

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Hon. Dennis P. Lister, Jr., JP, MP
Speaker

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BERMUDA HOUSE OF ASSEMBLY

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27 APRIL 2018
10:06 AM

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[Hon. Dennis P. Lister, Jr., Speaker, in the Chair]

PRAYERS

[Prayers read by Mrs. Shernette Wolffe, Clerk]

The Speaker: Good morning, Members. Welcome back.

CONFIRMATION OF MINUTES

[Minutes of 13 April 2018]

The Speaker: Members, the Minutes of the last sitting of the 13th of April have been circulated.

Are there any amendments or omissions?

No amendments or omissions; the Minutes have been confirmed.

[Minutes of 13 April 2018 confirmed]

MESSAGES FROM THE GOVERNOR

The Speaker: There are none.

ANNOUNCEMENTS BY THE SPEAKER OR MEMBER PRESIDING

APOLOGIES

The Speaker: Members, I have actually received communication from two Members who have indicated that they will be absent today: Lt. Col. Hon. David A. Burch, and also Hon. Diallo V. S. Rabain.

RESIGNATION OF MR. JEFF BARON, JP, MP

The Speaker: Also, Members, I would like to take this opportunity to indicate, as in accordance with the Bermuda Constitution, [section] 31(1)(b), that I have formally been informed of the resignation of the Member who used to sit in constituency 25. His resignation, as you know, was effective the date of the 25th of April.

In receiving it, I wish him well in whatever his future endeavours are.

MESSAGES FROM THE SENATE

The Speaker: There are none.

PAPERS AND OTHER COMMUNICATIONS TO THE HOUSE

The Speaker: There is one, in the name of the Deputy Premier. Deputy Premier, you have the floor.

ELECTRICITY (LICENCE THRESHOLD) REGULATIONS 2018

Hon. Walter H. Roban: Thank you, Mr. Speaker.

I have the honour to attach and submit for the information of the Honourable House of Assembly the Electricity (Licence Threshold) Regulations 2018, as made by the Minister responsible for Energy under the provisions of section 5 of the Regulatory Authority Act 2011. Thank you, Mr. Speaker.

The Speaker: Thank you, Deputy.

PETITIONS

The Speaker: There are none.

STATEMENTS BY MINISTERS AND JUNIOR MINISTERS

The Speaker: There are five Statements on the Order Paper. But the Premier would like to seek the indulgence of the House to add a sixth Statement. And, Premier, you can seek that indulgence.

Hon. E. David Burt: Mr. Speaker, I seek the indulgence of the House to give a Statement which could not be placed on the Order Paper, as the Government was not allowed to release its Statement until Standard & Poor's released theirs, which happened after 5:00 pm yesterday.

The Speaker: I understand.

Members, agreement?

Some Hon. Members: Yes. Yes, sir.

Hon. E. David Burt: Thank you very much, Mr. Speaker.

STANDARD AND POOR'S RATING ACTION

Hon. E. David Burt: Good morning. I rise today to advise Honourable Members of the recent rating action taken by Standard and Poor's on the Bermuda credit.

Mr. Speaker, I am pleased to advise Honourable Members that on, April the 25th, 2018, ratings agency Standard and Poor's (S&P) revised its outlook on Bermuda to "positive." S&P's Global Ratings also affirmed Bermuda's A+ long-term sovereign credit and senior unsecured debt ratings, as well as its A-1 short-term ratings and its AA+ transfer and convertibility assessment.

Mr. Speaker, many statistics are used by credit rating agencies during their sovereign credit analysis. In addition to statistics, rating agencies also look at a number of structural/qualitative factors such as institutional effectiveness and political risks; economic structure and growth prospects; external liquidity and international investment positions; fiscal performance and flexibility; as well as debt burden, and funding and monetary flexibility.

As part of their rating methodology, they conduct annual visits to the Island and meet with various public and private sector representatives to gain a better understanding of the sovereign being rated.

The headline of the report reads as follows, and I quote: "Bermuda Outlook Revised To Positive From Stable On Prospect Of Sustained Economic Growth And Improved Fiscal Outcomes."

Mr. Speaker here are a few of the highlights: *Bermuda's credit story is improving thanks to a return to positive real economic growth in 2017 and 2018.*

Standard and Poor's also said that they *view the continuation of prudent fiscal policy by the new Progressive Labour Party Government as positive.*

[Desk thumping]

Hon. E. David Burt: *The positive outlook reflects our expectations that, in the next 12 to 24 months, real GDP growth will remain moderately positive, fiscal deficits will continue to narrow approaching balance, and Bermuda's net general government creditor position will improve modestly.*

Mr. Speaker, this reinforcement of our credit rating is important as it supports lower interest payments, and stimulates greater consumer and investor confidence. The general public should accept the outcome of this report as an independent, objective endorsement of our fiscal and economic policies, and it is gratifying to note that S&P have noticed the progress this Government has made in the short time that we have been in office.

Mr. Speaker, I can advise Honourable Members that Moody's Investors Service visited the Island this week for their annual review, and their report will be published within a month.

In closing, I would like to advise Honourable Members that the Government is pleased with these rating actions by Standard & Poor's and will continue to collaboratively press ahead with our economic and fiscal policies in order to establish a better and fairer Bermuda that was promised in our election platform. As the Premier and Minister of Finance, I remain committed to creating an economy that works for all Bermudians and continuing our fiscal consolidation efforts. Thank you, Mr. Speaker.

[Desk thumping]

The Speaker: Thank you, Premier.

The next Statement this morning is in the name of the Deputy Premier.

Deputy Premier, you have the floor.

EMERGING SPACE ECONOMIES

Hon. Walter H. Roban: Once again, good morning to the people of Bermuda.

Honourable Members, last week I attended the 34th Space Symposium, organised by the Space Foundation, in Colorado Springs, Colorado. This Symposium, which ran from the 16th to the 19th of April (I attended about three days), provided a forum for leaders in the commercial, government, and military arenas from around the world to discuss, debate, and plan for the future achievements in space. Held every year, it is attended by upwards of 9,000 persons.

The purpose of my attendance was twofold: first, to participate in the panel entitled *Emerging Space Economies* in order to promote Bermuda as a space-savvy jurisdiction; and, second, to connect with others in the industry to highlight the Island's space- and satellite-related offerings, and to solicit feedback on a high-level legal and regulatory framework for new space and satellite businesses.

As I indicated to this House as recently as last December, the space and satellite industry is flourishing. It continues to prosper and advance, and Bermuda's role in this industry can grow.

Mr. Speaker, in addition to me, the panel [for] *Emerging Space Economies*, featured His Excellency [Dr.] Mohammed Nassar Al Ahbabi, Director General of the United Arab Emirates [UAE] Space Agency. It was moderated by Sima Fishman, Managing Director of Euroconsult. A third panelist, Francisco Javier Mendieta Jimenez, [PhD], General Director of the Mexican Space Agency, unfortunately missed the event due to travel complications.

The panel members reflected the diversity of the space and satellite industry interests that exists in the world today. The UAE Space Agency is young,

having been created in 2014. Nonetheless, it has an ambitious space exploration programme with the goal of having a probe in orbit around Mars by 2021. By contrast, Bermuda's space involvement is focused on support services to the industry, rather than exploration.

Mr. Speaker, during the panel, I took the opportunity to emphasise our deep ties to the space industry, ties that go back to NASA's Mercury Project in the 1960s and extend through most of the [Space] Shuttle programme, as well. Today, NASA's mobile tracking station at Cooper's Island, which provides tracking, telemetry, and command and control services, is joined by earth stations established in Bermuda by the European Space Agency, SpaceX, and Spire Global.

The geographical advantage of Bermuda's location is becoming more widely known to companies in the launch business. We authorise earth stations in a way that is *light touch* and efficient. Our process is so efficient that some of our earth station licensees tell us it is the easiest process they have ever experienced.

I also outlined our ability to license satellite networks. As Members will recall, this is as a result of the Outer Space Act being extended to Bermuda by the United Kingdom. Currently, we attract satellite operators who are looking to file applications to the International Telecommunications Union (ITU, as it is known). Satellite operators domiciled in Bermuda can do this through the transparent, flexible, and responsive process we established a number of years ago.

Mr. Speaker, naturally, Bermuda's dominant position in the world's risk insurance business formed part of my remarks. So, I was able to explain that we have a strong foundation in the space industry and the risk marketplace, and we aim to build on this and do more. The Bermuda Government recognises that the space industry holds considerable economic potential, and we want to attract space businesses to our shores to create high-value jobs, and to grow and diversify our economy.

Mr. Speaker, inevitably, there comes the question of *Why Bermuda?* Participating on the panel afforded me the chance to affirm that we are experts at creating conditions that allow for business growth and success. As one of the world's most successful jurisdictions for international business, we have a long history of collaborating with industry for the mutual success of government and business. It is our intention to apply the same principles in our efforts to support the space industry.

The panel was well-received, with questions coming from the audience and post-symposium connections still being made.

Mr. Speaker, taking advantage of the convergence of space industry leaders and with our industry consultants, Access Partnership, over the course of the symposium we met with the UK Space Agency, Blue Origin; the National Space Agency of France; Kongsberg Satellite Services (known as KSAT), which is 50 per cent owned by Space Norway; Commercial Satellite Servicing, or SSL; Orbital ATK; the Canadian Space Agency; Euroconsult; and Planetary Resources with ConsenSys (ConsenSys being a company). In addition to the formal meetings, an informal meeting was in fact held with the European Space Agency [ESA], of which I met the Director of the ESA, Mr. Speaker.

As a result of these meetings, we were able to ascertain specific areas of the space and satellite business where Bermuda could play an effective role and identify new potential steps.

First, in respect of the authorisation of earth stations, we will be moving forward in formalising our current process in the form of earth station regulations. This will ensure transparency and consistency. Companies are interested in establishing earth stations in Bermuda, and a well-organised process is welcomed. There is a practical aspect involved, as well, in that Bermuda should proactively identify appropriate sites where earth stations can be located.

Second, we will work towards developing the legal and regulatory framework needed for new space activities. Companies such as Planetary Resources, for example, which is actively pursuing asteroid mining, can only do so within a legislative framework, which is in its infancy at this time.

In addition to space mining, we identified in-orbit satellite servicing as a new activity with potential commercial purpose. Earth observation, which is not new, has a commercial component, separate from the expected military purposes, which has also sparked [great] interest in the industry.

Mr. Speaker, we believe there could be legal, regulatory, and administrative roles for Bermuda in supporting these new and emerging technologies and business models. To be clear, Mr. Speaker, our goal is not to regulate simply for the sake of regulating. We are a business-friendly jurisdiction, and we know businesses value a light touch when it comes to regulation. Our goal is to be as efficient and effective as possible in our efforts to support the space and satellite industry, which means leveraging our strengths and doing what is best for business.

Finally, Mr. Speaker, our meetings with the space agencies highlighted the prospects for collaboration, particularly with respect to STEM (science, technology, engineering, math) education. We look forward to continuing our discussions with the UK, French, Canadian, and European space agencies on this matter.

Mr. Speaker, we do see that one of our biggest challenges will be raising awareness about Bermuda's space activities and changing the way people think about our Island. As part of growing our space economy, we will be concentrating on getting people to recognise Bermuda as a space-oriented and space-

capable jurisdiction. We are optimistic about the prospect for success. Thank you, Mr. Speaker.

The Speaker: Thank you, Deputy.

The next Statement on the Order Paper is that in the name of the Honourable Minister Foggo. Honourable Minister, would you like to have the floor?

2018 UPDATE ON UNION NEGOTIATIONS

Hon. Lovitta F. Foggo: Thank you, Mr. Speaker. Good morning to all.

Mr. Speaker, I rise to provide an update to the Members of this Honourable House on the status of the Government's Collective Bargaining Agreement negotiations.

Mr. Speaker, Honourable Members will know that there are six Union and Association partners and seven Collective Bargaining Agreements. Upon [the Progressive Labour Party Government] taking office in July 2017, all of the agreements had expired. Since that time, the Government has successfully negotiated four new agreements. These include Bermuda Public Services Union (general membership), Bermuda Industrial Union, Fire Services Association, and the Bermuda Union of Teachers Collective Bargaining Agreements. Also, the Government has entered into a Memorandum of Understanding with the Bermuda Public Services Union (for principals), pending further review and consultation of an agreement in principle.

Whilst the Prison Officers Association and the Bermuda Police Association Agreements remain outstanding, negotiations for both are currently in progress.

Mr. Speaker, Bermuda Public Services Union [general membership] Agreement will reach term on the 30th of September 2020; Bermuda Industrial Union Agreement will reach term on 31 December 2018; Fire Services Association Agreement will reach term on 31 March 2020; and Bermuda Union of Teachers Agreement will reach term on 31 August 2018.

Notwithstanding the milestone of having successfully completed negotiations with most partners, varying expiration dates, as well as provisions to reopen specific clauses in years two and three of the multi-year agreements, will require new talks with the unions. Accordingly, it is expected that talks will reopen with our union partners in the coming weeks and months.

Mr. Speaker, having taken the opportunity to assess the effectiveness of the new approach to negotiations, the Government has determined that the model which relies upon non-technical officers to lead negotiations is, indeed, reasonable. The Government has therefore taken the decision to appoint new members to the Public Sector Negotiations Team (PSNT). The original members of the PSNT, appointed by the then-Government in 2016, include Gary Phillips, Chairman; John Harvey; and Martin Law.

I take this opportunity, on behalf of the Government, to publicly extend thanks and appreciation to these gentlemen. It is well documented that they commenced their initial discussions in 2016 without a mandate—a matter that served to frustrate the process. This notwithstanding, once issued a bona fide mandate under the current Government, the team worked diligently to ensure positive outcomes. It is expected that the original team will conclude their current work in the coming weeks or upon conclusion of negotiations with the Prison Officers Association.

Mr. Speaker, effective May 1st, a new team, to include Jonathan Smith, Chairman; Orin Simmons; and Vincent Hollinsid, will assume the role of the Public Sector Negotiations Team. As a priority, the Public Sector Negotiations Team will complete the Bermuda Public Services Union negotiations with respect to principals and, simultaneously, enter into new negotiations with the Bermuda Union of Teachers, as well as continue the Bermuda Police Association negotiations.

Mr. Speaker, the Government, through its actions, has reinforced its commitment to maintaining a healthy and harmonious workplace, as well as good industrial and employment relations. Priority has therefore been given to monthly scheduled joint consultative meetings, which include management and union representatives within each department, to deal with conditions of employment and effective operations. Of equal importance are the quarterly scheduled Central Consultative Committee meetings, which include the civil service executive and union representatives, to address management issues.

Mr. Speaker, communication is vitally important to good employment and industrial relations, and is the hallmark of effective leadership. Our aim, Mr. Speaker, is to build morale and enhance job satisfaction, which will ultimately result in increased productivity and, as a consequence, a future-forward Government for the people of Bermuda.

Thank you, Mr. Speaker.

The Speaker: Thank you, Minister.

The next Statement is in the name of Minister Wilson. Minister Wilson, would you like to take the floor?

Hon. Kim N. Wilson: Yes, thank you, Mr. Speaker. Good morning.

The Speaker: Go right ahead.

CELEBRATING LIFE WITH THE GIFT THAT KEEPS GIVING

Hon. Kim N. Wilson: Mr. Speaker, today I rise to address a very important matter before Honourable Members of the House of Assembly and members of

the public. The important issue to which I refer relates to a very special gift.

How many times have we received a birthday gift, an anniversary gift, or a Christmas gift that, well, frankly, we were not very fond of? Now, yes, Mr. Speaker, it is certainly not the gift that is received which is important; it is the thought behind the gift. But I am sure that many of us here in the House, and in Bermuda, as well, have returned gifts we had received simply because they were the incorrect colour, size, style, et cetera.

Today, as people in Bermuda pause to celebrate Organ Donation Week, I would like to spend a few moments talking about another gift, namely, the gift of life, the gift that keeps on giving. Mr. Speaker, I am referring specifically to the importance of organ donation.

This week of April marks Organ Donation Week, a time devoted to spreading awareness about the tremendous need for increasing the number of organ, eye, and tissue donors. Now, Mr. Speaker, you may recall that in November last year I stood before you and this Honourable House discussing the importance of having those important conversations about end-of-life care. There were some members of the community that felt I had crossed a line when addressing such sensitive topics in Parliament; but, on the other hand, many persons were pleased to be reminded of the importance of having those sensitive conversations with our family and loved ones.

The issue I wish to address today is one of those such sensitive conversations, yet is far too important to be ignored, namely, the importance of discussing with our family and loved ones our plans and intentions for organ donation. Having these conversations means ensuring our individual wishes about organ donation are known and respected. This prevents our family and loved ones from having to *guess* and *assume* in a situation when timing is everything and decisions must be made at once.

You can communicate your wishes to your family in several ways: have it written down on your driver's licence; fill out and give to your family the organ donation form that is provided by the Bermuda Donor Association; or include organ donation in your advance directives and living wills.

Mr. Speaker, you have heard me speak in this Honourable House on several occasions of the high incidence of chronic non-communicable diseases such as diabetes and kidney disease, the majority of which are wholly preventable and highly costly.

Currently in Bermuda, Mr. Speaker, we have approximately 180 persons receiving dialysis treatment with a cost to our health care system of $22,840,000 per year. That translates to a cost of nearly $130,000 per person per year, whereas the cost of a kidney transplant is approximately $150,000.00. Once a person has had a kidney transplant, they are no longer required to live a life connected to a dialysis machine three times a week, for the rest of their lives, just to survive.

Take, for example, Mr. Speaker, a 40-year-old male with kidney failure who is required to have dialysis. Let us say that he lives until he is 65 years old. The system has paid in excess of $3 million dollars at the current rate for a lifetime of dialysis. Imagine the cost saving to our health care system, not to mention the improved quality of life this patient would have benefited from, had he been the recipient of a kidney transplant. What a wonderful gift!

Mr. Speaker, the New England Organ Bank, which runs the donor services for Bermuda, is the official organ procurement organisation servicing New England and Bermuda. They have a long-standing relationship with Bermuda. They know of at least 10 Bermudians waiting for transplants on their lists right now.

Organ donation is truly a gift that benefits many people. In fact, Mr. Speaker, one donor can impact eight lives. That is right—one single organ and tissue donor can save or improve the lives of more than eight people, helping to restore eyesight, damaged tissues or vital functions.

Let me provide some answers to a few common questions people have about organ donation:

1. Do I have to be in good physical condition to be an organ donor?

Anyone can be a potential donor regardless of age, race, or medical history. Donation professionals review medical history to determine if you can donate. With recent advances in transplantation, more people can donate than ever before. Adults can also make living donations, meaning that living adults can choose to give an organ, like a kidney, or part of an organ like a liver, to someone in need.

2. Will my family incur expenses for my organ donation?

Mr. Speaker, donating does not cost anything. There is no cost to a donor's family for donating organs and tissues. All costs directly related to the organ donation are paid for by the organ procurement agency. Donor services are not profit organisations, and the recipient's medical insurance will cover the medical costs of receiving the transplant.

3. Will doctors let me die if they know that I am a donor?

People laugh. But a lot of people, Mr. Speaker, actually do believe that.

The Speaker: Yes.

Hon. Kim N. Wilson: And the answer is no. The first priority of the health care provider is to save a patient's life. It is only when the medical team in the ICU have exhausted every option to save the patient's life, and they have declared that a patient's brain stem is dead, that organ donation as an end-of-life care choice will be discussed with the family. So, similarly

Mr. Speaker, as I mentioned in this Honourable House last year in November when discussing end-of-life care, the discussion of organ donation should also form part of that very important discussion.

So in closing, as we reflect on the need to draw further awareness to the importance of organ donation, I invite everyone to consider the following:

1) Discover the facts about organ and tissue donation;
2) Decide about becoming a donor and register your decision on your driver's licence; fill out and give to your family the organ donation form, which is provided by the Bermuda Donor Association; or include organ donation in your advance directives and living will; and
3) Discuss your decision with the people close to you.

Mr. Speaker, the decision to become a donor is a personal and important one. To make the right decision, we all need to have the facts so that our decisions are informed. In deciding to become an organ and tissue donor, you are expressing your willingness to save and transform the lives of others through the gift of donation, the gift that keeps on giving.

Thank you, Mr. Speaker.

The Speaker: Thank you, Minister.

The next Statement is in the name of Minister Simmons. Minister Simmons, would you like to take the floor?

Hon. Jamahl S. Simmons: Thank you, Mr. Speaker, and good morning.

The Speaker: Good morning.

BEDC ENTERPRISE BERMUDA INCUBATOR PROGRAMME

Hon. Jamahl S. Simmons: I am pleased to report on an exceptional new measure taken to enhance the local entrepreneurial experience in Bermuda and provide our Island's rising business owners with greater tools for success.

Earlier this month, the BEDC announced its latest example of how it was choosing to equip local start-ups and budding entrepreneurs with skills and resources to thrive in the 21st century. As you may know, the BEDC was established on January 20, 1981, with the mission of inspiring, informing, supporting, and growing new and existing Bermuda businesses. This is done through a host of educational programmes, seminars, and workshops; mentoring initiatives; networking opportunities; financing; and much more.

Over the last 37 years, the BEDC has assisted thousands of local Bermuda business owners and entrepreneurs, and today its passion for enhancing micro, small, and medium businesses is still very much alive and well. The Enterprise Bermuda Incubator Programme is one such example of this. Launched in February 2018, the programme is focused on walking participants through an in-depth nine-month development process, ensuring the entrepreneurs get beyond the idea stage and bring their businesses to fruition. This pilot initiative is being run with the winners of the 10th annual Rocket Pitch competition—six local entrepreneurs who proved their innovation at the Global Entrepreneurship Week [GEW] event held on November 16, 2017. They include the following:

- Surlena Smith—Pitch Green Winner with her all-natural deodorant brand, PondaPits.
- Nakia Smith—Pitch Pink Winner, whose Sip and Savour Bermuda food tours offer visitors the chance to eat and drink like locals.
- Chris Phillips—Pitch Tech Winner, whose mobile app, Dealio, alerts customers to the closest local deals.
- Tracey Hayward—Pitch Town Winner, whose online business, School Boxez, provides parents of children in middle and high school with school supplies.
- Chaella Bradshaw-Douglas—Youth Pitch Winner, whose vending machine business, Good Chew, aims to provide homemade, healthy snack alternatives to school students.
- Cire Bean—Youth Pitch Runner Up, whose online matching business, Pay-A-Kid, pairs young people between the ages of 13 and 18 with odd jobs.

Mr. Speaker, these six Bermuda talents have been taken through a detailed process of analysing and refining their business idea so that they can best determine if it will work in—and beyond—the Bermuda market. Participants are provided with complimentary access to BEDC's educational courses and programmes; free and subsidised office space; and personalised mentoring with financial advisor, Bruce Sharpe, of Sharpe Financial Services Ltd.

And that is not all. The BEDC is also using its vast database of industry contacts to find participants pro bono or subsidised services in areas such as marketing, accounting, legal support, and web development, which were all identified by the entrepreneurs in a recent needs assessment. Last, but not least, those taking part in the 2018 Enterprise Bermuda Incubator Programme will meet one-on-one with BEDC's officers on a biweekly basis to provide updates and receive added encouragement and support.

The idea for this programme was first sparked several years ago. It was determined that entrepreneurs needed more support to get beyond the idea stage and bring their business solutions to reality. The BEDC believes this pilot incubator programme will give individuals all the resources they need to become successful entrepreneurs. And, so far, the results have been very promising, with participants being very

involved and engaged in the learning and development process.

Mr. Speaker, a few weeks ago, these six entrepreneurs were invited to take part in the Global Entrepreneurship Congress (GEC) in Istanbul, Turkey, from Sunday, April 15, to Thursday, April 19, thanks to sponsorship from BEDC. They were given unparalleled access to some of the brightest minds in the global entrepreneurial ecosystem through the GEC.

Each year, this Congress gathers together thousands of entrepreneurs, investors, researchers, policymakers, and other start-up champions from more than 170 countries to identify new ways of launching and scaling their business ventures. The local entrepreneurs soaked up every opportunity last week to network, make connections, gain insights and learn about new research.

The objective was that, by including them in on this international event, they would leave the Congress ready to renew their business ideas and bring new skills and strategies for success back to Bermuda. And I am proud to say this mission has been accomplished. One of the youngest participants, 17-year-old Chaella Bradshaw-Douglas, said the experience had expanded her mind and inspired her to reach for the stars with her own business aspirations. Local teacher, Tracey Hayward, commented that the expertise and information shared at the GEC was *mind-blowing*. She said she was amazed to see so many different countries from around the world represented at this one event.

Mr. Speaker, incubator participant, Mrs. Surlena Smith, the Pitch Green winner, was given the chance to represent Bermuda in the global Future Agro Challenge a few days prior to the Congress in Turkey. She was able to share her business pitch for her all-natural deodorant product, PondaPits, alongside other environmental innovations from around the globe. She described the experience at GEC as being *exceptional* and said being a part of the Future Agro Challenge and part of the Bermudian consortium to attend the GEC was one of the most exceptional opportunities of her entrepreneurial journey so far. It provided her with an avenue to represent Bermuda on a global stage and introduce PondaPits to the world. She described this as *a dream come true*.

The GEC experience is just the start of the road for these local start-ups and budding entrepreneurs. The goal moving forward with the Enterprise Bermuda Incubator Programme is to make it available to new start-up business owners ready to take their operations to the next level. The next cohort of the scheme will start in January 2019. Applications with criteria for selection will be made available online, and for pick-up at the BEDC's office in Sofia House, located at 48 Church Street, Hamilton, from September 1, 2018, until November 1, 2018.

In closing, Mr. Speaker, I believe recognition is due to the BEDC for launching the Enterprise Bermuda Incubator Programme. This aligns with Government's commitment to support local entrepreneurship and provide small business owners with greater opportunities and greater access to those opportunities. Thank you, Mr. Speaker.

The Speaker: Thank you, Minister.

The final Statement on the Order Paper for this morning is that in the name of the Minister of National Security. Minister Caines.

TERMINATION OF THE GROUP VIOLENCE INTERVENTION (GVI) INITIATIVE—EXPLANATION

Hon. Wayne Caines: If it pleases you, Mr. Speaker.

Mr. Speaker, Honourable Members, this Government promised the people of Bermuda that we would give reducing gang violence the priority it deserves. As the public is aware, Pastor Leroy Bean was hired as the Gang Violence Reduction Coordinator, as part of the Progressive Labour Party's First 100 Days platform. Over the last six months, this Government has achieved more in creating a strategy to strengthen and heal our country from the inside out.

Mr. Speaker, last September I formed the National Security Ministry's Violence Reduction Team that was led by Pastor Leroy Bean. The intent was to engage with all sectors of our community and to address crime and violence. The Violence Reduction Team's driving force was to change the narrative to highlight that we cannot arrest our way out of any problem. Instead, in partnership with this community, we must set a standard and work together with our core stakeholder groups to ignite a cultural shift.

Mr. Speaker, the Violence Reduction Team did not reinvent the wheel. Our multipronged, holistic approach to combating the growth of antisocial behaviour and gun and knife violence in Bermuda is built on existing policies and programmes. The team's core goals and objectives are to:

- change the pattern of behaviour of individuals involved in group and gang violence, and reintegrate them back into mainstream society;
- prevent young people from joining gangs and engaging in antisocial behaviour;
- connect at-risk youth, men, and women with the necessary helping agencies that will aid in addressing mental and social health issues; and
- create employment opportunities for those who might have previously been deemed "unemployable" because of their past.

Mr. Speaker, as I have previously mentioned in this most Honourable House, Bermuda's version of the Operation Ceasefire model began in 2010. Over the years, the foundation has been remodelled and extended to support the creation of unique internal and external working groups dedicated to reducing violence in Bermuda. The Inter-Agency Gang Task

Force [IGTF] and the Inter-Agency Gang Enforcement Team [IGET] were implemented under the direction of the Honourable Minister Lt. Col. David A. Burch, JP, MP, and the Inter-Agency Community Response Team was implemented under the former OBA Government.

Mr. Speaker, it is important to note that all of the violence reduction working groups were active before the implementation of the National Network for Safer Communities (which will from henceforth be called the NNSC). The Group Violence Intervention model (or the GVI model) came into effect under the OBA Government on the 1st of April 2017, and it remains active today. As a reminder, the working groups are the Inter-Agency Gang Task Force, active and ongoing; the Inter-Agency Gang Enforcement Team, active and ongoing; and the Inter-Agency Community Response Team, active and ongoing.

Mr. Speaker, the NNSC's Group Violence Intervention [GVI] model has seen some success and has been used to combat gun- and gang-related violence in the United States and in many cities. It was implemented by the former Government as an unbudgeted item in last fiscal year. The two-year deal between NNSC and the Bermuda Government was scheduled to end in 2019 at a cost of nearly $370,000.

Mr. Speaker, between January and February 2018, consultation took place between the core members of our working groups, the Ministry's Senior Administrative Team, the Violence Reduction Team. And they met to determine the next steps with reference to the Group Violence Intervention initiative. The teams, collectively, believed that the development of localised programmes would better serve Bermuda economically, socially, and clinically.

Mr. Speaker, the contract with NNSC was terminated for a number of reasons. First, the costs associated with running the model would be $200,000 for *this* fiscal year. Secondly, the suppression-heavy elements no longer fit into the Progressive Labour Party plan for reducing gang violence in Bermuda.

Mr. Speaker, finally, this Government wants a Bermuda-centric programme, a Bermuda-centric programme which tackles the root causes of violence, which addresses the years of multi-generational unaddressed trauma. Such methodology should reflect an anthropological, an ethnographic and a clinical approach. We want to develop programmes and policies that include a therapeutic and a restorative aspect, which we believe was missing in the GVI model.

Mr. Speaker, prevention will be the key to success in stemming violence in Bermuda. This Government will continue the evolution of its localised violence reduction plan without the National Network for Safer Communities plan.

The false claims reported about the lack of transparency as a result of the termination of the contract and the future direction of the localised model—that must be addressed. On March 24th, our plan was unveiled for the general public at a Sandys Rotary Club-sponsored event called *The Peaceful Way Forward: The Courage to Listen.*

Mr. Speaker, the event featured Reverend Jeffrey Brown of the Boston Miracle. Pastor Bean and I presented the Ministry's new plan, and we were overjoyed when Reverend Brown endorsed our path. For anyone who missed that moment, you can always view it on *Bernews,* Bermuda's 24/7 News Source, as have 22,000 other persons.

Mr. Speaker, since 2009, [Bermuda has seen] 35 young black men shot and killed; 92 people have been injured by illegal firearms; and over 400 of our young people have been deemed to be possibly at risk and falling prey to the gang lifestyle. Our approach builds pathways and provides support for all.

Mr. Speaker, Honourable Members, I would like to invite all of you and everyone in Bermuda to come out to the National Stadium on the 9th of May for the National Day of Peace, from 5:00 pm to 7:00 pm.

Thank you, Mr. Speaker.

[Desk thumping]

The Speaker: Thank you, Minister. That brings us to a close of Ministerial Statements.

REPORTS OF COMMITTEES

The Speaker: There are none.

QUESTION PERIOD

The Speaker: There are no written questions. So the questions will come from the Statements that were given this morning. And we have two Members who have indicated they would like to put questions to respective Ministers.

The first question would be to the Deputy Premier, in the name of the Honourable Member from constituency 22. Honourable Member Gibbons, you have the floor.

QUESTION 1: EMERGING SPACE ECONOMIES

Hon. Dr. E. Grant Gibbons: Thank you, Mr. Speaker, and good morning.

Mr. Speaker, on page 5 of the Honourable Member's Statement about his trip to Colorado [for the 35th] Space Symposium, he mentions that we will work towards (that is, the Government will work towards) developing the legal and regulatory framework needed for new space activities.

I wonder if the Honourable Member could be perhaps a little more specific in terms of what new space activities he has in mind there? Thank you.

The Speaker: Thank you, Honourable Member.

Minister.

Hon. Walter H. Roban: Those activities, Mr. Speaker, are outlined in my Statement—orbital servicing, space mining. Some of the other things that I can add are lower-earth orbital satellite operations, not the geostationary orbital activities, but also lower orbital activities, which are growing in the commercial space industry. But the main two are mentioned in my Statement.

The Speaker: Thank you, Minister.

Supplementary?

Hon. Dr. E. Grant Gibbons: Yes, thank you, Mr. Speaker, and I appreciate the Honourable Member's—

The Speaker: Supplementary or new question?

Hon. Dr. E. Grant Gibbons: Supplementary, yes.

The Speaker: Supplementary. Continue on.

SUPPLEMENTARY

Hon. Dr. E. Grant Gibbons: I appreciate the Honourable Member's response.

He mentions, as he just did and in the Statement pursuing asteroid mining, a company called Planetary Resources. I am sure the Honourable Member is aware, because it has come up in the House before, that Luxembourg has taken quite an aggressive approach to putting forward a legislative framework to, essentially, facilitate and legislate the ability for companies based there to do space mining.

Is the Honourable Member considering such a legislative framework in Bermuda?

The Speaker: Thank you, Honourable Member.

Minister.

Hon. Walter H. Roban: Thank you for the question, Mr. Speaker.

All I will say is, in reference to Luxembourg, we had quite a big discussion with the principals that we spoke to from Planetary Resources. And they gave us more detail as to what they are doing with Luxembourg. There will be no necessity for us to duplicate what Luxembourg is doing because they are doing some very specific things, such as providing financing for companies that are going into this area and doing a lot more things that Bermuda is not—which actually are not in our scope.

But what we can do is have . . . and we spoke a great deal to Planetary Resources about this. It is about creating a precedent of legal framework globally that, ultimately, can be seen as best practice around the world, as these activities expand throughout the commercial space industry. Luxembourg and the United States are the only two jurisdictions that have any legal framework to accompany this.

The thing for Bermuda to do is . . . we have a similar framework. And this, potentially, will start to lay out a best practice model globally. And it is not impeding on what Luxembourg is doing, but it is certainly positioning Bermuda to be a player in this area to those companies that may in the future desire to go into this industry.

The Speaker: Thank you, Minister.

Any further questions?

No further questions on this. We will move on to the next Statement on which a Member has indicated he had questions. And that Statement is for the Honourable Minister Foggo.

You have questions from the Honourable Member from constituency 10. Honourable Member Dunkley, you have the floor.

QUESTION 1: 2018 UPDATE ON UNION NEGOTIATIONS

Hon. Michael H. Dunkley: Thank you, Mr. Speaker, and good morning to colleagues and the listening audience.

The first question, Mr. Speaker, in relation to this Statement on Government reform is to the Honourable Minister Foggo: What efforts, if any, have been put into harmonisation of the various government agreements that we have?

The Speaker: Thank you, Member.

Honourable Minister.

Hon. Lovitta F. Foggo: As the Member can appreciate, I am sure, this Government made a public announcement in terms of things such as GEHI [Government Employee Health Insurance] contribution. But where we are able to homogenise across the unions, we are looking at that, and we have attempted to do so. And, as he can appreciate, the different unions have specific things that are just attributable to them for the people whom they represent. So, where homogenisation can take place, we are looking to bring that about. But there are areas where that will not happen. And I know that this Member can appreciate that.

The Speaker: Thank you, Minister.

Any further question or supplementary?

Hon. Michael H. Dunkley: Supplementary.

The Speaker: Supplementary. Continue on.

SUPPLEMENTARY

Hon. Michael H. Dunkley: Mr. Speaker, in regard to harmonisation, the Minister was not specific. Have there been any successes in harmonisation? I fully appreciate that there is the potential in some areas that it can happen. But have there been any areas of success at this point in time? Because it appears from that answer that there have not been.

The Speaker: Thank you, Member.
Minister.

Hon. Lovitta F. Foggo: I will say this: Remember that we have two unions where we still have not yet completed negotiations. So across the board we have not been able to address all of those issues. I will leave it like that.

The Speaker: Thank you, Minister.
Any further questions? New question or supplementary?

Hon. Michael H. Dunkley: New question, Mr. Speaker.

The Speaker: Okay. Second question.

QUESTION 2: 2018 UPDATE ON UNION NEGOTIATIONS

Hon. Michael H. Dunkley: Yes, Mr. Speaker.
In paragraph 3 on the first page, the Minister says that the Government has successfully negotiated four new agreements. There have been very sparse details of any of those agreements. Can the Minister provide some high-level oversight of the important details of those negotiated agreements?

The Speaker: Thank you, Honourable Member.
Minister.

Hon. Lovitta F. Foggo: Well, with respect to the fire services and BPSU [Bermuda Public Services Union], I think quite some time ago we made a Statement speaking to that, which based on what the mandate was, we were basically able to achieve the mandate. And that mandate was put out in the public domain.
With the other unions, as has been indicated in this document, we have some MOUs [memorandum of understanding] that we are still addressing. So I am not able to answer that question in full. But again, we are attempting to have a win-win situation.

Hon. Michael H. Dunkley: Supplementary, Mr. Speaker?

The Speaker: Another supplementary. Continue on.

SUPPLEMENTARIES

Hon. Michael H. Dunkley: Yes. Supplementary to the Honourable Minister: In regard to the four that have completed negotiations, has there been a set standard wage increase across the board to each one of those four, and what is it?

The Speaker: Thank you, Honourable Member.
Minister.

Hon. Lovitta F. Foggo: Again, I can say that with at least two of those the set standard was 2.5 per cent across the board. That was articulated through our Premier to all unions. And it was put out in the public domain. So, where there has been an uplift it has been in accord with what this Government said would be provided.
With the unions where there still remains an MOU, there are still issues that need to be discussed. But in terms of the 2.5 per cent, that was a public statement that was made across the board. And it has been honoured.

The Speaker: Thank you, Honourable Minister.
Supplementary?

Hon. Michael H. Dunkley: Supplementary, Mr. Speaker.

The Speaker: Continue.

Hon. Michael H. Dunkley: The 2.5 per cent increase, is that retroactive to the same point for all unions and for the same period of time and duration?

The Speaker: Minister.

Hon. Lovitta F. Foggo: The 2.5 per cent was made retroactive to April the 1st, 2017. And again, that was already put out in the public domain.

The Speaker: Thank you.
New question?

Hon. Michael H. Dunkley: Third question, Mr. Speaker.

The Speaker: Yes.

QUESTION 3: 2018 UPDATE ON UNION NEGOTIATIONS

Hon. Michael H. Dunkley: Mr. Speaker, in the fourth paragraph the Honourable Minister has said that the Prison Officers Association and the Bermuda Police Association agreements remain outstanding. Can the Honourable Minister provide a high-level overview of

what the stumbling blocks are with those two very important organisations?

The Speaker: Thank you, Honourable Member.
Minister.

Hon. Lovitta F. Foggo: As I am sure the Member can appreciate the sensitivities associated with union negotiations . . . I would be foolhardy to respond to that question.

[Inaudible interjections]

The Speaker: Thank you, Minister.
Supplementary?

Hon. Michael H. Dunkley: Yes, supplementary, Mr. Speaker.

The Speaker: Yes.

SUPPLEMENTARIES

Hon. Michael H. Dunkley: On page 2, in the middle paragraph the Honourable Minister has said, "It is expected that the original team will conclude their current work in the coming weeks or upon conclusion of a negotiation with the Prison Officers Association." So, does that mean that the original team has finished their negotiations with the BPS?

The Speaker: Thank you, Honourable Member.
Minister.

Hon. Lovitta F. Foggo: In principle. But they will be working up until May the 6th.

The Speaker: Thank you, Minister.
Supplementary?

Hon. Michael H. Dunkley: Yes, supplementary, Mr. Speaker.

The Speaker: Your second supplementary.

Hon. Michael H. Dunkley: Yes, sir.
Mr. Speaker, is the Minister in a position to state why the original team will continue their negotiations with the Prison Officers Association and not the BPS?

The Speaker: Thank you, Honourable Member.
Minister.

Hon. Lovitta F. Foggo: The original team is just handling outstanding matters. And when we deem it necessary for them to part, they will part. And the new team will take over.

The Speaker: Thank you, Minister.
That brings to a close those questions, unless another Member has a supplementary.
No supplementary?
The other question that is on the Order Paper for an answer, that a Member would like to ask a question, will be the Statement from Minister Caines.
Minister Caines, you have a Member who would like to put a question. That is the Honourable Member from constituency 10.
Honourable Member Dunkley, you have the floor.

QUESTION 1: EXPLANATION OF THE TERMINATION OF THE GVI INITIATIVE

Hon. Michael H. Dunkley: Thank you, Mr. Speaker, and I thank the Honourable Minister for his Statement.
On page 3, in the middle paragraph the Minister said, "The contract with NNSC was terminated for a number of reasons," and lists them. Can the Honourable Minister please provide the details of how much was paid to date on the date of the termination?

The Speaker: Thank you, Honourable Member.
Minister.

Hon. Wayne Caines: The outstanding balance to be paid this year was, as stated, $200,000. So, mathematics, 370 . . . the outstanding was $200,000 for this year outstanding, left to pay.

Hon. Michael H. Dunkley: Thank you, the 170 . . . are there any penalty clauses associated with the termination?

Hon. Wayne Caines: No, sir.

The Speaker: Thank you.
Supplementary or new question?
New question? Continue.

[Inaudible interjection]

QUESTION 2: EXPLANATION OF THE TERMINATION OF THE GVI INITIATIVE

Hon. Michael H. Dunkley: Thank you, Mr. Speaker.
Mr. Speaker, at the top of that page, the Honourable Minister says that the GVI model has had some success. And he mentions that it was an unbudgeted item for the last fiscal year. Does the Minister conclude that Pastor Bean is a budgeted or an unbudgeted item for the last fiscal year?

The Speaker: Thank you, Honourable Member.
Minister.

Hon. Wayne Caines: Can you rephrase the question? Is Pastor Bean a budgeted item? That just does not make sense, Mr. Speaker.

The Speaker: You will rephrase it?

Hon. Michael H. Dunkley: Yes, certainly, Mr. Speaker.

Mr. Speaker, the Minister states in this Statement that Pastor Bean was hired in the first 100 days. Was Pastor Bean hired as an unbudgeted item, for his payment?

Hon. Wayne Caines: The answer is yes. It was unbudgeted.

The Speaker: Thank you.

SUPPLEMENTARIES

Hon. Michael H. Dunkley: Thank you, Mr. Speaker.

Supplementary: Has the Minister hired any additional staff for this programme, or does the Minister anticipate hiring any additional staff for this programme or to support the Minister?

The Speaker: Yes.

Hon. Wayne Caines: Mr. Speaker, when we came into the ministry there was a case manager who was *in situ*. The case manager's position is still there; there is someone in that position. There was . . . (excuse me) a GVI case manager. There has been a case manager seconded to that department, seconded to that department from another government ministry who will deal with . . .

Mr. Speaker, and I crave your indulgence. A huge part of this programme is to make it therapeutic. We believe that we needed a case manager for certain aspects of it, and we needed a case manager, someone who can look at when a person has a mental illness, or they need drug treatment support, or when they need time finding employment or a house. And so, we knew that there were trained specialists in other government departments. So we have an MOU with another government ministry, and that person has been seconded to our ministry, Mr. Speaker.

The Speaker: Thank you, Minister.

Hon. Michael H. Dunkley: Just for clarification. So there is a case manager. The position is still filled, but with a different person?

Hon. Wayne Caines: That is correct.

Hon. Michael H. Dunkley: Is the Minister in a position to name the person? (Supplementary.)

Hon. Wayne Caines: Yes, Mr. Speaker. There is no secret. His name is Darren Woods.

[Laughter]

Hon. Wayne Caines: No secret.

The Speaker: Okay. All right.

Further question?

Hon. Michael H. Dunkley: Yes, thank you, Mr. Speaker.

The Speaker: Third question.

QUESTION 3: EXPLANATION OF THE TERMINATION OF THE GVI INITIATIVE

Hon. Michael H. Dunkley: Mr. Speaker, on page 2, the Minister refers in a bullet point to creating employment opportunities for those who may have previously been deemed unemployable because of their past. Is the Minister in a position to give an update on the 100 Jobs initiative by bringing a Statement to this House?

The Speaker: Thank you.

Minister.

Hon. Wayne Caines: Yes, Mr. Speaker. We will bring a Statement into the House as soon as it is practicable. But I will be happy to give an update. On that evening . . . subsequent to that evening, we had 35 jobs with people being retrained, getting testing, having different opportunities out of that one initiative.

Now, Mr. Speaker, to look at that, just saying 100 jobs or what we did on that evening does not give fair comment to the Minister of Education and Workforce Development. The people were trained. They were triaged. They were met. They were guided. There were needs assessments. We had interviews with prospective employers. They met at the National Stadium. We spent three different occasions meeting with over 150 Bermudians who needed work, people who did not have the right opportunity. They were put in specific buckets and allowed to get training opportunities. The training is ongoing.

Mr. Speaker, we can say that out of that one initiative in our first six months over 70 Bermudians have employment as a result of that initiative.

[Desk thumping]

The Speaker: Thank you, Minister.

No further questions?

That brings us to the end of the Question Period. We now move on.

ANNOUNCEMENT BY THE SPEAKER

HOUSE VISITOR

The Speaker: I see Members rising to their feet.

And, Premier, I am going to ask a little indulgence before I recognise you first, in that we have, sitting to my left this morning, the President of the Senate. And it has been brought to my attention that today is actually her birthday.

Some Hon. Members: Oh! Happy Birthday!

[Desk thumping and cheering]

The Speaker: Aha! So, we would like to wish you a happy birthday on this day, Honourable President. Thank you for indulging us on your birthday.

Now I acknowledge the Premier.

CONGRATULATORY AND/OR OBITUARY SPEECHES

Hon. E. David Burt: Thank you, Mr. Speaker. Mr. Speaker, good morning to you.

It has been some time since we have had the opportunity to have this point in time in our agenda here in the House. And while there have been many occasions to celebrate and also to mourn, I would like to, at this point in time, on behalf of the Government of Bermuda in this place, though a statement was officially made at the time of his passing, and I will associate all Members of this Honourable House, if I may . . .

The Speaker: Yes.

Hon. E. David Burt: To acknowledge the passing of Mr. Ira Philip, the former PLP Chairman, former Senator, one of Bermuda's most profound journalists, authors, social commentators, photographers, and a legend of Bermuda. We extend our thoughts and prayers, again, to his family. And we would sincerely hope that an official letter could be sent from the House. And I would trust that all Members will wish to be associated with that.

In addition, Mr. Speaker, and keeping it here on-Island, I would also like to ask that a letter of condolences could be sent to the family of the late Mr. Ellsworth Christopher, beloved husband of Kathleen, and father to Janel and Gina. As you will know, Mr. Speaker, Mr. Christopher was a giant in local sports administration, having served, of course, in every single position at the Devonshire Recreation Club on the executive, with the exception of treasurer, a position that I was proud to hold at that club and serve with him. So, Mr. Speaker, of course, his service, I believe, was on Tuesday. It was attended by myself, the Minister of National Security, and the Minister with responsibility for Social Development and Sports. And it was a fitting send-off to a certain giant.

Mr. Speaker, also at this point in time, let me please ask if the House itself would like to, of course, recognise the passing of another global giant which has taken place since the last time we met. And that was of the late Winnie Mandela, more fondly known in South Africa as the Mother of the Nation. As an activist, a politician, and a member of the African National Congress, Ms. Mandela played a vital role in the ending of white apartheid rule in South Africa. Her work, her activism, and her legacy will continue to impact political movements within her Africa region and internationally. May she rest in peace. Thank you, Mr. Speaker.

[Desk thumping]

The Speaker: Thank you, Mr. Premier.

Does any other Member wish to speak?

I recognise the Honourable Member from constituency 32. Honourable Member Scott Simmons has the floor.

Mr. Scott Simmons: Thank you, Mr. Speaker.

I ask that I be associated with the comments made by the Premier as they relate to all congratulatory, or the obituary, speeches thus far.

I rise in this Honourable House, Mr. Speaker, and ask that we send heartfelt congratulations to three of our distinguished colleagues who were celebrated just last weekend in a congratulatory dinner held in the East, marking their outstanding service to their deserving constituency. While all three have distinguished themselves in both private and public service, I believe it is most important to recognise them while they are living amongst us and can receive their accolades while they can still smell them.

Mr. Speaker, Minister the Honourable Lovitta Foggo, JP, MP, Minister of the Government Reform, has selflessly contributed broadly to education, and on entering politics, has held her own as she sat in the House in Opposition for five years as the Opposition Whip. Her firm grip of parliamentary procedure and her voluminous personality have served us and herself well.

The Honourable Renee Ming, JP, MP, has represented our party with distinction as the Senate Minority Leader, also in municipality governments in the Corporation of St. George's, and now in this House as a Member of Parliament. Her buoyant and welcoming persona in her chosen profession, including banking and government committees and boards, has placed her at the fore of leadership in this party and gained the admiration of her Parliament, and also her corporate, colleagues.

The Honourable Kim Swan, JP, MP, has, after accepting a rather overwhelming, timely, and divisive

political epiphany, joined the Progressive Party and has made his mark, while assimilating seamlessly from the former United Bermuda Party to the higher calling at Alaska Hall.

[Laughter]

Mr. Scott Simmons: He has gained the praise, admiration, and appreciation of the country and this House for his leadership in sports, broad smile, welcoming personality, and a true, genuine love for his country and his blessed St. George's and the country at large.

On behalf of all of us who sit on this, the encroaching side of the Robin Hood corner, and the Government benches,—

[Laughter]

Mr. Scott Simmons: —we salute you as an invaluable part of the Progressive Government and a formidable PLP team. We thank you for choosing to be a part of this substantive change currently sweeping the Bermuda we love and cherish. In keeping with the sentiment expressed at your celebratory celebration, we on this side of the House love and appreciate you, and thank you, all of you, for your dedicated and sterling collective service. Thank you.

The Speaker: Thank you, Honourable Member.

I recognise the Honourable Member from constituency 31. Honourable Member Smith, you have the floor.

Mr. Ben Smith: Good morning, Mr. Speaker.

The Speaker: Yes, good morning.

Mr. Ben Smith: I would like to have congratulations sent to both of Bermuda's CARIFTA teams. First, our track and field team, specifically, Sakari Famous, who was able to get a bronze medal in the high jump. And Bermuda's Swimming Team came back with 32 medals, with specific accolades going to Logan Watson Brown, who won the 13 to 14 age group for girls; and Elan Daley, who within 11 events came back with 11 gold medals and seven CARIFTA records.

[Desk thumping]

Mr. Ben Smith: I would like to associate the whole House with those congratulatory remarks.

The Speaker: Yes, yes.

Mr. Ben Smith: Going on to our Commonwealth Games team, I would like to congratulate the entire team for representing Bermuda well, but specifically to Flora Duffy, who has added to her World Championship the Commonwealth Games Gold Medal. As someone who was part of her coaching team up until the age of 16, I would like to specifically say that I am proud of her accomplishment. And, obviously, I think the whole House wants to wish her well tomorrow, and everybody else who is participating in the Triathlon.

[Desk thumping]

The Speaker: Thank you for your remarks.

Any other Member?

I recognise the Honourable Minister of Tourism. Honourable Minister, you have the floor.

Hon. Jamahl S. Simmons: Thank you, Mr. Speaker. And I would like, please, to be associated with all of the remarks that have preceded me.

I rise today to pay tribute to someone who was a mentor, role model and, indeed, friend in the form of the late, great Ira Philip. When I first returned to Bermuda as a budding journalist and broadcaster, he was always there with strong advice, strong opinions, and relevant criticism. But I think that we do not realise that the adage that *a library burns to the ground when its elder dies* is truly, truly appropriate here. Because the wealth of knowledge, the breadth of experience, the sacrifice and the contributions he has made to Bermuda are immeasurable.

And I hope that every Bermudian has the opportunity to read his works and learn about his life, and I hope that in some small way, a little piece of him can be left in each of us.

Mr. Speaker, while on my feet, I would also like to pay tribute to the Mother of the Nation, of our brothers and sisters in South Africa, Winnie Mandela. It has been said that *one man's terrorist is another man's hero.* And there have been some many who have used the occasion of her passing to disparage the contribution that she made to the liberation of a people from one of the most wicked and degenerate governments to ever, ever take place on the face of the earth.

The Speaker: Yes.

Hon. Jamahl S. Simmons: When I think about the sacrifice that she made, her husband taken from her in the night by the apartheid government, threatened repeatedly, arrested repeatedly, tortured, abused, beaten, well, we owe a lot to people who are prepared to put themselves on the front line, put their life and limb at risk for the liberation and salvation of a people and a just cause. And, Mr. Speaker, I salute her in passing, as I salute her in life.

Finally, Mr. Speaker, I would like to have the House take note of the Bermudian character and the Bermudian conduct of Mr. David Frost, taxi driver and fantastic member of our community. He was recognised recently in the press by several tourists for his

assisting them in recovering a purse that was lost. Mr. Speaker, this is why Bermudians have the reputation of being the best in tourism. It is the extra step. It is the extra effort. It is the extra attention that we provide for our guests. And that is why I truly believe that David Frost and people like him are why we will see Bermuda and Bermudians once again reclaim our rightful place at the top of tourism at every level.

Thank you, Mr. Speaker.

[Desk thumping]

The Speaker: Thank you, Minister.

I now recognise the Honourable Member Gordon-Pamplin.

You have the floor.

Mrs. Patricia J. Gordon-Pamplin: Thank you, Mr. Speaker.

Mr. Speaker, I would like to associate myself with the congratulatory remarks made to our successful sporting teams, as articulated by the Honourable Member Ben Smith. But, in particular, it does my heart proud, I am bursting with pride that the 11 gold medals that were garnered in one [CARIFTA] games by one athlete all went to my great-niece, Elan Daley. She is absolutely fantastic. She is a beast in the pool. And I am so, so proud of her. She did send me a picture of her with her 11 medals around her neck, and I am surprised that she was able to stand upright. I am so proud of these young people.

I would like, at the same time, Mr. Speaker, while I am on my feet, to ask that this Honourable House extend remarks of condolences to the family of Arliss [Ronald] and Arian Francis on the passing of their son, Antony; as well as to the family of the late Eugene Bean, who was a Berkeleyite. I think he actually served in the class with the Honourable Leader who had . . . he passed all too soon.

Obviously, we would want to be associated with the remarks of condolences to the family of the late Winnie Mandela, recognising and understanding her positive contribution not just to those in South Africa, but, by example, to the world at large.

And I certainly would ask to be associated with the remarks of condolences to the family of Ira Philip. Mr. Speaker, Ira Philip, I have had the pleasure of knowing him since I was quite young. Ira Philip spent an awful lot of time at my home. He had an incredible admiration for my father. And there was no event, from my father's passing in 1955, that I can recall being present that Ira Philip did not make it a point to be there.

He was a soft-spoken gentleman. He was a decent gentleman. He gave of himself. He took the time to ensure that our history was immortalised in many of his writings. And I can only hope that he felt that some measure of what he gave to this country had been given back to him during his lifetime.

Mr. Speaker, Mr. Philip and I did not share the same political philosophy. But I could not tell you of any person whom I know, other than Dame Lois, with whom we had had interesting exchanges on the other side of the political divide, who took the time to show me their level of admiration, their encouragement, and their degree of acceptance at the fact that, notwithstanding I had chosen a different political path, they wanted to encourage me. That level of encouragement is something that will remain with me forever. I am deeply appreciative. He used to say to me that, *You are definitely a chip off the old block,* referring to his knowledge of my dad.

[Inaudible interjection and laughter]

Mrs. Patricia J. Gordon-Pamplin: And I will ever remember and appreciate—

The Speaker: Members, Members, Members.

Mrs. Patricia J. Gordon-Pamplin: I will ever remember and appreciate those words of encouragement that I got from Ira Philip. And I certainly would wish condolences be sent to his family. Thank you, Mr. Speaker.

The Speaker: Thank you, Honourable Member.

I recognise the Honourable Deputy Premier. Honourable Deputy, you have the floor.

Hon. Walter H. Roban: Thank you, Mr. Speaker.

I would like to be associated with the condolences and congratulatory remarks already given. But I would like to give perhaps an additional word of tribute to, certainly, Ira Pearman Philip, a former Member of the Legislature, chairman of my beloved party, and certainly a giant of local literature and local historical records.

Certainly, my own experience with Mr. Philip would not only be contained within the experience within the PLP, but also from the standpoint of my interest in history and interest in his writings. And certainly, for me, two of his books that I would regard to be some of the best writing that I have ever experienced were, one, his book, *Freedom Fighters: From Monk to Mazumbo,* which I think is one of the best books ever written about Bermuda history. And second of course, *The History of the Bermuda Industrial Union*—both of those books, I am sure, many persons in the community have read multiple times over, because they deserve to be digested in a way that helps you to understand the experience of history, not just the words, but the experience of the history upon which they are covering.

And Mr. Philip had a way of writing in that way. I do not have the experience of reading his columns as he would have outlined in the *Bermuda Recorder,* or his time at Capital Broadcasting, of which he was a pioneer broadcaster for a black owned and

run broadcaster who is no longer with us, other than it is a part of the Bermuda broadcasting family. But it is clear that he was a giant in broadcasting, in journalism, in the coverage of Bermuda life and history. And I do hope that we all in Bermuda continue to be inspired by his words that he not only gave in broadcasting, but also on paper. And so, we as a country must ensure that this happens.

I would like to be associated with the tribute to Mother Mandela, Winnie Mandela, for her international contribution to freedom and equality in her country, but also across the globe. Those of us who witnessed the freeing of Nelson Mandela know that she was a soldier in that struggle to free him and her country. She was a mother who had to take care of her family, her household, and also a party, ANC, and the nation—a lot of work for one person, if you think about it. And we should not tag her to certain other things that people seem to tag her to continuously. She helped build a nation that is now functioning as best as it can for the interests of all of its people.

And, of course, I would like to be associated with the other condolences as given already. Thank you very much, Mr. Speaker.

The Speaker: Thank you.

I recognise the Honourable Member from constituency 7. The Honourable Member Richards, you have the floor.

Mr. Sylvan D. Richards, Jr.: Thank you, Mr. Speaker.

Mr. Speaker, I would like to be associated with the condolences given to the son of Mr. Arliss [Robert] and Arian Francis, a good friend of mine, Mr. Antony Francis, fondly known as "Monty," who was the President of Diamond Insurance Company. He took over his father's company upon his graduation from Howard University.

Monty was a good friend of mine. I met him when I was around 16 years old, when he was a student at Berkeley Institute and I was a student at Warwick Academy. We struck up a friendship that lasted from then until now. Monty and I left Bermuda in 1979 together to attend the university in Washington, DC. He was accepted into the University of the District of Columbia, and I was accepted into Howard University. And we left Bermuda together. And we were actually roommates for about five months, staying in a little room in a house in Washington, DC, that was owned by a good friend of my grandmother's.

And we were kind of like the odd couple. We were very different in our personalities. But we were good friends. And we supported each other, then, through our careers in the insurance industry. And Monty was a cheerleader of mine, especially in the political arena. When things would get a little hot up here and I would get myself in a little bit of a situation, he would call me up with a laugh, and we would laugh and giggle about it. And then he would say, *You know, Sylvan, just continue doing what you're doing.* He was a really, really good friend. And friends like that do not come by every day.

And I know that there are others here who are going to make contributions and condolences to his family. I am going to miss him. He was a wonderful, kind gentleman. And I will cherish his memory. And I just want to express condolences to all of his friends and all of his family. Even yesterday, I was walking in the street, and about five or six people stopped me. And we were just talking about Monty and his untimely passing. So, I just want to send condolences to his family. He will be missed.

The Speaker: Thank you.

Any other Member?

I recognise the Honourable Minister of Sport. Honourable Member Weeks, you have the floor.

Hon. Michael A. Weeks: Thank you, Mr. Speaker, and good morning.

I would like to start off my remarks by associating myself with the remarks of our Honourable Premier, especially for Mr. Ira Philip. I would like the House to recognise that one of his sons is sitting in the Gallery.

[Inaudible interjections]

Hon. Michael A. Weeks: And when I was in university with the Honourable Member, MP Richards, at Howard University, Mr. Quidell Philip was like a big brother to us. So, my humble condolences go out to him and his family.

Mr. Speaker, I would also like to be associated with the remarks for Mr. Ellsworth Christopher. I did not come up a member of Devonshire Rec, but I was always out there, and Mr. Christopher was like a father figure to many of us who dared enter the field or club at Devonshire Rec. He was a stickler for decorum and respect. So my condolences go out to his family also.

Mr. Speaker, I need to be associated with the remarks for the Francis family, Arliss Antony Francis. Like the Member who spoke before me, we were all in DC together. Monty, whom I had met probably a year before we went to Howard, and Sylvan, MP Richards, I met when they were in DC. And I am trying to hold back a smile, because the times we had.

[Inaudible interjection]

Hon. Michael A. Weeks: No, no, no.

[Laughter]

Hon. Michael A. Weeks: The times we had, Mr. Speaker, have lasted us all these years later. So, my heart goes out to Monty.

And I would like to associate MP Foggo, and I would like to associate the whole House. Monty was the President, as you have heard, of Diamond Insurance Company, a small black business. And he worked at it and worked at it, and worked at it proudly. And when Appleby . . . I saw that system. I did. So my heart goes out, and I will miss him. I will miss his jokes, his demeanour and just his overall friendship. You know, he was always there when you needed a friend. He was not always in agreement with you. He would give you that little chuckle and tell you his point of view.

But, Mr. Speaker, as we pause to celebrate the passing of our friends and our elders, I want to highlight some of our younger Bermudians and their achievements. I want to, first of all, welcome back home our under-17 women's football team, who have returned safely to the Island after riots broke out in Nicaragua. I spent about three days—

[Timer beeps]

The Speaker: Oh! Minister, you can save the rest for next week.

Hon. Michael A. Weeks: Oh, man! How much is that, two minutes, Mr. Speaker?

[Laughter]

The Speaker: I recognise the Honourable Member Commissiong. Honourable Member Commissiong.

Mr. Rolfe Commissiong: Good morning, Mr. Speaker, and thank you.

Mr. Speaker, I would like to be associated with the heartfelt tribute and condolences as expressed by the Premier to the respective families and the countries which they fought so hard to engender progress in. That would be toward Mother of the Nation, Ms. Winnie Mandela, and, of course, Mr. Ira Philip. At a time when Western imperialism and the notions of white supremacy that so informed it, created societies based around racial hierarchy, both of those individuals in their respective countries can be rightly deemed as revolutionaries.

I would like to note that on the motion to adjourn, with your indulgence, Mr. Speaker, I would like to speak a little bit more fully on the contributions of the great man, Mr. Ira Philip.

Moving on very quickly, I would like to also associate with the comments directed towards Mr. Ellsworth Christopher, who, while many people will know was a leading educator—there are dwindling numbers of black males in our education system now––but certainly, he was a giant and much-needed figure in the teaching profession and our education system, I think during the 1970s and 1980s. A great man. He also was a sportsman, of course, as one of the leading players in some of those legendary Devonshire Rec teams. He came into the team, I believe, during the era of Mr. Charles Daulphin. They went on throughout that decade and beyond to be one of the dominant teams in Bermuda cricket, frequently contending against my Southampton Rangers, which was my cricket team.

Lastly, I just want to congratulate the members of PHC (Pembroke Hamilton Club) Zebras, who took four trophies this year and missed out on getting a fifth, where they would have had . . .

[Inaudible interjection and laughter]

Mr. Rolfe Commissiong: Where they would have had all five trophies. But they did take four. It was extraordinary, Mr. Speaker, and they need to be commended. It is just so unfortunate that what turned out to be a sort of minor fracas on Reid Street that night—no one is saying it was pleasant to watch, but it was a fairly minor fracas—leads to the *Royal Gazette* initially putting more emphasis on demonising young black men, once again, out of all proportion to what actually took place, and ignoring the seminal achievement of that team.

Now, they did subsequently give a story on the team's achievement and a great picture. But again, it shows where the priorities are when it comes to the *Royal Gazette.* And they really need to look into the mirror, because the community is getting very tired of that.

The Speaker: You can add those comments to your motion to adjourn.

[Crosstalk]

Mr. Rolfe Commissiong: Thank you, Mr. Speaker. Thank you so much.

The Speaker: Thank you.

I recognise the Deputy Speaker, the Honourable Deputy Speaker.

Hon. Derrick V. Burgess, Sr.: Yes, Mr. Speaker. I guess I am going to have to change my seat so I can be recognised.

[Laughter]

Hon. Derrick V. Burgess, Sr.: Because I have been up so many times that, you know, I start to get tired.

[Inaudible interjections and laughter]

Hon. Derrick V. Burgess, Sr.: About 10 people have been before me and been up.

The Speaker: The Speaker had a blind spot over there this morning. Now, my apologies to you, Deputy, but I know you are still young enough to keep jumping up.

Hon. Derrick V. Burgess, Sr.: I will get some lights installed in this corner.

[Laughter]

Hon. Derrick V. Burgess, Sr.: But, Mr. Speaker, I certainly would like to associate myself with the remarks concerning Ira Philip who, in my opinion, was one of the best writers I have ever read. And his books, as the Deputy Leader of the country has said, *Freedom Fighters: Monk to Mazumbo* and the *History of the Bermuda Industrial Union* are two books that everybody should have in their possession, very good books, history told. And I would hope one day that *The History of the Bermuda Industrial Union* is inserted in every school—not just one copy, but copies for the students to have and use and put in the curriculum.

Mr. Speaker, also Mr. Christopher at the Devonshire Rec. It has been said that if Devonshire Rec needed some runs, some quick runs, they sent Big Al in and he gave you some sixes, hit the ball from Devonshire Rec way down to the Ducking Stool.

[Laughter]

Hon. Derrick V. Burgess, Sr.: And, normally, when he did that, Devonshire Rec won the game.

Mr. Speaker, I would like to send condolences out to the family of Mr. Antony Francis, a constituent of mine. Antony took over the business of Diamond Insurance from his father. I am sure at the time his father was very proud to be able to hand it over to him. Antony was a well-respected citizen of this country, a good constituent, and a good son to his mother and father, Mr. Speaker. And also, a [good] husband to Keasha, his wife.

Mr. Speaker, Antony certainly will be missed by everyone because every time you saw Antony Francis, he was the same regardless of the situation. In fact, I saw him not so long before his death. He looked like he was beating the battle. But he fought. He fought hard, Mr. Speaker. But I am sure his mother and father were glad to have him as long as they did because he was, as I said, not only a good citizen, but a good son and a good husband to his wife. And also, a good brother to his sister. And he certainly will be sorely missed by all. Thank you, Mr. Speaker.

The Speaker: Thank you, Deputy.

I recognise the Honourable Member, Mr Simons. Honourable Member Cole Simons, you have the floor.

Mr. N. H. Cole Simons: Thank you very much, Mr. Speaker.

Mr. Speaker, I rise to associate myself with a few comments that have already been made. First, I would like to associate myself with the comments made in regard to Ms. Winnie Mandela and her contributions to the development of the South Africa that we have today.

I would like to also associate myself with the comments made in regard to Ira Philip. Ira Philip was a gentleman. He was a family man. He was a man who was committed to education and the development of young people. Mr. Speaker, I first met him when I was attending Sandys Secondary School. And his son, Quidell, who is in the audience today, was in my class. And I used to go over to their house at lunchtime to share lunch with them. And that is when I got to know that this man was a true gentleman.

And his commitment—he served many years as the trustee at the Sandys Secondary School, and he gave unstintingly of his life and contributions. He and his wife were cornerstones to Sandys Secondary School, and I applaud them for their contributions in the development of that school. In addition, I applaud them for raising and educating all of their seven children to place them in a position where they are making contributions to this country.

I would like to also commend him on his articles that he [wrote] in the *Royal Gazette* on an ongoing basis. They were historical synopses of what went on, and he brought them to life. To me, he was one of the best historians of Bermuda's culture that we have today.

Mr. Speaker, the other person whom I could speak about is Ellsworth Christopher. Mr. Christopher was my first teacher, first male teacher at the Furbert School. And I would say this: By far, from my academic career, he was the best male teacher that Bermuda has ever produced. He was committed to education. He was committed to developing young people. He made them feel that they all can realise their potential, Mr. Speaker. And as a consequence, he had a lot of success stories because he made them believe in themselves. And that is what is needed today with our educational system and the teachers. He was a leader in education. I commend him. I salute him. And Bermuda has lost a Trojan educator for this country.

An Hon. Member: Hear, hear!

Mr. N. H. Cole Simons: In addition, I would like to send condolences to the family of Ms. Dorothea Tucker, from Somerset. She was a union activist, committed to Bermuda, committed to social justice,

and committed to her family and the people of Smith's Parish in Somerset. Thank you, Mr. Speaker.

The Speaker: Thank you.

I now recognise the Minister for Government Reform. Honourable Member Foggo, you have the floor.

Hon. Lovitta F. Foggo: Thank you, Mr. Speaker.

I would like to be associated with the remarks for Ira Philip, a gentle giant indeed. And I can say, in his later years, he spent much time in St. George's. And I am not talking about where he was infirmed at the Sylvia Richards *[sic]* facility.

The Speaker: Right.

Hon. Lovitta F. Foggo: I am talking more so when he used to . . . yes, sorry—Dorothy Crane facility.

I am talking more so when he used to come on visits often with his son, who sits here. I think St. George's became his favourite place.

The Speaker: Well . . .

Hon. Lovitta F. Foggo: I want to say that because every time I looked, he was down there. And I also just want to acknowledge the fact that he was a friend of my family. And his contribution to this Island was phenomenal. And so, he will be definitely missed by all.

Mr. Speaker, I also want to send out condolences to the Butterfield family, the Butterfield and Swan families. As many may know, Quinton Butterfield, who did run for the PLP . . . I would like to associate Kim Swan. I would like to associate Renee Ming. That was his mother [Eunice Alene Butterfield]. But more importantly, St. George's [people] all know Ms. Eunice Butterfield as the top beautician. She had her beauty salon for longer than many of us who sit in this room have been alive. And she was able to raise her family and educate her children because of that profession. And, indeed, she was a matriarch of St. George's, and she will be missed.

Mr. Speaker, the last thing that I want to speak to is the ROV [remotely operated vehicle] competition, the robotics competition, that took place earlier in spring. It took place up there at the National Stadium, and in particular, I want to acknowledge the success of those Clearwater Middle School and Dellwood public schools that earned most of the prizes. I would like to associate our Member Tinee Furbert with these remarks. I do have to say my constituency school, Clearwater Middle School, was the top performing. In fact, I point this out simply because their performance allowed them to be able to go overseas and—

[Timer beeps]

The Speaker: Thank you, Minister.

Hon. Lovitta F. Foggo: I have not been up for three minutes. You forgot to change the clock.

The Speaker: You have been up for three minutes. Minister, you can save the rest of that for next week.

[Crosstalk]

Hon. Lovitta F. Foggo: Allowed them to go overseas!

[Laughter]

Hon. Lovitta F. Foggo: Thank you, Mr. Speaker.

The Speaker: Would any other Member wish to speak?

I recognise the Honourable Member, Mr. Moniz. Honourable Member Moniz, you have the floor.

Hon. Trevor G. Moniz: Thank you, thank you, Mr. Speaker.

First of all, I rise to ask to be associated with the condolences to the family of Ira Philip. He was a very fine man, very passionate in his beliefs, a very good writer, and produced children who are a credit to Bermuda.

Mr. Speaker, I would like to move on. I would like to take this opportunity to offer my congratulations to the next Chief Justice Narinder Hargun. I would associate certainly all of the Members of the House.

[Inaudible interjections]

Hon. Trevor G. Moniz: Well, we will get there, Honourable Member.

Mr. Speaker, I have certainly known Mr. Hargun for a very long period of time. I went to King's College in London, and he would have been across the street at the London School of Economics [LSE] with Julian Hall at that time. But I did not meet him until he came here for a visit, perhaps in the late 1970s or very early 1980s, when Julian brought him here so he could have a look at Bermuda to see if he would come and join his law firm. So, Narinder was there at the LSE, I think, with Cherie Blair and with Julian Hall. Narinder stayed there and did a master's. I think he did an LLM before doing his bar.

He came to Bermuda, and he has been an outstanding practitioner at the bar. He is a very kind man, a very knowledgeable man, very well respected in the business community for his ability at commercial litigation. He will do us proud as Chief Justice. I know the other candidates who had applied, you know, will be disappointed; but someone had to win the job. The Government have expressed some disappointment, but I think that will be overcome when he comes to sit. I was proud to be a member of the

recommending committee, when I was president of bar, that recommended Dr. Kawaley for post as a puisne justice, and Charles-Etta Simmons for her post as a puisne justice. And I know what those responsibilities are like when you have to pick someone to move forward.

I think that the recommending committee who made that recommendation for Mr. Hargun did a fine job. I think he will be a worthy successor to Dr. Kawaley. And I think the Government will rue the fact that they have expressed any reservations. He has made tremendous contributions to this country. He is a very kind gentleman. He is a very intelligent gentleman and will be extremely even-handed.

Thank you, Mr. Speaker.

The Speaker: Thank you, Honourable Member.

I recognise the Honourable Member from constituency 36. Honourable Member Scott, you have the floor.

Hon. Michael J. Scott: Mr. Speaker, I thank you.

Mr. Speaker, the symmetry of our condolences have been focused around two persons, I have noticed—in particular, Mr. Philip, Mr. Ira Philip, the renowned journalist. And I would like to also add my condolences by way of association to Mrs. Dorothea Tucker. May I start with her?

So, Mrs. Tucker, as my colleague and the Honourable Member, Mr. Simons, indicated, took the role and was a good stewardess of the fight for the five-day week, as she worked in her working life as a member and worker in the hotel division. This dear lady, Mrs. Dorothea Tucker, nee Burgess, was the widow of Mr. Keith Tucker, another great union man and member of our party. Wanting to be associated with these matters are the Deputy Premier, the Minister of Cultural Affairs, Mr. Tyrrell—the entire House.

[Inaudible interjections]

Hon. Michael J. Scott: So, we mourn and celebrate the life of Dorothea Tucker. And she leaves to mourn her devoted and regal sister, Roslyn [Minors]; and her brother, Bernell; and her nephew, the Deputy Speaker of this House, the Honourable Derrick Vaughn Burgess. So we offer condolences to the family, to Joanne and Keith and Jody, her children.

Plainly, in relation to Mr. Ira Philip—and I recognise Mr. Quidell Philip in the House—Mr. Philip and Mrs. Ismay Philip, if I may bring her into the picture, were a dynamic team, raising seven children in the Sandys Parish community. Ira, Jr., my peer, often had me over to the home, that incredible . . . I think it must be a listed home. It is a typical, classic architectural square structure sitting on the promontory of Harmon's Bay. I used to go over there and, as a child, marvel at the vistas.

But what I marvelled more at were the rolls that Ismay Philip used to make and the smells that emanated from her oven, and the times that I was blessed with eating and tasting her fare and wares from the oven.

These two great Somersetonians did an excellent job at being community minded and community spirited persons. Ms. Philip was the prime, principal soloist—

[Timer beeps]

Hon. Michael J. Scott: Is that my time, Mr. Speaker?

The Speaker: That is your time, Honourable Member.

Hon. Michael J. Scott: Thank you.

The Speaker: And thank you for your contribution. You can add the rest next week.

I recognise the Honourable Opposition Leader. Honourable Member, you have the floor.

Hon. Jeanne J. Atherden: Good morning, Mr. Speaker.

The Speaker: Good morning.

Hon. Jeanne J. Atherden: Mr. Speaker, I would like to have condolences sent to the family of the late Marion Edith Tatem. Marion Tatem had the distinction of being the mother of seven children, one of whom was Judy Powell Benevides. And Judy, for a lot of you who do not know, has been one of those people who has kept the OBA family going and lots of other political families going. And we wanted to recognise the fact that [Mrs. Tatem] was also the mother of Sandra Butterfield, Patricia Cook, Jane Smith, Deborah [Ferguson], John Powell, Frank Powell, Skipper Tatem, and Paul Tatem.

Mrs. Tatem was that lady who, when you were down at the KEMH [King Edward Memorial Hospital] at the Pink Ladies, she was at the front desk. She made sure that any visitor who had any problem, she made sure that she took care of them, sometimes taking them home and making sure that they did not want for being away from their families, because she gave them that love you that need when you are away and you have people who are ill. So we want to make sure that the condolences go to her family.

I would also like to have condolences sent to the family of the late Carolyn Audrey Saltus. I knew Carolyn because she was the mother-in-law of my cousin, Suriellah Adderley, but also the wife of Mel Saltus—also the mother of Mel Saltus and June, Victoria, and [June] Saltus. So, from my perspective, when you know someone and you know that they have reached the ripe old ages, and these ladies get up into the 90s, I keep thinking to myself, *I wish I can*

live as long as they lived, and I wish I could do as many things as they have done.

In addition to that, I would like to be associated with the remarks sent to the family of the late Elton Eugene Bean. For me, he was always Gene.

[Inaudible interjection]

Hon. Jeanne J. Atherden: Yes. As Member Patricia Gordon-Pamplin will say, *We had some nicknames.* I will not always say these in the House.

But Gene was an individual, and some of you might know he was down at Bermuda Aviation Services, and he had a distinguished career there. But also, he was quite involved in charities. And we used to sit on the Board of the Bank of Bermuda Foundation. And he gave of his time generously and was always out there.

[Timer beeps]

Hon. Jeanne J. Atherden: Thank you, Mr. Speaker, and I watched the time.

The Speaker: Thank you, Honourable Member.

We recognise the Honourable Member from constituency 1. Honourable Member Ming.

Mrs. Renee Ming: Good morning, Mr. Speaker and listening audience.

I would like to, first of all, be associated with the kind remarks for Mr. Ira Philip, whom I got to know personally through the African Diaspora Heritage Trail; and also, for Winnie Mandela, because, being a woman, she was truly one of those persons who inspired me and will continue to inspire me and other women as years go by.

I would like to extend prayers to the family of Cora Burchall. I would like to associate MP Swan with that. And also just to give comment and prayer to the family of Ms. Eunice "Pinks" Butterfield. There is not a St. George's darling little girl who did not have her hair done at Mrs. Butterfield's place over the years. I recall the hot comb being in the thing, and doing that press. And that was the first time I ever had my hair pressed. So there are definitely memories there. She was married to Quinton for 66 years. She was a member of the Richard Allen AME Church. And she did her beautician things in St. George's for over 60 years. So, there is definitely some legacy and learning that could be held there.

I would also like to do a congratulatory one to the Kings Pilot, James "Jemmy" Darrell. His family continue to have an annual commemorative service for him every year. And I thank them for allowing his legacy to live on.

And also, I have two happy birthdays. Leroy and Lucy Frith, from St. George's. They celebrated on the 24th and the 26th, when he went 90 and she is 85.

And this one is a special one, to Rozzy Simmons, over there at Spotlight Cafe. I am pretty sure I can associate all of my PLP colleagues with this.

[Desk thumping]

Mrs. Renee Ming: And also MP Gordon-Pamplin. She celebrates tomorrow. It is her 67th birthday. So, if you can, just reach out and say *happy birthday* to her. But I wanted to make sure it was done on this floor in this House. Thank you, Mr. Speaker.

The Speaker: I recognise the other St. George's Member down in the corner on the opposite side.

Honourable Member Swan, you have the floor.

Mr. Hubert (Kim) E. Swan: Thank you, Mr. Speaker, and good morning. I will try to make this within my three minutes.

But I would like to start off on a very happy note by sending congratulations to my cousins Chester and Fay Wilkinson of Ferry Road, celebrating 65 years, their 65th anniversary. Great, great people. My mother was actually one of the bridesmaids. And just visiting with them recently, it was very nice to see pictures that you might not have come across until times such as these.

I certainly would like to thank the Honourable Member from Sandys, Member Simmons, for those kind remarks about the celebration dinner that was held. And also, I would like, in that vein, to send congratulations to Mr. Myron "Goat" Brangman; Raoul Ming; Ms. Darlene Rogers; Calix Todd; Ianthia Butler; and brother Doc Wayne, Doc Furbert—the real Wayne Furbert, he says—

[Laughter]

Mr. Hubert (Kim) E. Swan: —for their good work to put on that event. And I am sure MP Foggo and MP Ming will be associated with that.

I would like to associate myself with the condolences offered to the family of Ms. Cora Burchall, Ms. Eunice Butterfield, on their passing. Certainly, some great tributes have been paid to the life of Ms. Winnie Mandela. I certainly would like to be associated with those, as well.

And, of course, Mr. Ira Philip, who spent many a Cup Match at my camp. And the one thing I will always say is that his writing came through his passion. Because at Cup Match, he made sure the legacy of Champ Hunt lived. As he wrote, he spoke. And I can tell you, I know many folks from St. George's in particular would attest to the contribution Champ made to their cricket, to the demise, on many occasions, of Somerset, which I hope returns in the spirit of Champ Hunt soon, and very soon.

And also, I would like to be associated with the condolences paid to the family of Mr. Ellsworth Christopher. I remember as a schoolboy in 1969–1970 when the arguments would be between the teams of the rec and the teams of the bridge or the teams of Rangers. And when Ellsworth hit those gigantic sixes, that certainly was the talk of the town. And Uncle Sheridan would say, *Try to just keep it on the ground. Don't try to be like those guys who heave them over the boundary.* But he was well respected for his life of service as a teacher, and also his club service. Thank you.

The Speaker: Thank you, Honourable Member.

I recognise the Honourable Member from constituency 22. Honourable Member Gibbons, you have the floor.

Hon. Dr. E. Grant Gibbons: Thank you, Mr. Speaker.

Mr. Speaker, first of all, I would like to be associated with the condolences to the family of the late Ira Philip. As a number of Honourable Members have already said, I always found him to be a real gentleman. And I think it is certainly appropriate that the House recognise him for his strong journalistic abilities and historical writings.

While I am on my feet, I would like to be associated also with the condolences to the Francis family on the loss of their son, Antony, and to the family of the late Gene Bean. I had the pleasure of working with Gene on a number of issues some years ago, another gentleman.

And finally, Mr. Speaker, I would like to be associated with my honourable colleague Moniz's congratulations to Narinder Hargun on his appointment as Chief Justice. Certainly, a distinguished lawyer, by Bermuda's standards, and from my perspective certainly up to the task. Broad experience in commercial and other law, and I think, from my perspective, certainly a very strong appointment.

Thank you, Mr. Speaker.

The Speaker: Thank you.

I recognise the Honourable Member from constituency 4. Honourable Member Furbert, you have the floor.

Mrs. Tinee Furbert: Thank you, Mr. Speaker.

Mr. Speaker, I also would just like to be associated with the condolences for Mr. Ira Philip. I did not get to know him closely, as some of our other Members did. But I would like to share that he definitely made sure that I got one of his books. So, it is in my library, along with many other great books. I would like to encourage all of our schools to make sure that all of them also have one of his books in their library.

Mr. Speaker, I would just like to also continue on with the robotics competition that was held at the National Stadium, which my honourable colleague had mentioned. I would also like to associate Minister Diallo Rabain with these comments. And just to mention that Clearwater Middle School actually did so well that they outperformed Bermuda College students and have the opportunity to further their achievements by travelling overseas. So, I would just like to continue with congratulatories for Clearwater Middle School in the robotics programme.

I would also like to send congratulations to the Kappa Classics. And I was told by Minister Weeks to stand to attention when I mentioned the Kappa Classics. But for anyone who has run any sort of programme or activity, there is much work that goes into organising. And so, the Kappa Classics had over 1,225 players who were represented within the Kappa Classics. So I would just like to congratulate all of the teams and all of the coaches who give their time to coach our boys and girls in soccer.

I would just also like to give congratulations to—I was invited to the prize-giving for the Tabata-Ha Shotokan Karate-Do (I am being corrected over here), which is the karate association which actually practices in my constituency. And I had the opportunity to attend the prize-giving and would just like to bring attention to that one of my constituents, Ms. Kiyari Talbot-Minors, was recognised in high achievements academic-wise, as well as in karate, within this prize-giving.

I just wanted to also congratulate . . . I do not know if anyone had the opportunity to attend the Bermuda Youth Sports Expo, an excellent expo that was done in our community to be able to expose our youth to the different types of sports that are out there available. I am sure Minister Weeks would like to be associated with that, as well as Ben Smith. It was an excellent opportunity to see all of the types of sports that are available to our youth. And it even provides a platform for parents to have access to that information.

Thank you.

The Speaker: Thank you, Honourable Member.

Would any other . . .

I recognise the Honourable Member Tyrrell.

Honourable Member Tyrrell, you have the floor.

Mr. Neville S. Tyrrell: Thank you, Mr. Speaker, and good morning.

The Speaker: Good morning.

Mr. Neville S. Tyrrell: Good morning, colleagues.

Mr. Speaker, it would certainly have been remiss of me not to take advantage of this opportunity to associate myself with the condolences for two men who have had an impact on my life. The first one, Brother Ira Philip, as I knew him, and Ellsworth Christopher. Mr. Philip, Brother Philip, was a person who was the historian of everything, almost. And when I

was looking to find some background information on my lodge, he was the one whom I was sent to to get the history. And I sat down with him for quite a while—such a knowledgeable person when it came to that subject.

The other person, Mr. Ellsworth Christopher—now that's a strange one because I was summoned to a meeting many years ago, what I would call by the *big three* in sports in Bermuda. It was St. George's, Somerset, and PHC at that time; they have probably changed now. But I was summoned to this meeting by the heads of those clubs to encourage me to be President of the Bermuda Football Association. So, I have to certainly thank Ellsworth Christopher for that, because I probably would not have followed this path up here, as well.

Just switching gears, Mr. Speaker, I know the event has not completed, but it starts this weekend, the International Triathlon. I would like to congratulate the organisers of that, because I know the effort that has to go into that type of event. So, I would certainly, and I associate my colleague—the entire House with that.

But the point I also want to make, I want to encourage every Bermudian this weekend to get out on the sides of the street, encourage the athletes. Because I think we are putting on an event that is world class. Thank you, Mr. Speaker.

The Speaker: Thank you, Honourable Member.

I recognise the Honourable Member from constituency 20. Honourable Member Jackson, you have the floor.

Ms. Susan E. Jackson: Thank you, Mr. Speaker.

I want to stand and, on a sad note, send condolences to the family of Wayne Jackson, who lost his life and has passed on. I would like to associate the entire House. And I would certainly like to send warm messages to his children, Alisa, Anthony, Joanna, and to his wife Juliette. This man, not only was he my first cousin, but he was an example of an exemplary gentleman. This is a man who started his adult life at the Blue Jay Restaurant, which his father owned and operated as a black Bermudian family. They thrived as a family. They overcame obstacles and hurdles with dignity, and they maintained their integrity. And with calm steadfastness, he has held the reins of the Jackson clan for his entire life and ended his life with the same dignity. And so, I would like the House and Bermuda to recognise this man and his legacy.

On a happier note, I would like to recognise the young people at the CedarBridge Academy who travelled overseas to New York last week for a virtual entrepreneurship competition of sorts, which the Berkeley Institute began in their school last year, the Virtual Entrepreneurship programme. So it is Berkeley's second year and CedarBridge's first year.

LaToya Francis is the teacher who has been preparing these young CedarBridge students to create an entire organisation, including a product, and be able to represent this company and its product to a vast arrangement of schools and students from around the East Coast of America, and Bermuda gets to be included in it. And I would like to recognise Tamiko Douglas, who is the CEO of Pink Sands, which is the name of their product. He did a wonderful job. He was an award-winner while they were in New York competing with other young entrepreneurs. And I certainly send out congratulatory messages to all of them.

And I would like to end by just recognising the Centre on Philanthropy. They held a Community Day last Sunday. And this is an opportunity for all of the charities in Bermuda to come together and share with the community what they are doing, and also just to raise awareness and to share in the joys of what it is to be a community. The Victoria Park was full of children.

[Timer beeps]

The Speaker: Thank you, Honourable Member.

Ms. Susan E. Jackson: Thank you.

The Speaker: Does any other Member wish to speak?

No other?

Mr. Famous. You are normally a little quicker on your feet, you know. You slowed down that time.

I recognise the Honourable Member from constituency 11, Honourable Member Famous.

Mr. Christopher Famous: Good morning, Mr. Speaker, and good morning to the listening public.

Mr. Speaker, I would like to start off by giving condolences to the family of Ms. Marina Ottley, who lived to 105 years old. I would like to give birthday greetings to the "Big Mama of Green Acres," Devonshire, Ms. Rozzy Simmons, who feeds us every week.

Mr. Speaker, I heard everybody talking about Mr. Ellsworth Christopher and slapping sixes. Well, they are not mentioning he comes from Devonshire. They are not mentioning he comes from St. Kitts. So, that is natural for us.

[Laughter]

Mr. Christopher Famous: Mr. Speaker, I do not know how to put this. Two months ago, I visited a gentleman down at Dorothy Crane. And in speaking with him, he said to me, *Famous, young Famous,* he said, *A luta continua.* The struggle continues. Essentially, he said, *Don't let the fact that we're Government now, again, be the be-all to end-all. We have to move our people forward.* He went on to quote something from

something he wrote, in February 2013. "The status of moving forward and uplifting the economy out of the doldrums will require astute leadership. We cannot go down the path again of instituting policies which create economic and social entrenchment."

Mr. Speaker, the gentleman I am alluding to is the great Ira Philip, someone whom everybody has spoken about today and someone whom we cannot just speak about his history; we have to think about what he set in path for us. So I would like for everybody to meditate on the fact that the struggle continues. Thank you. Mr. Speaker.

The Speaker: Thank you, Honourable Member.

I thought we were coming to a close. I recognise the Honourable Member from constituency 10. Honourable Member Dunkley.

Hon. Michael H. Dunkley: Thank you, Mr. Speaker. Maybe in three minutes, we will.

Mr. Speaker, I ask to be associated with the most fitting tributes to Winnie Mandela [and] to the Philip family. I recognise Mr. Philip in the Chamber here today. To the Christopher family. Most people do not know, when I was growing up, I was a big Devonshire Rec cricket fan. To the Francis family and the passing of Antony, way too young. To Mrs. Tatem. To Gene Bean and his family. And obviously, to a stellar gentleman, to Wayne Jackson.

Carrying on to that, Mr. Speaker, I would like for this Honourable Chamber to send condolences to the Grant family for the passing of Marjorie Grant earlier this month, I think earlier in April. My honourable colleague, Pat Gordon-Pamplin, and the Leader of the Opposition, Jeanne Atherden, would like to be associated with that, specifically to her two children, Sonia Grant and Senator Michelle Simmons, who sits in another place.

I would also ask these Honourable Chambers to send condolences to Teddy Chapman on the passing of Nancy Chapman. And my honourable colleague, Dr. Gibbons, and our honourable colleague Cole Simons, who has put his hand up like he is in school, would like to be associated, and the Opposition Leader, as well. Nancy Chapman—I have known the Chapman family for many years, Mr. Speaker. And like the people we have paid tributes to earlier today, an outstanding person, married for 62 years. A teacher, she certainly contributed greatly to our community in many ways. And so, Teddy will sorely miss the rock in his life, Mr. Speaker.

Turning to a brighter aspect, Mr. Speaker, I would like to be associated with the congratulations sent by MP Furbert to Kappa Classic. They weathered the weather up there.

The Speaker: Hear, hear!

Hon. Michael H. Dunkley: It was an outstanding turnout, and the organisers need to be congratulated.

I would like to join in the congratulations by my honourable colleague, Ben Smith, to all of our athletes, and specifically to Flora Duffy on the Commonwealth Gold.

But, Mr. Speaker, Mr. Smith, the Honourable Member, is too humble. I would like to send congratulations to him—he has taught and coached many of the swimmers for a number of years—for his dedication, not only in the political field, but to the field of swimming, and our young people.

[Desk thumping]

Hon. Michael H. Dunkley: And the Honourable Member, I think, Kim Swan, wants to be associated.

Mr. Speaker, I will close by sending heartfelt, warm congratulations to the organising team at the Ag Show for a stupendous job. David Lopes, Jeff Sousa, Antwan Albuoy, Peter Barrett, Talia Simmons, Kim White, Toddy Minors, Lisa Dawson, Tanya Jones and Kirk Kitson—excellent work! And they even got the right weather for three days, Mr. Speaker.

And my final, closing remark is to a former colleague of this place, Mr. Glen Smith. If I did not announce and recognise his championship as a champion driving horse, with JS Magic . . . (He would not let me mention it.) But, Mr. Speaker, I think the horse was pulling the carriage and Mr. Smith was just sitting there for his looks. But, congratulations!

[Laughter]

The Speaker: Thank you, Honourable Member.

I think that brings us to a close of condolences and congratulations.

But before we move on, I would just like to add my name to a couple of comments, particularly that to the Philip family. As much has been said, and it is true, that Mr. Philip was truly a giant of his era and will always live on for what his contribution has been to Bermuda.

I would also like to acknowledge and mention another Somerset person, Mrs. Tucker. And Mrs. Tucker, likewise, was a member of one of those families that were instrumental to moving things in Somerset on political and social levels.

Finally, to the family of Antony Francis, in that on a business level we had a close relationship. And I am sure the loss to his family is dear and extreme at this time, and I would like to be associated with that.

ANNOUNCEMENT BY THE SPEAKER

HOUSE VISITORS

The Speaker: But, before we move on, I would also like to acknowledge in the Gallery a former Member.

The Honourable Member, Mr. Walter Lister, is visiting us today in the Gallery; and also, the Senator Hayward was here earlier, and I would like to thank them for their presence today.

[Desk thumping]

The Speaker: We did [announce] the Senator earlier this morning; we gave her birthday wishes earlier. Yes. And, yes, the former Deputy Speaker, I should have acknowledged as well. That is right. He sat in these chairs in his tenure.

Madam Clerk.

MATTERS OF PRIVILEGE

The Speaker: There are none.

PERSONAL EXPLANATIONS

The Speaker: There are none.

NOTICE OF MOTIONS FOR THE ADJOURNMENT OF THE HOUSE ON MATTERS OF URGENT PUBLIC IMPORTANCE

The Speaker: There are none.

INTRODUCTION OF BILLS

GOVERNMENT BILLS

The Speaker: I believe we have three Bills to be introduced today. And I will recognise the Deputy Premier, who is going to introduce the Bill on behalf of the Premier.

FIRST READINGS

PUBLIC SERVICE SUPERANNUATION AMENDMENT ACT 2018

Hon. Walter H. Roban: Thank you, Mr. Speaker.

I am introducing the following Bill for its first reading so that it may be placed on the Order Paper for the next day of meeting: Public Service Superannuation Amendment Act 2018.

Thank you, Mr. Speaker.

The Speaker: Thank you, Deputy Premier.

The next Bill is in the name of the Minister of Education, who is not present today.

So, Minister Foggo, would you want to introduce it for him?

DEPARTMENT OF LIBRARIES AND ARCHIVES (AMALGAMATION) ACT 2018

Hon. Lovitta F. Foggo: Yes, thank you, Mr. Speaker.

Mr. Speaker, I am introducing the following Bill for its first reading so that it may be placed on the Order Paper for the next day of meeting: Department of Libraries and Archives (Amalgamation) Act 2018.

Thank you, Mr. Speaker.

The Speaker: Thank you, Honourable Member.

[Inaudible interjections]

The Speaker: The last Bill to be introduced is that in the name of the Honourable Minister Wilson.

Honourable Member.

EVIDENCE (AUDIO VISUAL LINK) ACT 2018

Hon. Kim N. Wilson: Thank you, Mr. Speaker.

I am introducing the following Bill for its first reading so that it may be placed on the Order Paper for the next day of meeting, namely, the Evidence (Audio Visual Link) Act 2018.

The Speaker: Thank you, Members. Honourable Members, thank you.

OPPOSITION BILLS

The Speaker: There are none.

PRIVATE MEMBERS' BILLS

The Speaker: There are none.

NOTICES OF MOTIONS

The Speaker: There are none.

ORDERS OF THE DAY

The Speaker: We are now at the Orders of the Day. With the indulgence of the House, Order No. 2 is going to be done first. And we will do Order No. 1 afterwards, which will be the more substantive matter.

The Honourable Junior Minister, will you do Order No. 2?

Hon. Wayne L. Furbert: Thank you, Mr. Speaker.

Mr. Speaker, with the Governor's recommendation, I move that the Bill entitled the Companies Amendment Act 2018 be now read the second time.

The Speaker: So moved.

Hon. Wayne L. Furbert: Mr. Speaker, I do not know if we will be finished before lunch, but we will see how it goes.

The Speaker: Take your time.

BILL

SECOND READING

COMPANIES AMENDMENT ACT 2018

Hon. Wayne L. Furbert: Mr. Speaker, the Bill now before the House is the Companies Amendment Act 2018. The Bill relates to the filing of specified company bye-law information with the Registrar of Companies [ROC]. Mr. Speaker, Honourable Members will recall that the standard for the transparency of beneficial ownership and control of legal persons and legal arrangements is set out by the OECD Global Forum, the Revised Financial Action Task Force recommendations, and incorporated into the UK Exchange of Notes Agreement.

The goal of these international standards regarding beneficial ownership and control is to establish legal and regulatory regimes that deter and prevent the misuse of legal persons and legal arrangements for the purpose of money laundering and financing terrorism.

Mr. Speaker, the Proceeds of Crime (Miscellaneous) Act 2018, which was debated and passed by the Legislature in March of this year, introduced a raft of legislative amendments to address certain legislative gaps in Bermuda's anti-money laundering and anti-terrorism financing regime in preparation for the upcoming set of mutual evaluation assessments. One such amendment relates to the filing of basic information, specifically company bye-laws. FATF [Financial Action Task Force] requires that the basic regulating powers of such companies should be held in the central registry. The company memorandum of association and articles of association are generally considered by FATF to be the basic regulating powers of a company. Bermuda does not have articles of association; however, the bye-laws perform similar functions as articles.

Mr. Speaker, the requirements for every company to file specified bye-law information by the Proceeds of Crime (Miscellaneous) Act 2018 followed consultation with the legal profession and NAMLC [National Anti-Money Laundering Committee]. This legislation amended the Companies Act 1981 by adding a new subsection (g) to section 13(2), requiring every company make provisions in its bye-laws for filing with the Registrar of Companies information specified in section 13(2)(a), (e) and (f) of that Act.

Mr. Speaker, following the passage of that Act, further representations were made by the legal profession requesting that the Companies Act itself ought to make filing of such information a requirement rather than a bye-law requirement. This method will create a statutory obligation on every company to file the information specified in section 13(2)(a), (c) and (f). And that is information such as share transfer upon death of a shareholder, the duties of the secretary of the company and how many members constitute a quorum at a general meeting.

This way, the filing requirement will be more cost-effective and efficient for companies and their corporate service providers. Accordingly, this Bill repeals section 13(2)(g) and replaces it with a new section that simply requires every company to file with the Registrar of Companies that information specified in section 13(2)(a), (e) and (f).

Mr. Speaker, this Bill also provides a six-months transitional period to allow companies to comply with this new requirement in a timely fashion, in order for the repeal of section 13(2)(g) to be replaced with a new subsection (2)(a), seamlessly. This Act will be deemed to come into operation on 21st of March 2018—

[Inaudible interjections]

Hon. Wayne L. Furbert: —the operational date of the Proceeds of Crime (Miscellaneous) Act 2018. Therefore, companies will have until 21st of September 2018 to file the required bye-laws information.

With these brief comments, Mr. Speaker, I invite other Honourable Members to participate.

The Speaker: Thank you, Junior Minister.

I recognise the Deputy Opposition Leader. Honourable Member, you have the floor.

Ms. Leah K. Scott: Thank you, Mr. Speaker, and good morning.

Mr. Speaker, as the Member has said, this is just in keeping with all of the housekeeping work that we are doing in respect of the CFATF review and continuing under the requirements to be transparent. The bye-laws of a company are generally an internal governing document. And the reason, I think, that we do not want to have to file bye-laws is because they can contain sensitive information.

So I just have a couple of questions to ask in terms of this legislation. I am not sure what the goal is to filing the transfer of share form or the registration of estate representatives. The duties of the secretary of a company are already set out in the legislation, so I do not know what filing that document is going to achieve. And then, the other one is the quorum for a general meeting. My question is, why these particular documents, and what is going to be, or hoped to be, obtained by filing these particular documents?

I would also like to know whether or not there is going to be a prescribed form for these documents. Do we have . . . sorry?

[Inaudible interjections]

Ms. Leah K. Scott: Oh, okay. All right. That is all I have to say about it then. Thank you, Mr. Speaker.

The Speaker: Thank you, Honourable Member.

Does any other Honourable Member wish to speak?

I recognise the Honourable Leader of the Opposition. Honourable Member, you have the floor.

Hon. Jeanne J. Atherden: Sorry, Mr. Speaker. Just a couple of questions.

And in keeping with my colleague, we understand that some of these things are put into place because of the CFATF review, and therefore, you know, some of our questions are because we want to make sure that, while we make sure that we are on the right side of the review, we do not end up creating a problem with respect to the information that companies have.

But I think the one question that we want to ask, and I might as well ask it right now before we get into Committee, is the fact that it is indicated that this is going to come into effect on the 21st of March. And although the Explanatory Memorandum says that it is because that is the date the Proceeds of Crime (Miscellaneous) Act [2018] came into effect, it also does mean that it is effectively retroactive, and then the clock starts ticking. Thank you, Mr. Speaker.

The Speaker: Thank you, Honourable Member.

Does any other Honourable Member wish to speak?

No other Honourable Member.

Junior Minister.

Hon. Wayne L. Furbert: Thank you, Mr. Speaker. I will answer some of those questions in Committee stage. So right now, I move that the Bill be committed.

The Speaker: Any objections?

That is it.

[Inaudible interjections]

The Speaker: No, no. We will go to Committee. We will go to Committee. We will go to Committee. No, no, you are fine.

Deputy.

House in Committee at 12:24 pm

[Hon. Derrick V. Burgess, Sr., Chairman]

COMMITTEE ON BILL

COMPANIES AMENDMENT ACT 2018

The Chairman: Honourable Members, we are now in Committee of the whole House for further consideration of the Bill entitled Companies Amendment Act 2018.

Minister, you have the floor.

Hon. Wayne L. Furbert: Thank you, Mr. Chairman.

I would like to move all clauses if you are fine with that.

The Chairman: Clauses 1 through—?

Hon. Wayne L. Furbert: Clauses 1 through 4.

The Chairman: Clauses 1 through 4.

Any objection to moving clauses 1 through 4?

There appear to be none; continue.

Hon. Wayne L. Furbert: Mr. Chairman, the explanation regarding the Bill as far as . . . let me give an overview of the order *[sic].*

The Companies Act 2018 amends the Companies Act 1981 (the Act) to require companies to file with the Registrar of Companies that information that every company is required to include in its bye-laws, as prescribed by, what I said, section 13(2)(a), (e) and (f). The Bill seeks to repeal the newly amended section 13(2)(g). So, clause by clause, let us look at the clauses.

Clause 1 is the standard citation clause. I do not think we have much problem with that.

Clause 2 amends section 13 of the Companies Act 1981 by repealing subsection (2)(g), and repealing and replacing the existing subsection (2A) with new subsections (2A) and (2B). The new subsection (2A) requires every company to which subsection (2) applies to file with the Registrar the information that the company is required to include in its by-laws as prescribed, as we said, to subsections (2)(a), (e) and (f). The new subsection (2B) provides that information obtained for the purposes of subsection (2A) shall not be made available to the public.

Clause 3 is the transitional provision, mandating that every company to which section 13(2A) of the Act applies will have a period of six months from the coming into operation of this Act to be in compliance with that section.

Clause 4 deems the Bill to have come into operation on March 21, 2018 (the date on which the Proceeds of Crime (Miscellaneous) Act, being the Act that contained the recent amendment that we made to section 13 of the Companies Act 1981, came into operation). Thank you, Mr. Chairman.

The Chairman: Thank you, Honourable Junior Minister, Mr. Furbert.

Any further speakers?

The Chair recognises the Honourable Member, the Deputy Leader of the Opposition, Leah Scott. You have the floor.

Ms. Leah K. Scott: Thank you.

Just going back to my questions.

One, what benefit is [there in] obtaining the information requested from section 13(2)(a), (e) and (f) of the Act?

Two, is there going to be a prescribed form for the submission of this information?

Is there going to be a filing fee for the filing of this information?

And, will there be annual filings required, or will filings only be required as and when there is a change to the documents, and in particular, the share transfer or the duties of the secretary or a change in the quorum for a company?

There is a six-month period that the legislation comes into operation. If the documents are not filed within that time, is there a penalty or a consequence for not filing the documents?

And is clause 4 correct that this Act is deemed to have come into operation on the 21st of March 2018? And those are my questions. Thank you.

The Chairman: Any further speakers?

The Chair recognises the Honourable Member Pat Gordon-Pamplin.

Mrs. Patricia J. Gordon-Pamplin: Thank you, Mr. Chairman.

Mr. Chairman, I wonder if the Junior Minister could respond. Given the indication that this is a retrospective, effective retrospective or retroactive Bill, the existing companies—will there be some oversight coming from the Registrar to let companies know that this is coming into effect and, therefore, this information is now needed? Or is the onus being left to the companies to tune into the fact that there have been changes and there is something else that must be done with respect to compliance?

I think it is important to know that some of the companies, obviously, if they are unaware, there are certain compliance functions that exist in some organisations. But some are not, perhaps, as robust as they might otherwise be. So when there is something that is required and it is retroactive, somebody needs to trigger a notification. And I am wondering whether this is going to be done by the Registrar of Companies, or whether the onus is going to be left to the companies to make sure that they are in compliance.

The Chairman: Any further speakers?

There appear to be none.

Junior Minister, do you want to reply?

Hon. Wayne L. Furbert: Mr. Chairman, we are all aware about the assessment this year. And there were certain requirements that NAMLC required. This Government believes [we were] very much involved in consulting with the industry . . . we consulted with the legal fraternity and those individuals involved. And there was a group, they wanted more information to be filed. And, yes, some of that information is available in certain areas, particularly in law firms.

But it came down to the requirement of whether . . . timing. And so, when questions are asked and information is needed, do we go to law firms and say, *We need certain information*? So, by coming to an agreement that this was the minimum that we thought would meet the requirements that NAMLC . . . so between NAMLC and our discussions, ROC and the legal fraternity, we came to these particular points.

There was a lot more information that they wanted, to be honest with you. But we felt at this time that we would just move with [this] particular information.

No, there will not be any filing fee.

Yes, we have given six months. But I believe, at the end of the day, if an individual has not met that six-month [deadline], there will be another grace period. But somewhere along the line, they will have to file. And so, we expect that to take place.

There are always issues or problems that may come up.

I am trying to remember another question. Anything else I forgot?

Ms. Leah K. Scott: Is there going to be a—

The Chairman: Ah, ah.

Ms. Leah K. Scott: Sorry.

The Chairman: That is all right.

The Chair recognises the . . .Take to your feet, cousin.

Ms. Leah K. Scott: Thank you.

The Chairman: I recognise the Honourable Member Leah Scott.

Ms. Leah K. Scott: Thank you.

If there is going to be a prescribed form, or do we just submit a précis from our bye-laws, or how is it going to be filed?

The Chairman: Okay, cousin.

Hon. Wayne L. Furbert: I mean, there is some information that companies have to file right now. And so, we will update that form and be all-inclusive at the same time.

The Chairman: Any further questions?

The Chair recognises the Honourable Member Pat Gordon-Pamplin.

Mrs. Patricia J. Gordon-Pamplin: Yes, just for clarity. Is the Junior Minister indicating that the onus will be on the legal representatives, the registered offices of the companies to ensure that they, the companies, are in compliance within the six-month period of time? It is just important, because there are some companies that, where their registered offices are effectively their corporate offices and they may not have the necessary liaison with the legal representation.

Obviously, if you have got like a Conyers or an Appleby or whomever, who oversee their corporate structure for the companies that are registered, they would be able to say to them, *We need to ensure that this information is available and filed within the respective period of time.* Outside of that, in the absence of that official structure, the onus, obviously, now, unless it is going to be driven by the Registrar of Companies, the onus would, presumably, be on the companies themselves to know that there is legislation that has now been passed that requires them to do something else.

So I am curious to know how we make sure that we catch everybody in the provision of the necessary information; otherwise, if there is, let us say, a random access for a sample and somebody has not filed, then we fail. And we do not want to fail. So we want to make sure that we include, as much as possible and as far as possible, the ability to make sure that everybody is in compliance with the legislation. And that does not happen as a matter of course, working in the corporate environment. So I am curious to know how companies will know, if they do not have that corporate structure with an Appleby's or a legal firm, to make sure that they are in compliance so that we do not fail as a jurisdiction. Because that is the critical issue.

The Chairman: The Chair recognises the Honourable Member Leah Scott.

Ms. Leah K. Scott: Thank you, Mr. Chairman.

And just, the other question I had was whether or not this is going to be an annual filing or is it a filing just at the time that there are any changes to either the quorum requirements or the secretarial duties?

The Chairman: Minister.

Hon. Wayne L. Furbert: Mr. Chairman, this is not the first time that we have ever asked companies to make changes. And whatever the process that we have done in the past to ensure that those individuals who have law firms, corporate service providers, et cetera, et cetera, et cetera, they will be informed and they will be notified that they have to make certain changes to the ROC.

[Inaudible interjection]

Hon. Wayne L. Furbert: It answers the question.

The Member was trying to figure out whether we will be able to get the information out there to ensure that they comply within the six months. The ROC is well equipped to ensure that they get the information out to those particular entities to make sure that they file. And we will make sure that certain PR work is out there to make sure that it happens.

Will one or two slip through? It is possible. But at the end of the day, they will do whatever it takes, and if you have not filed, then they will take the necessary steps to make sure—whether there are calls or whatever it is—the electronic filing will take place. And it will be done as soon as possible.

The Chairman: One second. It is lunchtime. Do you want to finish this? I do not mind finishing this.

Ms. Leah K. Scott: Okay.

Hon. Wayne L. Furbert: The Honourable Member had asked—

Ms. Leah K. Scott: Annual filing?

Hon. Wayne L. Furbert: Yes. It is a one-time filing. Any amendments will be done at that time.

Ms. Leah K. Scott: Okay.

And if you would just indulge me just as a point of information, and I appreciate what you are saying about the Registrar trying to get information out to everybody.

The challenge, sometimes, though, is you have local companies that do not have a proper administrator for them. And you have to file a Form 13 with the Registrar of Companies to let them know the location of your registered office. And there are times when the Form 13 is not updated. So that is the concern. So that there can be like a publication in the *Royal Gazette* or some kind of notification so that people actually do not miss it.

So, I think that is the point. It is not that the Registrar is not going to expend her best efforts to make sure that people know. But the fact is that there are some people who do not keep their documents and records updated. And you do not want those to slip through the cracks.

The Chairman: Minister.

Hon. Wayne L. Furbert: Thank you, Member. Your concerns are noted.

The Chairman: Any further speakers?

There appear to be none.

Minister, do you want to move this Bill to be approved?

Hon. Wayne L. Furbert: Thank you, Mr. Chairman.

I will move first that the preamble be approved.

[Inaudible interjection]

Hon. Wayne L. Furbert: Sorry. I forget that.

I move that clauses 1 through 4 be approved.

The Chairman: Any objections to the approval of clauses 1 through 4?

There appear to be none; continue.

[Motion carried: Clauses 1 through 4 passed.]

Hon. Wayne L. Furbert: I move that the preamble be approved.

The Chairman: Any objections to the preamble being approved?

There appear to be none; continue.

Hon. Wayne L. Furbert: I move that the Bill be reported to the House, as printed.

The Chairman: It has been moved that the Bill be reported to the House, as printed.

Are there any objections to that motion?

There appear to be none. The Bill will be reported to the House, as printed.

[Motion carried: The Companies Amendment Act 2018 was considered by Committee of the whole House and passed without amendments.]

House resumed at 12:37 pm

[Hon. Dennis P. Lister, Jr., Speaker, in the Chair]

REPORT OF COMMITTEE

COMPANIES AMENDMENT ACT 2018

The Speaker: Members, is there any objection to the Bill being reported to the House as printed?

No objections; so reported.

We now recognise the Honourable Deputy Premier. Deputy Premier, you have the floor.

Hon. Walter H. Roban: Mr. Speaker, I move that we adjourn for lunch until 2:07. Is that appropriate?

The Speaker: Two, 2:00 pm.

Hon. Walter H. Roban: Well, there was a little bit more taken for business. I am trying to give our Members . . .

The Speaker: Do you all need a little extra time? You have big sandwiches to eat? Okay. We will give you until 2:15. We will give you until 2:15.

Hon. Walter H. Roban: I am trying to appeal on behalf of all Members of the House, Mr. Speaker.

The Speaker: We will give you until 2:15. I do not want you to race your lunch and come back with upset stomachs.

Hon. Walter H. Roban: Thank you. Thank you, Mr. Speaker.

The Speaker: The House now stands adjourned until 2:15.

Proceedings suspended at 12:38 pm

Proceedings resumed at 2:16 pm

[Hon. Dennis P. Lister, Jr., Speaker, in the Chair]

ORDERS OF THE DAY

[Continuation thereof]

The Speaker: Good afternoon, Members.

We will now resume with the Orders of the Day. We have already commenced with the matter that we started with, which was the Companies Amendment Act 2018.

We are now going to move on to the second item for the day . . .

[Crosstalk]

The Speaker: Now we can resume. Let me go back to where I started.

[Laughter]

The Speaker: Thank you.

As I indicated, we completed the earlier Order, which was the Companies Amendment Act 2018. We are now going to move on to the second item for today's sitting, which is the Companies and Limited Liability Company (Initial Coin Offering) Amendment Act 2018. And the Honourable Premier will come to the floor so he can start the matter for us.

Hon. E. David Burt: Good afternoon, Mr. Speaker.

The Speaker: Good afternoon.

Hon. E. David Burt: Mr. Speaker, before I begin my substantive remarks on this particular Bill, I would like to, of course, acknowledge for the House and for the listening public the historic agreement that was just signed earlier today with the company Binance.

[Desk thumping]

Hon. E. David Burt: And while they joined us at the Cabinet Office earlier, they are here in the Gallery today, and I would like to acknowledge Mr. Changpeng Zhao and Miss He Ying, who are here today, in addition to their team. And I want to thank them for their confidence in Bermuda as we move forward in this space.

[Desk thumping]

ANNOUNCEMENT BY THE SPEAKER

HOUSE VISITORS

The Speaker: While you are getting yourself together, I will take the moment to welcome them to our Chambers. Good afternoon to you. Welcome to Bermuda and to our parliamentary Chambers and I trust that you will find the parliamentary proceedings enlightening.

Hon. E. David Burt: Thank you, Mr. Speaker.

It is my intention to also have further such announcements regarding additional investment to Bermuda which will fulfil our promise of creating economic growth and also creating jobs. It is my hope that later today I will be able to make those announcements as well.

BILL

SECOND READING

COMPANIES AND LIMITED LIABILITY COMPANY (INITIAL COIN OFFERING) AMENDMENT ACT 2018

Hon. E. David Burt: However, Mr. Speaker, to the task at hand.

I am pleased to present to this Honourable House the Companies and Limited Liability Company (Initial Coin Offering) Amendment Act 2018.

This is landmark legislation, Mr. Speaker, and it will make Bermuda one of the first countries of the world to implement statutory requirements for initial coin offerings, also referred to as ICOs.

Mr. Speaker, with this Bill this Government has chosen to be bold and to take a significant step on the world stage. Many countries are trying to figure out how to achieve the regulation of new financial products and services without stifling innovation. Mr. Speaker, this is an important step in delivering on this Government's promise of economic diversification. We are determined to once again establish Bermuda as a centre for global leadership and set a standard that will serve as an example to the rest of the world. Mr. Speaker, through this Bill we demonstrate to a growing industry that Bermuda can embrace innovation and entrepreneurship. Even more importantly, this will provide us with the opportunity to advance financial inclusion and other opportunities that were not previously available to most people.

Mr. Speaker, the emergence of blockchain technology has sparked a revolution amongst technologists, business owners, non-traditional financiers, and everyday people. Or, as the Deputy Speaker would say, *Mr. and Mrs. Smith.* This technology has been a catalyst for the development of virtual currencies and other digital assets that are revolutionising the way in which people interact and conduct business on a daily basis.

In particular, cryptocurrencies, such as bitcoin, have provided alternative and an alternate means of payment for goods and services, thereby establishing a new digital exchange system. Meanwhile, ICOs conducted on blockchain technology platforms have provided a new vehicle to raise funding for businesses. Companies engaging in ICOs have experienced significant growth, increased customers, and unlimited possibilities for new products and services, all without the use of traditional and more expensive third-party financiers. This new and innovative crowd funding technique can help a business finance the development of new products and services or [provide] enhancement to existing ones.

Mr. Speaker, ICOs can also be used to convey interest in relations with to a physical asset, such as the right to access or use the asset or even an ownership right. The resulting digital representation of any such right conveyed is considered a digital asset. Digital assets can be sold and acquired, traded or otherwise conveyed via transactions implemented on a blockchain technology platform.

Mr. Speaker, as the use of blockchain technology becomes more and more prevalent in business transactions we believe there is a tremendous opportunity to stand at the forefront of the legal reform that would inevitably follow. Governments around the world are working to keep pace with new and innovative financial technology or FinTech products including cryptocurrencies and other digital assets. Bermuda is in the process of building an ecosystem that is both well-known and attractive to businesses whose operations include the use of blockchain technology. I have previously stated in this House, we are looking to bring economic growth to this country. Whether it is a start-up or previously existing business with a long-standing history and reputation, whether small, medium, or large, our intention is to bring more business-

es, more jobs, better career opportunities, and more income to Bermudians.

Mr. Speaker, the first step to building this new ecosystem and achieving positive results is the enactment of legislation governing ICOs. To deter and otherwise mitigate risk of illegal use of funds or other illicit activity there must be an appropriate regime whereby persons conducting ICOs are properly vetted and subject to compliance reporting. The Bill we are debating today will amend the Companies Act 1981 and the Limited Liability Company Act 2016 to enable entities registered under those Acts to conduct ICOs.

Pursuant to the amendments, an ICO will be treated as a restricted business activity that will require consent from the Minister of Finance. This approach has been taken to help ensure that competent regulatory authorities have sufficient access to information about the ICO and the persons who receive or otherwise control funds raised via this funding method. This includes beneficial owners, directors, managers, and officers of any company or LLC conducting an ICO.

Mr. Speaker, an application for consent from the Minister of Finance will be required to include details about the projects to be funded by the ICO proceeds, as well as other information to be prescribed in regulations. It is intended that a FinTech Advisory Committee will be appointed to assist with the initial reviews of consent applications. To provide flexibility for the Minister to adjust the circumstances of the individual ICO as needed, the Minister will be statutorily authorised to impose appropriate conditions on the applicant or ICO.

Mr. Speaker, while there are different categories of digital assets offered for sale pursuant to an ICO, this Bill does not establish different requirements based on a specific category. Instead, the Bill includes minimal requirements that would be applicable to all ICOs regardless of the rights, functionalities, or features of the digital asset offered for sale. To the extent that the requirements of any other law govern the rights or features or any digital asset, such law will continue to apply and be enforceable. For instance, if an ICO includes ownership interests in the issuing company or LLC, beneficial ownership and/or exchange control requirements may be applicable.

For the purposes of consistency with existing Bermuda standards for public issuances, a number of requirements for initial public offerings of shares have been adopted for use with ICOs. As such, it is noted that the requirements of the Bill are applicable in relation to public issuances only. Offerings that are not extended to the general public, or that satisfy specific conditions, are excluded from the scope of this Bill.

The ICO offer document, also known as the White Paper, must be published and filed with the Registrar of Companies, except as otherwise provided. Information that must be disclosed in the offer document includes, but is not limited to the following:

- details regarding the ICO issuer, including business lines and company officers;
- the target amount of funding to be raised pursuant to the ICO;
- rights and restrictions in relation to the digital asset issue;
- the proposed timeline for any project to be completed with ICO funds; and
- information regarding the opening and closing of the ICO offer period.

Also required for inclusion in the offer document is a general risk statement which outlines the substantial project risk and any disclaimers of warranties or guarantees that may impact the purchases. In the event that information in the offer document becomes inaccurate in any material respect, the document must be updated as soon as reasonably practical. Penalties are included for publication of untrue statements or misstatements that are not corrected.

Mr. Speaker, we all know that one of the most important issues for Bermuda is compliance with standards set by global organisations, such as the Financial Action Task Force and the Organisation for Economic Cooperation and Development. Accordingly, we must ensure that appropriate transparency and risk mitigation measures are applicable to ICOs in relation to both the issuer and purchasers.

In addition to restricting ICOs for use by companies or LLCs, collection, verification, and retention of purchaser identity information will be required. The Minister of Finance will be authorised to require enhanced customer due diligence as needed based on consideration of Bermuda's anti-money laundering and anti-terrorist financing regime and the perceived risk of the individual ICO. The Registrar of Companies will be authorised to monitor compliance and enforce requirements related to ICOs via the Registrar of Companies (Compliance Measures) Act 2017. This includes the imposition of civil penalties for failure to comply.

Mr. Speaker, we recognise that we are entering uncharted waters. However, we are doing so with the full knowledge that businesses all over the world are looking to conduct their operations in a safe and well-regulated environment. Bermuda is poised to provide a legal and regulatory infrastructure that will attract FinTech-related entities resulting in new employment and career and training opportunities for Bermudians. We are poised for overall economic growth and we intend to deliver that to the people of this country.

Mr. Speaker, in closing, I would like to thank the members of the Legal and Regulatory Working Group that was established in November to advance the Government's FinTech initiative, the Bermuda Monetary Authority, and our external partners for the time and effort that they have dedicated to the FinTech initiative.

[Desk thumping]

Hon. E. David Burt: I would also like to thank the internal government team within the Business Development Unit, the Ministry of Finance, and the Attorney General's Chambers for every meeting, every presentation, every draft document, every late night, every answer to the emails to make the aggressive timeline of this Government [and] to bring this Bill to fruition.

[Desk thumping]

Hon. E. David Burt: Finally (and I see he has departed the Chamber, which is very unfortunate), I would like to thank the Minister of National Security, or as I call, in many instances, "the Minister of Blockchain"—

[Laughter]

Hon. E. David Burt: —the Honourable Wayne Caines—

Some Hon. Members: Yes! Yes!

[Desk thumping]

Hon. E. David Burt: —for his unwavering support and leadership on this initiative. There is much more to be done, but we will continue to push forward with this initiative because we believe in the vision of what we can do for the people of this country.

Mr. Speaker, before I close, I welcomed in our Gallery earlier today, when I began my speech, the founders of Binance. But we are also joined by Dr. Patrick Byrne, who is also here in the Gallery and who is the CEO of Overstock.com, but who was one of the first large companies to accept payments in digital assets and also is (I would say) the chairman and/or owner of . . . I am going to get it right—Medici Ventures. Medici Ventures will be looking to sign a Memorandum of Understanding later today with the Government of Bermuda to create yet more jobs and more investment into Bermuda.

[Desk thumping]

Hon. E. David Burt: Mr. Speaker, this Government is committed to moving us forward in this space. We will continue to work in consultation with the Opposition and our business partners in making sure that Bermuda is a well-regulated jurisdiction in which to do business and to actually, Mr. Speaker, through the new world that this technology brings, build that better and fairer Bermuda that we promised to all of our citizens.

Thank you, Mr. Speaker.

[Desk thumping]

The Speaker: Thank you, Mr. Premier.

Does any other Member wish to speak?

I recognise the Honourable Leader of the Opposition. Honourable Member, you have the floor.

Hon. Jeanne J. Atherden: Mr. Speaker, I think I want to say right from the get-go that we understand, as the Premier and Finance Minister has indicated, that the Government has said right from the get-go that it wanted to, if you will, add another pillar to Bermuda's revenues and another industry. And so we understood that the ICO was going to be something that [Government] was going to add. And we also recognised, as the Finance Minister said, that it was going to be important that if the Government was going to generate sufficient revenues to make it viable, that we had to get out in front of lots of other jurisdictions that are trying to actually get into this arena. So from that perspective we have gone at it from the point of view of saying, *Let's look at how this impacts Bermuda, and let's look at how we can be supportive of the concept. But understand that there are concerns that one must have.*

So when the Premier talks about being bold and taking this significant step, and when the Premier talks about growing an industry that will embrace Bermuda's innovativeness and entrepreneurship, we appreciate that. And we know that that is what Bermudian's have always been known for. But there is also the recognition that in order to do this there are two elements that one has to worry about. One is what I call the framework, and the other part is the implementation. So right now we are dealing with the framework and we have been looking at what has been proposed, because we totally understand that we are going to have the CFATF review, and it is going to be very important that we can demonstrate that we have things in place to show that anybody that enters into this arena is going to be protected.

We understand that there is risk involved. We also understand that it is important for us to show that whatever we have in place is going to be not only developed, but is going to also create that type of regulatory environment.

And with respect to what the Premier said, we know, and it has been indicated here, that there are other opportunities for bitcoin, but the Premier has indicated, and we understand that for right now we are just dealing with it as it relates to—

Hon. Wayne Caines: Point of order.

The Speaker: We will take your point of order, Minister.

POINT OF ORDER
[Misleading]

Hon. Wayne Caines: There has been absolutely no mention of bitcoin. The Member is misleading the

House. There has been absolutely no mention of bitcoin.

[Crosstalk]

Hon. Wayne Caines: Bitcoin is a type of currency as opposed to a modality or a form of block. He just did not mention bitcoin in his Statement.

Hon. Jeanne J. Atherden: Mr. Speaker, if you go to page 2 of the Minister's Statement—

The Speaker: Uh-huh.

Hon. Jeanne J. Atherden: —I am reading, "In particular, cryptocurrencies, such as bitcoin, have provided alternative and an alternate means of payment for goods and services thereby establishing a new [age] digital [bartering] system." Okay?

[Desk thumping]

Hon. Jeanne J. Atherden: So all I am just mentioning is the fact that we do understand that there are different ways in which bitcoin can be used, but if the Member had allowed me to continue, I was just saying that we know that for right now all we are dealing with is the initial coin offering and all we are going to be dealing with is . . . as it relates to utilising it as it relates to a digital asset. Okay? So—

The Speaker: I would advise you to continue on only on the fact that once a subject has been introduced, it is on the table. And it was introduced by the Premier in his Statement, whether he was saying it as a sliding glance, it was introduced. So it is on the table.

Continue on.

Hon. Jeanne J. Atherden: Thank you, Mr. Speaker.

And the only reason I am just mentioning this is because I know, and it has been mentioned in other places, that there are different possibilities for not only ICOs but different possibilities for bitcoin, and we are only dealing with this particular one. And, sorry, I should say blockchain. That is the word I wanted to use. We are talking about blockchain, and that we are only going to be dealing with the blockchain as it relates to right now; this side of it . . . not the whole concept of how blockchain can be used.—

[Inaudible interjection]

The Speaker: Ah! Ah! Ah! Ah! I am not entertaining this. I am not entertaining this.

Hon. Jeanne J. Atherden: How blockchain can be used. Okay?

The Speaker: Go ahead.

Hon. Jeanne J. Atherden: So what I want to say is the fact that if we talk about . . . the Premier was talking about the first step of building this new ecosystem and providing positive results. He indicated that the enhancement of legislating, of governing ICOs, was very important. And I think that we all understand that. We all understand that for two reasons. One is because we know that anybody that is out there and is going to invest . . . there is a degree of risk and reward. The risk has to be mitigated against and therefore, as has been indicated, if we have a proper regime set up for those persons who are going to offer initial coin offerings, then it is going to be important that they are properly vetted and subject to compliance.

We have been looking very closely at what has been put out in terms of how they will be vetted. We have been looking very closely at what has been said with respect to who might or might not get into initial coin offerings. Therefore, it was good to hear that for now we are just going to have it limited to those persons who, if you will, are knowledgeable so that it is not (what I call) just a totally open environment. So it is going to be restricted. We recognise that this means that the persons that get involved have a greater degree of knowledge. And it reminded me of years ago when we started to look at IPOs [initial public offerings] where you started to say that you would have restrictions so that those people that got into it would not lose their shirt, but would know exactly what they were getting into.

So the fact that this Bill is going to amend these activities is important, but also the fact that the authorities are going to be set up, that there will be competent authorities who will be able to vet this information, is very much important. With what I call the review which is coming down it is going to be important for us to be able to demonstrate not only for those companies that have already been in existence, but for the new companies that are going to come, that we will be satisfied that they are individuals who have the what I call not only the business acumen, but have the type of . . . the financial background that people will feel confident in in saying that they should be registered in our country.

The bottom line of all of this is that we are hoping that lots of people will register here because that is the only way we are going to gain the revenue. We are only going to gain the revenue by lots of people coming here. We know from looking at other jurisdictions that there have been people that have registered and things have been lost. People have lost money. And I am not saying that this is what happened because in Bermuda we always try to do things in the way that says we have a proper regime. We make sure that, as the Finance Minister has indicated, Bermuda wants to have this high standard, which is good. We always try to do things in Bermuda that have a high standard. So knowing that they will be

subject to the compliance is going to be very important for us.

Also, with respect to the fact that there is going to be the FinTech Advisory Committee, I think that this is important and we will, obviously, look forward to see how this FinTech Advisory Committee will be set up. I think that the question that came up related to the role that the Minister played in this process in the sense that the Minister has indicated that to provide flexibility, for the Minister to adjust the circumstances of the ICO as needed, he will be able to impose appropriate conditions on the applicant, on the ICO. I guess it just raises the question, and I guess we will have to see at the point in time when this legislation is approved and how it comes into play, what type of regime will be in place to have checks and balances on the Minister. Because whether you like it or not, there is an element that you want to make sure that there is a process that the Minister would be able to make appropriate changes. But you also want to make sure that it is set up in such a way that individuals will feel that the way it is set up . . . that anybody that looks at it from a regulatory perspective will feel that there is a review, there is a recommendation, and someone has the ultimate decision-making, but the decision-making has some checks and balances.

With respect to the Minister's indication that there were two reasons for going along this path, as I say, one was the generation of revenue, but also the second [reason] was the jobs that were being created. So I guess this is where we have to look at, and the people of Bermuda will have to be very much interested in how the jobs will actually come to Bermuda and to Bermudians, because we understand and we know that an initial coin offering is one thing. But the second [consideration] is where will they be physically . . . sorry, you do not have to be physically located here. But you can have your offerings around the world because that is the virtuality of it. But there has got to be a way that . . . we have been talking about jobs.

Now, I think, and maybe the Minister will say later on, that some of the jobs that will come will be in the second part of what has been talked about, which is what I call the blockchain. But it has been mentioned, and because it has been mentioned, it will be useful to know whether the Minister believes that there are going to be some jobs that will come as a consequence of this part of it, or whether the belief is that the jobs will come later on when the blockchain industry progresses in Bermuda.

Mr. Speaker, I must say this very carefully because sometimes I might not be clear enough. We are talking about jobs which were supposed to be generated by this particular new industry. I am not talking about general jobs; I am talking about jobs which are going to come from this particular industry.

[Inaudible interjections]

The Speaker: Ah! Ah! Ah! Ah! Minister.

Hon. Jeanne J. Atherden: So we will be looking to see how many jobs that the Minister thinks will come as associated with this new ICO offering.

We will also be intrigued to see how the revenues are going to be generated. Now, I have looked at the legislation and I know that some of it is related to fees that will be generated. But I also understand that some of it might be related to activities that will come as a consequence. But for the ordinary Bermudian, recognising that we have heard, you know, [about] millions and millions of dollars, it will be interesting if the Finance Minister would be able to tell us into which part of the process the Government believes that it will collect its revenues, whether it be the collection by the fee route or via the business activities of the particular promoters that take advantage of the ICOs.

With respect to the risk . . . and I think anybody that has read it will be heartened by the fact that the Finance Minister talked about the White Paper, and he talked about the information that will be filed with the Registrar of Companies. I think that is all very good information that anybody that might ultimately invest in an ICO will be happy to know that there will be information with respect to their business lines, the funding, the restrictions on the assets and also the timeline for the projects to be completed because then you know effectively, when you are getting into it, what you are going to get back and the time and when you might get it. So those are all very good things that I believe that when a regulator comes and looks at us, and I mean the outside regulator, comes and looks at Bermuda that they will feel that we put in things that will make us be a step above other jurisdictions.

And I say a *step above other jurisdictions* because we all know, Bermuda has to know, that other jurisdictions are racing to try and set ICOs up and set up the possibilities. And, as I say, the risk/reward where we know the timing, and I always say that timing is everything. We know that the CFATF people are coming to visit us and will be looking at this. So it is going to be very important for us to be able to demonstrate that what we have as it relates to this framework is properly regulated.

There was an indication in here that not only was there going to be this general risk statement, but as things change that information will be updated. I think these are all very good things with respect to showing that Bermuda's Government is trying to make sure that we are protecting the investor. Because the bottom line is people are going to invest in this, as it is an investment. Whether it is a virtual asset, et cetera, it is still an investment.

Therefore, with respect to . . . I think there was an indication of . . . I think I mentioned earlier about the FinTech-related industries, and that is why I asked the question about how many jobs, et cetera,

that the Government was thinking that it might actually get.

I think, Mr. Speaker, that the only two other observations that I wanted to make with respect to the legislation is the fact that we know that once this legislation comes that there are some other pieces of legislation. We welcome the Government making us aware of what they are trying to do. We welcome the opportunity to be able to be able to discuss some of this. I know that there are one or two things that we are going to discuss in the actual legislation, and I know that one or two of my colleagues are going to speak about the whole concept of ICOs. I am just reminding everybody that this has been discussed for a while. And I know one of my other colleagues in the past when we were the Government actually, you know, we talked about FinTech. And I am not going to say who brought it up first, et cetera, because it is never—

[Inaudible interjections]

The Speaker: Members. Members. Members, you will have your turn.

[Inaudible interjection]

The Speaker: You will have your turn, Members.

Hon. Jeanne J. Atherden: Mr. Speaker, I think what I am trying to say is that I am not trying to get into the *who-brought-it-up* game.

An Hon. Member: You are.

[Inaudible interjections]

Hon. Jeanne J. Atherden: What I am trying to say is that when Bermuda gets into new industries, and if we are going to make this the third pillar as the Government wants, we still have to make sure of all the other things that are important to a country when you establish a third pillar, which are:

1) Is it going to be sufficiently robust that it will actually be a third pillar?

2) What is it going to mean to the country as it relates to getting jobs?

3) What type of risk is the country going to take and [what is] the reward that is going to happen?

So I am saying that we have to look at that in those terms. And it is never a question about who starts; it is always the question of, when you put it in place, making sure that it is properly put in place so that Bermuda's reputational risk . . . reputation is always as high as it has ever been. Because I think that in anything that we do I am sure that the Government, in the same way like when we were the Government, wanted to make sure that Bermuda's reputation is always going to be protected. And, Mr. Speaker, I will—

[Inaudible interjections]

Hon. Jeanne J. Atherden: —make sure that—

[Inaudible interjections]

The Speaker: You still have the floor.

Hon. Jeanne J. Atherden: I am sorry. I was trying to listen to you, but when you hear all of that—

The Speaker: No, you still have the floor. You are all right. Go ahead.

Hon. Jeanne J. Atherden: So I just wanted to say that I know that there are a couple of questions that we are going to have during the actual Bill itself. But as I say, we know why it is here. And we know why we have rushed back to do this. And we know that we are under this tight schedule. But I believe that there are reasons, there are opportunities, and we look forward to being able to ask the questions to make sure that it can work for the country. Thank you, Mr. Speaker.

The Speaker: Thank you, Madam.

Does any other Member wish to speak? I recognise the Minister. Minister Caines, you have the floor.

Hon. Wayne Caines: If it pleases you, Mr. Speaker.

The Speaker: Yes, go ahead. Continue on.

Hon. Wayne Caines: Sometimes you are in a position, Mr. Speaker, where you can be a part of something great, where you can watch it from its genesis, where you can understand the impact that it will have, that you can look in a community and see that it is bereft of opportunity. You can look at a people that have been neglected, who have not been given opportunity, and it creates an opportunity for innovation. It creates an opportunity for opportunity, and it creates an opportunity for people to think outside the box.

Bermuda, for a very long period of time, has had oligarchies that have been put in place, that have kept many people in this country marginalised and on the sidelines. There is now a form of technology called blockchain technology that by its very nature is disruptive. The very essence of this blockchain technology is that it allows an irrefutable way to look at data, to look at finances, that cannot be adjusted.

So if you are looking at the blockchain technology from a financial standpoint, that is only one perspective. You can put the land title on there. I have seen in Africa where they are using the blockchain to manage supply chains. To give people who do not have the opportunity to be banked, the opportunity to have financial means of supporting their family.

So the very genesis of this country looking to get into this disruptive form of technology, this disruptive methodology of banking, is because we believe, first and foremost, it can change the world. Like Christopher Columbus who went to Ferdinand and Isabella—and everyone at that time believed the world was flat . . . he had to go to Ferdinand and Isabella to seek recompense or finance to go to the New World.

We find ourselves, Mr. Speaker, in a similar position. There are people all around the world that understand that no matter how hard the institutions try, no matter how [hard] banking institutions try, or political systems try, they cannot stop this modality of finance, of blockchain, how this "new world" is moving. So after considering where this world is going, how the world is changing, Bermuda has made a decision to lead.

The Speaker: Mm-hmm.

Hon. Wayne Caines: In July of this year this country in a unanimous fashion elected this Government to lead—last year.

[Inaudible interjections]

Ms. Leah K. Scott: Point of clarification.

POINT OF CLARIFICATION

Ms. Leah K. Scott: It was July of last year, not this year.

[Laughter and inaudible interjections]

The Speaker: We needed a little humour that time, but continue on. We got our humour. You can continue now.

Hon. Wayne Caines: Mr. Speaker, I am almost 50 years old. You know what happens when you start raising in age.

[Laughter]

Hon. Wayne Caines: Mr. Speaker, the opportunity has come for Bermuda to punch above its weight, and we always have. My mind goes back to the 17th century when they were looking for a new method of sailing in this world. We made our living on the water. And there was opportunity for us to develop a boat and it was the Bermuda sloop. We developed something called the "Bermuda rig." The cut of the jib of the boat and the hull of the boat was more narrow, it was more sleek. It allowed us to navigate through these waters avoiding the reefs. We have always been a centre of innovation. And what did we do with this technology? We gave it to the world. And boats and sailboats the world over still use what? The Bermuda sloop. And awe the Bermuda rig.

The Speaker: You sound like a sailor.

Hon. Wayne Caines: Well, I am not. I am from Back o' Town, Mr. Speaker.

[Laughter]

The Speaker: All right.

[Laughter and inaudible interjections]

Hon. Wayne Caines: Mr. Speaker—

[Inaudible interjections]

Hon. Wayne Caines: Well, stay focused, stay focused.

The Speaker: Stay focused, yes.

Hon. Wayne Caines: We then had the opportunity in the middle of the 18th century when things were not as opportunistic on the water, as it were, we started to go into the agrarian elements in our country and we went to tobacco, lilies.

Mr. Speaker, I was recently in London, and Her Majesty Queen Elizabeth II, in the receiving line, thanked me for the lilies that she received from Bermuda last week.

[Inaudible interjections]

The Speaker: Did you tell her how much fun—

[Inaudible interjections]

The Speaker: You assured her that you picked them for her, right?

Hon. Wayne Caines: Mr. Speaker, I am not one to tell lies.

[Laughter]

Hon. Wayne Caines: Mr. Speaker, and the onion. So we have always had to be innovative to survive. And so from our sailing past of the Bermuda rig, we went directly into our agrarian past, lilies, onions and tobacco.

We then went into the next age where we went into the iconic Bermuda shorts, Mr. Speaker, and we went into tourism. And people started flocking from all over the world to sail and swim in our turquoise blue waters and to frolic in our pink sand. Not just for fun, but this was a way that we were innovative. This was a way that we changed the world.

The Speaker: Mm-hmm.

Hon. Wayne Caines: In the 1960s we realised that in order to survive we must continue to evolve and to be innovative and we did that with the advent of our captive and our reinsurance market with the financial services.

So this innovation that we see in 2018 is consistent with this Island's history of innovation. When we consider where we are going in this new world, there are a few things that we must consider. We must consider the reputation of this country. What does that mean? People come to Bermuda because we are very well regulated. It is not the wild, Wild West when they are here. We have TIEAs. We have strong relationships with international and corresponding banks all around the world. Reinsurance companies, hedge funds, they all set up and domicile in Bermuda because of the reputation that we have.

Make no mistake about it. The reason that the world is starting to become so energised about being in Bermuda is not just because of this blockchain. They are excited because we do things at a very high standard. You can talk about Malta, you can talk about Gibraltar, but I can tell you that they cannot light a candle to the regulation of [our] beloved Islands. So it is understanding the nature of the sanctity, the sacrosanct nature of our pillars, that we have made the decision to go into this business.

Every decision that we have made has been carefully considered based on our reputation, understanding that when people come to Bermuda they think about our arbitration clauses, that they domicile and do the arbitration in Bermuda; that when they have legal matters that it goes from our summary courts through to our high courts and then to the highest court in this land, which is the Privy Council. We accept and we understand that. We are not foolhardy. We understand that the primary function of this endeavour is to make sure that it is well regulated. To that end, we have hired the benefit of an international regulator.

We have considered this in our working groups, Mr. Speaker. We have had two working groups: the Legal and Regulatory Working Group and the Business Development Working Group. The Legal and Regulatory Working Group, Mr. Speaker, considered all things legal. They were made up of members of the private sector, the public sector, the blockchain industry, and the technology industry. And what they did from the very genesis of this endeavour, they whiteboarded, they talked, they discussed local law, international law, FTAF [Financial Action Task Force] assessment, NAMLC [National Anti-Money Laundering Committee]—all of our assessments. We realise that we have an assessment coming up, Mr. Speaker. We know how critical it is to our infrastructure.

In 1994, Mr. Speaker, Her Majesty Queen Elizabeth II came to Bermuda for a visit. They were building a road, and she was to use the South Shore in Bermuda. And we made a decision to renovate and pave the roads on the South Shore. The good news is that the roads were paved and the yellow line was in, but the road was finished about three weeks before the Queen came. So the people in Works and Engineering at the time said, *Well listen, we cannot let anybody use this road. After all, Her Majesty is coming.*

[Laughter]

Hon. Wayne Caines: They cried out, *We must block the road off on each side because we want her to drive on a pristine road.*

Oh my goodness! The world would fall if anybody used that road!

The Minister with responsibility for Works and Engineering said, *But after all, this is a road. Your responsibility is to make sure that it is well lit, that the yellow line separates the significant parts, that you put the requisite police officers at the locations; that somebody monitors traffic, that the people that are responsible make sure that the road is and stays in pristine condition; that if somebody is using the road and it gets nicked, that they have the wherewithal to go back in and correct that.*

Why would we, a country that is innovative, which understands finances and have made our bread and butter, be scared of a FATF assessment? We have to do things right. The world is moving at light speed. We have a $2.4 billion debt. Will that pay itself? We must be innovative. We must be hard working. We must keep in the forefront of our mind what we must do—that is to be regulated, that is to have the proper regulation, and that is to protect the infrastructure of this country, and that is what we have done.

The legislation is fulsome. It is logistically . . . it is legally sound, and it has kept every element in mind of what is most important to this country, and that is our assessments. We have had NAMLC on these committees talking with us. We have had the guidance. The legislation, Mr. Speaker, has to be sound. And the things that we must focus on are what? AML, the anti-money laundering piece; and the KYC, know your customer piece; and the American's ATF, anti-terrorist financing piece.

So if you look at the legislation precept upon precept and withdraw the hype, withdraw the innuendo, withdraw the scaremongering, you can see that the legislation has considered the key elements. As a matter of fact, this industry wants to be regulated. They want to have the guidelines. They want to make sure the cowboys and the nefarious actors are not in this space. And so what Bermuda has decided to do is put something in place called the "Bermuda standard." What is the Bermuda standard? The Bermuda standard is that you make sure that every element of this—you have your KYC (know your customer), your

AML—and when you look at the white paper phase, the white paper phase articulates at every single step what you will need. Let's go through the phases.

Now, when people start talking about *exchanges and coins and tokens,* that is not included in this legislation. Mr. Speaker, this is the first in a series of pieces of legislation that will be put in place. So when we are talking about the direction that we are going in, the first phase is the laying of ICO legislation. For my mother, I told her I was going away to a conference and we were going to be discussing, amongst other things, bitcoin. When I came back, she said, *Wayne, how was the Fitbit conference?*

[Laughter]

Hon. Wayne Caines: *How was the Fitbit conference?*

And, Mr. Speaker, there are two types of people in the world. People that get it and then the *Fitbit* people. Right?

[Laughter]

The Speaker: You must have looked healthier when you came back, see.

Hon. Wayne Caines: Absolutely.

The Speaker: All right.

Hon. Wayne Caines: And so the reality around it is, Mr. Speaker, that the elements are in place to protect the country. We have focused on the AML, the KYC pieces, and we want to have our feet held to the fire.

Let's just talk about the collaborative nature of this process. Oftentimes people are in spaces and they are arrogant enough to believe that they know it all. Well, that was not the case in these circumstances. At every stage it was collaborative. We relied on people from a myriad of different spaces. We consulted with the business community. We had a session down at the Bermuda Underwater Exploration Institute [BUEI], and over 150 members of business came and we discussed it. We shared the plan with them.

We have been on a roadshow to local law firms. This past Monday we went to Appleby and we met with the partners and some of the people in this space at the firm and we had discussions. We met with the trust group and Leila Medeiros and Rod Attride-Sterling from the trust organisation and we shared with them all of the plans.

Ms. Leah K. Scott: Point of clarification.

The Speaker: Yes, we will yield, Minister.

Go ahead, Member.

POINT OF CLARIFICATION

Ms. Leah K. Scott: Leila Medeiros is not in the trust industry. I believe she is in insurance and reinsurance.

[Crosstalk]

Hon. Wayne Caines: Mr. Speaker, she did not appear in behalf of that. I will get clarification from one of my colleagues and I will come back at a later minute just to be sure. But I thank my learned friend, the learned Member for her guidance.

Mr. Speaker, we met with ECAB. ECAB is from the Ministry of E-Commerce. That is the board that deals with how that particular Ministry runs. We met with the Opposition. We had a conversation yesterday where we shared the FinTech strategy with the Members of the Opposition. I will say, from the outset it was a pleasure to be in that environment with my colleagues. I believe that we had the basis of fruitful and meaningful discussions around this legislation and I, for one, whenever I am doing something, follow the prescribed manner in which I did on that occasion.

Mr. Speaker, we believe that we have collaborated with people outside of Bermuda. Next week there will be some public announcements with reference to the consulting bodies and what they will look like. Mr. Speaker, we have talked about the questions that have been asked around jobs. Today we saw a press conference and Binance, one of the biggest crypto exchanges or companies on the planet—on the planet!—has said that they want to come to Bermuda. They did not say that they are going to bring a "chip shop" to Bermuda. They said that they are going to bring their compliance department to Bermuda, which means if you need a job in the legal frame, or understanding how to put these companies together and do what we need, i.e., AML, KYC, ATF, well, Bermuda will be the centre of the universe for global compliance. So if anybody is wondering, *How will Bermuda fare?* Well, we have not even announced the legislation and the biggest company on the planet has set up in Bermuda!

[Desk thumping]

Hon. Wayne Caines: They believe so strongly in what we are doing, they are saying that they want to centre the operations for regulation in Bermuda.

The Premier is now meeting with one of the most preeminent businessmen in this field. And hopefully we can give you another . . . *Where are the jobs coming from?* We believe that when you are setting up an ICO you have to use companies to set up. Those are lawyers, those are secretaries, those are compliance officers. These companies need cybersecurity professionals. They need CTOs, chief technical officers. They need people for a myriad of positions. But what did we hear today? We heard that Binance will spend $10 million for educating Bermudians in the technology space.

[Desk thumping]

Hon. Wayne Caines: You can say what you want. But let me tell you what this country needs. We do not need another industry that is only taking money out of Bermuda where [other] people are benefiting. Already with the first person that has reared their hand and declared it, what do we see? We see 40 jobs and $10 million. Now, my daughter is out to study international relations. I am going to have a call with her tonight and say, *Listen. You might have to switch to telecommunications, because we have somebody here that has got $10 million available.*

Mr. Speaker, when we look at the revenues, well, it is clear where the revenues will come from. I do not want to tell tales out of school. But everybody knows how this works. We know how the telecommunications industry worked for a number of years. Didn't we take a portion of the revenue from the telecommunication company and was that not a remittance to the government coffers? Well, without telling tales out of school, we believe that there will be opportunities, and legitimate opportunities for this Government to significantly collect money and to reduce the debt to increase the Consolidated Fund. I believe that when the time is appropriate, we should be able to articulate this line by line because there will be a flight of fancy that a person wanted details on that today.

We are doing this systematically, Mr. Speaker. The first element is the ICO part. Raising . . . how do people come . . . what is the ICO part (for my mom who is listening)? Momma, it is a very basic concept.

[Laughter]

Hon. Wayne Caines: Yes, this is where people might want to have an idea and they want to have a plan, but they do not have enough money to do it. What we are telling them is that they can come through their ICO, mom, and they can raise a bucket load of money in Bermuda through a prescribed method and that is how they will be able to make money and go ahead and do the endeavour. So the ICO, mom, is simply a way . . . Mr. Speaker . . . I'm sorry. Mr. Speaker—

[Laughter]

The Speaker: I am going to reserve my comment. How is that? I was going to say something, but I will hold my tongue.

[Laughter]

The Speaker: Go ahead.

Hon. Wayne Caines: Mr. Speaker, the ICO part is simply . . . because people get lost in the nomenclature. The ICO part is simply a way where you can raise money to finance the project that you are on. And we are simply saying, *Guess what? If you want to raise that money, come to Bermuda! Welcome to Bermuda!*

Why would you come here?

You come here because we are friendly, because the country is beautiful, because we have a 60-year history of being very well regulated. And this industry is going to be very well regulated. *Oh, Mr. Bad Man, Oh, Mr. Nefarious Man, guess what? You are not welcome in Bermuda.* And how are we going to keep you out? Well, let's look at the AML (anti-money laundering) and the KYC (know your customer). We are going to put hurdles in place that if you are a bad actor, why would you want to give all that information? Why would you want to make all that ready? We will put the mechanisms in place throughout this process where the country is protected.

[Crosstalk]

Hon. Wayne Caines: Mr. Speaker—

The Speaker: You're good.

Hon. Wayne Caines: Thank you, sir.

The Speaker: You have not used up your half an hour yet. You have got about another 10 minutes, or . . .

Hon. Wayne Caines: Thank you, Mr. Speaker.

Mr. Speaker, the object of this entire endeavour is to create an ecosystem. The ecosystem will start when a person has a conceptual idea. The first phase of it is the incubator phase where a person has an idea or they have been given permission to set up in Bermuda, and you want to set up a company, or you want to do an ICO, or you want start a business. Well, we want to have the opportunity for a person to have an incubator in Bermuda. We are going to develop incubators where a business can come to Bermuda, whether that is FinTech (financial technology), RegTech (regulation technology), ReisuranceTech (reinsurance technology), where all these industries could thrive and where they can grow in Bermuda.

We believe that is where the opportunity is. It is creating an environment where new opportunities in Bermuda come to a country where the regulation is in place, where the opportunity is in place, the like-minded people are in place, and they want to set up their companies in Bermuda. And if they are indeed successful through the ICO offering, through the incubative phase, well, it is our hope, Mr. Speaker, that they stay in Bermuda, that they keep their company in Bermuda, that they launch in Bermuda.

The third pillar? If we are able to keep the educational phase with this, and keep our people getting educated and hold their feet to the fire with educational results, well, we can see that this is an opportunity not only to change this country, but to set a model for

the Caribbean—Nay! For the world!—on how we can change the life of its citizens.

Up until this morning when we signed the MOU (Memorandum of Understanding) the pundits would have said this was aspirational. With the signing of that MOU, that is valued at $50 million, we can see that, Mr. Speaker, it is not aspirational, that it is indeed taking place.

The Speaker: Mm-hmm.

Hon. Wayne Caines: The next phase, Mr. Speaker, is the Virtual Currency Business Act. The Virtual Currency Business Act coming directly after this, around the second week in May, is the Act that will govern exchanges, tokens, how they operate. Mr. Speaker, this is being developed and led by the BMA [Bermuda Monetary Authority] because people ask all the time, *Where is the BMA in this? Do you have the support of the regulator in this? Have you consulted the people that are affected?* Mr. Speaker, the answer is we have consulted with the BMA. We have been working in lock step. Sometimes we have been in this process and it has been uncomfortable. The regulator does not have friends, it does not seek favour, they are independent. So, at times they have had to pull the reins in tightly. But what is clear is that at every stage we have worked together to get the piece of legislation that you see today.

Should it have been a stand-alone piece of legislation? Well, that is a matter for some. But what we can tell you, Mr. Speaker, . . . *Why did you do it now?* Some might ask, *Why did you not wait until after our assessments?* Because the companies were setting up in Bermuda. They were coming to Bermuda and establishing ICOs. We could not stop them. So rather than as in the wild, Wild West, where everybody was coming to Bermuda and setting up ICOs without it being regulated, without there being any guidelines, this country knew that it would be unpopular in certain quarters, we knew that people would have challenges, but we knew that it had to be done. So, in the midst of all of the *wahallah* we decided to go ahead and put the regulations in place by writing this Act. And we had to get it done quickly to protect our global reputation, to protect us from these coming assessments. Mr. Speaker, we believe that it has worked.

Mr. Speaker, you may or may not know, but last week I went to Great Britain. We went to a law firm called Mishcon De Reya. At this law firm they set up meetings for companies that were interested in setting up ICOs. There were over 20 companies in the room, Mr. Speaker. At the end of the evening, we had to set up another two days of meetings because so many companies wanted to come to Bermuda to learn about our ICO process to see the draft regulations.

Would you believe, Mr. Speaker, that the Virtual Currency Business Act is on the BMA website where anybody can go? They can put their thoughts, they can disagree; they can say why they do not like it. This is unprecedented! But this Government has stated that we know that we will not get certain things right. And when I said "unprecedented" I saw someone's brow being furrowed. By "unprecedented" I mean that we realise that this is so significant to our country's future that we cannot be selfish, we cannot be partisan, that this is about Bermuda Inc. So I accept and will give Jack his jacket.

The Bermuda Business Development Agency did go on a roadshow for about 15 months. They talked to people in California, in New York, about these spaces. And I get that. They have worked exceedingly hard and we will continue to work with them. So, work has been done, as our Premier has said, and the team that you see in front of you (and some not in front of you, Mr. Speaker) has done yeoman service to make sure that this Bill has come to fruition. I believe that when this legislation is passed this country will sit back and see the jobs come in. And they will realise that they have done something right. It is not a magic pill. It will not automatically bring the cure for cancer, alleviate hunger; it will not get everyone in Bermuda a job. But it is a step in the right direction.

Some Hon. Members: Yes.

Hon. Wayne Caines: The blockchain technology, Mr. Speaker, is revolutionary. You can say what you want about it having a lack of discipline. And in some areas, yes, it does. But guess what the Bermuda standard will do, Mr. Speaker. The Bermuda standard will regulate. It will put the proper mechanisms in place where people can be held accountable.

This Government has been brave. We have kept our heads. We have stayed the course. We invited companies to come to Bermuda and they are here. And we would like the opportunity to live up to our campaign promises to give the people of Bermuda something that they can believe in, tangible opportunities.

Mr. Speaker, thank you, sir.

[Desk thumping]

The Speaker: You had two minutes left, you know. All right.

We recognise the Honourable Member from constituency 22. Honourable Member Gibbons, you have the floor.

Hon. Dr. E. Grant Gibbons: Thank you, Mr. Speaker.

Mr. Speaker, let me first of all start by saying that we actually had a productive session yesterday. And I thank the Honourable Member, Minister Caines, for hosting a number of us with technical officers. It was about 90 minutes, and I think it was helpful in

terms of trying to get a better understanding of how Government is proceeding in this particular space.

I am going to preface my remarks by quoting Stuart Lacey, who I think many Honourable Members will know of. If there is anybody, I think, in Bermuda who has demonstrated their ability as a FinTech entrepreneur it is Stuart Lacey with Trunomi. He has won a number of international awards for the company he has set up, and I think he has done a really good job of putting a Bermuda company at the forefront of I guess what you would call RegTech basically, as sort of a subset of FinTech.

I think he made some very useful comments in the *Gazette.* It wasn't very long ago, it was on April 18th. He said that on Bermuda's Government's FinTech initiative he said he felt it was going to be, and I quote, "positive for the island" and "an opportunity for [Bermuda] to be able to participate seriously in this space."

What I found more interesting was that he, Mr. Stuart Lacey, went on to say, "There is a sense out there that there is a bit of a race to be the first jurisdiction to get it done." He said, "I think it's not about getting it done first, it's just about getting it [done] right . . . ." I think that is a very useful message for us today and certainly for Government as well. In fact, Stuart Lacey was there yesterday, and I know that he has been sort of adding his contribution to the efforts that the technical officers and Government have started in this area. But I think it really is important that this is not just a question of being first to market. It is a question of getting it done right.

We had quite a bit of discussion about FinTech in this House. I think, certainly, the Premier is an advocate. And I do not think there is anybody who is more of a salesman than the Honourable Member who just took his seat. I think we have said in Throne Speech debates and certainly in the Budget debate last year that we believe it is important for Bermuda to be in this space for the simple reason that it is all around us. I do not want to disagree right off the bat with the Minister, but I think it would be fair to say that a lot of very large banking institutions and insurance institutions have been working in this for a number of years now. Some of them are here. There is a huge banking syndicate which has been looking at blockchain, so it is not as though this is sort of a new field in many respects. In fact, FinTech goes back probably as far as PayPal; maybe before that as well.

So, it is a question of how it is done in getting it right. And, Mr. Speaker, I think it is important to remind people that one of the responsibilities of the Opposition is constructive criticism. And I think you are going to be hearing a certain amount of that today. We would not be doing our job if we did not have, shall we say, a perspective on it, and if we did not, where we felt it was important, make constructive criticism. And in many respects I think you will be hearing some of that today, an expression of *it's not all roses and sunshine.* There are some concerns here and there are some issues that I think we have to face head on with eyes wide open.

I think both the Minister who just took his seat, and the Premier, commented that this is, in many respects, a challenging area. It is new in some regard, but it is clear that a lot of other governments and regulators are trying to grapple with the best way to facilitate this sector but, at the same time, contain the risks both to investors and to financial markets. I think this should be part of our job as well. Given that, I believe that the Government really should have set out and looked at what I will call an impact assessment here. And if you want to know what I mean by an impact assessment, I think a good example in a very different space is what we require of large infrastructure projects here. We do an environmental impact assessment to understand both what the benefits are but also what the risks are and what things need to be mitigated.

Now, I am sure we will hear from the Government side that they have thought all about that and it is all done, and not to worry our pretty little heads about it. But in this case I think an economic impact assessment would have been very useful. I think the horse is a little bit out of the barn door at this point. But something which sets out about the risks to Bermuda and Government's view on the benefits with respect to the economic contributions, jobs, business opportunities, and business opportunities and jobs for Bermudians in particular. I think this is really important here because in some respects this sector is technical. Issues like distributed ledgers technology and virtual currencies are not things that I think everybody has wrapped their minds around in terms of how they work and what the implications are. Obviously there are a lot of people who have. But I think, given the relative newness of this sector and the risks inherent in some of this technology, it is very important for a Government—and I will say our Government—to explain how they are going to go about doing it. And I say that because I know the Government has met with lots of people, we had a slide presentation yesterday, it was useful . . . but I have also heard concerns expressed in the business community which probably are not going to be expressed directly to Government.

I have been in Government long enough to know that people do not always tell you what you need to hear. They often tell you what they think you want to hear. So there are certainly concerns expressed out there. And, as I said, it is a complicated area. To be perfectly honest, I have done a fair amount of reading on this and I think other jurisdictions have done a much better job of setting out and explaining their approach to both ICOs, the distributed ledgers technology, and to virtual currencies as well. I think there is an example of which I know the Government does not think highly of. But I think they did a good job. One of those was Gibraltar. They have been

working on this for a couple of years now. They passed some legislation around Christmas time. I think Switzerland has also, through FINMA [Financial Market Supervisory Authority], done a nice job in terms of laying out the landscape and explaining the risks, the uncertainties, and how they are going to approach regulation and surveillance in this particular area. Canada and Australia, as well. I know one of the consultants from Government is actually from Australia.

I say that because I think in some respects I understand there has been a rush to get this legislation to try and be there first. I am not sure we really are there first. I think others have put in place regulations and there is some legislation. In fact, I was reading on Bloomberg the other day that Anguilla basically back in December set out initial coin offering legislation as well. And I say that because what we are also faced with today, perhaps, in an effort to get this legislation done quickly (and the Minister gave, at least his explanation of it), we are faced with six pages of amendments, Mr. Speaker, to this legislation, okay? Now, six pages of amendments are quite a few amendments to a 20-page piece of legislation. So I think it is important in these particular things not to make mistakes.

And I say that, to be very much upfront about it, because I do not believe . . . and I am going to stay pretty close to the ICO legislation for a few minutes. I do not believe the ICO legislation before us today in its current form is actually adequate for the task required. And I am going to explain why I think that in a few minutes. The ICO legislation, the Bill, will certainly attract ICO business. I think the Minister is a great salesman, I think there are certainly companies here that may wish to proceed. There are companies all over the place that have already proceeded whether it be the United States . . . right around the world. So I simply think—that being a reason to rush this is something which I think is a little bit suspect. I think the legislation also leaves significant risks for Bermuda unaddressed.

Bermuda, and the Government particularly, not only has the responsibility for business development, which is what we are hearing more about here, but it also has the responsibility to protect the broader interests of the public and Bermuda, and particularly its hard-earned reputation as a well-regulated jurisdiction. I say this because in some respects there is a silver lining here. And I think, Mr. Speaker, you may have seen it; certainly others have. But the BMA recently published a Consultation Paper on the (and I quote) "Regulation of the Virtual Currency Business." I think that was a really welcomed addition to this whole area. They explain in a lot of detail the role they would play. And they did that in a way that was much more detailed and much more transparent than what Government has done so far.

The BMA Consultation Paper, and I do not mean to disabuse the Minister of this notion, was not unprecedented. The BMA puts out consultation papers all the time. They are a mature regulator, they are used to doing this, and they do it for a reason. And they were doing it for a reason in this particular case because they needed to explain to people what the issue was, how they were going to go about it, who would be involved, and they also expressed the context of blockchain, virtual currency space; they touched on ICOs as well, and they expressed their concerns about the sector.

I think they also indicated very clearly what they would refer to as the scope of their regulatory remit, what types of virtual currency business would come under their remit, what they would require of those entities who wish to operate in this area, and they recognised in quite a bit of detail, in writing in their consultation paper, the concerns of the FATF [Financial Action Task Force], the CAFTF [Caribbean Financial Action Task Force], the OECD [Organisation for Economic Co-operation and Development] and others, about this particular sector. And I think that is important because it lays out a framework here.

I do not know whether you have seen it, Mr. Speaker, or not, but the Consultation Paper is actually about 150 pages, and it is quite detailed. It lays out not only a draft Virtual Currency Business Act, it lays out Virtual Currency Business (Cybersecurity) Rules, Virtual Currency (Prudential Standards) Rules, Virtual Currency (Client Disclosure) Rules, a Code of Practice for the Virtual Currency Business Act, and a Statement of Principles for the Virtual Currency Business Act. I think what is important here is that you are able to see the whole package; you are able to understand where they are coming from, why they are coming from it, and a very clear indication that here is what they are proposing to do but let us have some feedback about this.

What I think was also interesting was that they were very clear and quick to point out that their remit would not include regulation of ICOs. That was for the Registrar of Companies and the Minister of Finance. They would do the Virtual Currency Business Act and the associated regulations associated with that. So, a very, very different way of approaching it. And I have to say it gave me some comfort. And I am one who has often said the BMA takes their time to do things. They are often intransigent on certain issues. But, after all, they are a regulator. But in this particular case I think they have probably provided a lot of comfort for people out there that this was being looked at in a careful and certainly methodical way.

So why is it important to do this right (as Mr. Lacey would say)? Well, it is important to do this right because there are reputational risks to Bermuda and, by extension, to our existing international business sector, which, for a good part of our economy, is the bread and butter. We had a little bit of an explanation

by the Premier of what initial coin offerings, or ICOs, are about. He did say ICOs are a method for raising finance by start-ups or early stage companies. ICOs generally involve the sale of tokens or, what the legislation refers to as, digital assets or coins using blockchain or distributed ledgers technology. ICOs have also been (and I will be very straightforward here) an unregulated means of raising finance in an early stage venture or project, sometimes referred to as "crowdfunding." Often the products or services that are being proposed have not been fully defined or designed, built or tested, and may not even be operational or generating any revenue. Okay? So, the tokens, or coins, that are sold in an ICO can serve as a prepayment for access to a product or a service that will be developed in the future using the funds raised in the initial coin offering. In some cases, I think this is a useful way of putting it, they can be seen as a subscription, much as you have a subscription to a magazine, to use . . . it could be an app, or it could be software, or a product or services in the future once it is developed. And in a lot of cases ICOs have been used to get around the more rigorous and regulated capital raising procedures used by both venture capital groups and financial institutions.

So, these new ventures are, by nature, highly speculative and often very risky. Most of the offerings are at a very early stage. They can be conceptual and, to be very straightforward, may never get off the ground. So this is an area where one has to have eyes wide open. I think, if I may, with your permission, Mr. Speaker, [refer to] page 6 of the BMA's Consultation Paper where it says about initial coin offerings, "Token issuance is generally used to fund a start-up business. ICO activity has commonly been associated with insufficient investor information, fraud, money laundering, and failed projects."

They go on to talk about some of the risks involved and other things. But I am not going to go there.

It may be a bit light-hearted in a way, but I was struck by a piece that was actually in the *Gazette* on April 19th. It was a Bloomberg story which the *Gazette* picked up. It is entitled "Investors fear for cash as crypto founder tweets from the beach."

Apparently this is Bloomberg in New York. "Investors in a cryptocurrency startup [called] Savedroid are wondering whether the founder ran off with their money, the site has been hacked, or if it's all part of an elaborate joke. . . . founder Yassin Hankir tweeted a picture of himself at an airport and then holding a beer at the beach saying, 'Thanks guys! Over and out . . .'"

Now, in the same article "New York-based Satis Group found that 81 percent of ICOs are scams, according to a report [that they did] last month."

So, we are dealing with an area which can be . . . and I am going to say "can be" . . . I am not trying . . . I know I will be accused of fearmongering. But I think we have to be honest here. This can be very risky for people going into it. So, a lot of regulators, including the FCC [Federal Communications Commission] have taken a pretty strict approach to this in terms of particularly those coin offerings which are clearly an effort to raise equity financing or that sort of thing. And I think as we all know, we have seen it in the paper, there have been hacks, there have been swindles, there has been vaporware.

So how does an investor, particularly an amateur investor, distinguish promises from real potential? This is a growing sector. I think the numbers I saw suggest that there was $3.4 billion in 2017 raised by ICOs. That is more than venture capital financing occurred in 2017. So, let me try and put this into context, because I think it is important to frame how Bermuda thinks about this. And I know Government has probably thought about it to some degree in this way as well.

This said ICOs, crowdfunding, initial coin offerings are early-stage entities basically by definition. Venture capital, which also plays in this space, probably a little bit later in this space . . . you recognise in venture capital that probably 9 out of the 10 investments you make are either going to fail or not get very far. It is only one of those that may get through. So you are dealing with a ratio of about 1 to 10 in venture capital. But venture capital people have an advantage that an investor in these areas does not. They are experienced. They are used to dealing with start-ups. They get to meet the individuals who are behind the company. They get to go over the business plan in an incredible amount of detail. They often get to check out prototypes, working models, and they have an understanding of the sector and what is going on there with respect to other competitors or other threats to the particular proposal which is being made.

So, venture capital people do extensive due diligence. And I say that having been a principal in two venture capital funds here. So I have some background and some experience in this area. Venture capitalists also have the benefit of a diversified portfolio. But they have lots of failures and lots of what are known as "walking dead" that come out of these things.

ICO investments are at an even earlier stage than venture capital people will normally look at. The business plans, if there are any, may be conceptual. No developed projects. [There are] questions about the experience and ability of the promoters to actually deliver. And often there is really nothing which would sort of count towards financial statements. So I think we have to be realistic here that ICOs coming here are going to be trading on Bermuda's reputation as a jurisdiction and not vice versa. Okay?

We have something to lose as a jurisdiction if this is not done right. And when you think about . . . and I think that my colleague, Jeanne Atherden, and certainly both Ministers sort of referred to this. When

you think about Bermuda's existing international business sector—insurance, reinsurance, trusts, asset management, funds—up to this point as a jurisdiction we have been very careful to make sure our legislation and regulatory infrastructure protects the investor, the policyholder, and that we have, for example with Solvency II, world class equivalents. I do not believe that this ICO legislation, the Bill before us, is actually able to meet those standards. And I am not sure it is adequate. I am raising my concerns—that is my job as an Opposition Member—to address the risk for Bermuda. Let me explain why I think that.

Simply taken, Part III of the Companies Act and the equivalent in the Limited Liability Company Act [LLC Act], which is Part 10 (which is the Prospectuses and Public Offers section of the Companies Act and the LLC Act), is being used to provide for initial coin offerings. Now, admittedly, there are some definitions and some customisation to address the special nature of initial coin offerings. It is a very efficient way to do it. What Government has done is simply repurpose Part III, created Part IIIA, customise it to some degree for initial coin offerings with some additional ramifications in there. But at the end of the day, and the Minister basically said this to us yesterday, this is a buyer beware approach. The idea is, let the investors decide for themselves once they have the information. That is what this is doing.

Now, what is the challenge here? Look, I understand we are trying to find a balance between too much regulation and not enough regulation. But what is the problem here? We are taking a piece of the Companies and LLC Acts which are designed for financing later stage companies and applying it to ICOs, which are very early stage and have a much greater risk profile. In my view, the amended legislation is not robust enough to do this adequately.

Now, I understand the FinTech Advisory Committee is intended to assist the Minister of Finance and the Registrar of Companies to act as a gatekeeper and try to keep out (as we heard earlier) the bad actors and the scams, and those ICOs which are clearly . . . I will just say vaporware, basically. This will happen before the Minister (and this makes sense) gives consent to the ICO company. The Bill also is requiring an ICO document to provide information on the ICO which is required to set out the risks to the investor that may prevent the company from achieving its objectives for which it is raising finance. But at the end of the day, even after this series of steps is taken, by their nature we are still left with ICO companies that are likely to fail.

So, for the Government in Bermuda, we are going to have to deal with the fallout—potentially a lot of disappointed investors. And, dare I say, some of them will probably be Bermudian investors as well. And it is fair enough to say, *Look, you are dealing in financial markets to some degree.* You know, *Buyer beware.* You know, *You have to make up your own mind. If you can't afford to lose the rent money, don't put it in there.* But on the other hand, we are dealing with a very, I will just say irrational exuberance right now in this particular area. We are dealing with what I think anybody in the financial markets would call a "bubble."

And as far as I am aware, there has really been no reputational risk or impact analysis for Bermuda if we have a whole series of these companies which by their nature are going to be destined to failure. Sure, some of them may go through. Venture capitalists take this risk every day.

[Inaudible interjection]

Hon. Dr. E. Grant Gibbons: Sorry? Oh, five minutes. Thank you.

So, what I found encouraging was the BMA have taken a more rigorous and robust approach in their draft Virtual Currency Act. And there is a very sharp contrast between where the Government is in their approach and where the BMA is. There are some real philosophical differences there.

I think what is important here in terms of the Government's rush to get the ICO legislation out there is that there needs to be, I think, better coordination between how the BMA is approaching it—and I know Government will say, *Well, they are a regulator; they are not going to be able to facilitate this.* But there needs to be a whole package here where these pieces need to fit together very well.

My sense would be, my recommendation to Government would be to not proceed with this legislation, bringing it into force, until the Virtual Currency Business Act is brought in with all the attendant rules and protections and guidance notes that are there. I think this is something that is going to help to effectively do a better job in terms of protecting Bermuda's regulation.

So, I will finish on this note. I think Cayman have taken a very interesting approach, given their strength in the fund sector and management sectors. They are proposing that they have a jurisdictional platform for asset management in the digital age. They are looking at things like digital identities, something which I think the Government is also having a look at here. They have a very large working group of about 100 members. But they have been issuing advisories as the BMA has in terms of some of the ICO issues.

Now, what I do find interesting is that (and I do have some connections here) Cayman Enterprise City already has about 50 companies which are FinTech related companies. Many of them have already done ICOs there to fund raise. They have not done it under essentially the Cayman investment business legislation. But they are catching securities issues on their legislation as well.

Hon. Wayne Caines: Point of order.

The Speaker: Yield a minute. We will take the point of order.

POINT OF ORDER
[Misleading]

Hon. Wayne Caines: Only because you are limited, Mr. Speaker, . . . because I am limited in how I can do this point of order. This Member is misleading the House. He has not declared his interests and there are clear interests that we all know that he must, based on this, he must declare.

[Inaudible interjection]

Hon. Wayne Caines: He must declare his interests in Cayman. He must!

The Speaker: Point taken.

Hon. Dr. E. Grant Gibbons: Yes, Mr. Speaker, I have no interests—

The Speaker: You did indicate you had some knowledge of what is going on in Cayman.

Hon. Dr. E. Grant Gibbons: I do. I have no interests in Cayman Enterprise City. The only interests I have in Cayman are insurance companies there.

Hon. Wayne Caines: Then declare it.

Hon. Dr. E. Grant Gibbons: So—

The Speaker: Okay.

Hon. Dr. E. Grant Gibbons: Okay. So, those have very little relevance here. I am not promoting Cayman; all I am saying is that I think it is an interesting parallel in many respects.

But what I think is more interesting is that these companies have very little presence there. Most of the work is actually done somewhere else. And I think when we look at what the jobs are that will be created here, I think we have to make sure that this is not going to work like permit companies where you may have a token presence but most of the stuff is done somewhere else.

Now, I know we heard a lot of potential investment and the rest of it. But I think Bermuda still has a way to go before sufficient Bermudians are trained. There is not a lot of this particular skill set here right now. So I think this issue of jobs and future potential is still very much optimistic. I think we will have to see how this works out.

I think there are a lot of other questions which we can get to when we get to the actual Bill itself in terms of tax and other issues, and also in terms of how Government is going to pay for this. You know, in the insurance, trusts, and other areas we have a lot of funding for the BMA which actually comes out of the companies themselves. So those are issues in terms of budgeting for the Registrar of Companies and actually for Government in terms of the cost of doing this regulation and this ongoing oversight.

So, in closing, Mr. Speaker (because I know you are looking at me with your eye on the clock) we need to have a much clearer sense of how all these pieces are going to fit together. We need to have a clearer sense of whether there is going to be sufficient protection here for the investor. We need to have a clear understanding of what the downside risks may be to Bermuda as a jurisdiction. And I think that is the only responsible thing we can say.

Thank you, Mr. Speaker.

The Speaker: Thank you, Honourable Member.

Does any other Member wish to speak?

I recognise the Honourable Member from constituency 36. Honourable Member Scott, you have the floor.

Hon. Michael J. Scott: Mr. Speaker, my contribution to the general discussion of the ICO Bill will focus on giving back to Bermuda the elements of this exciting initiative connected with the Bermuda digital exchange system which has been introduced by the Minister of Finance and Premier in his remarks, which has been evangelised, led, and driven by the Minister of National Security, the Honourable Wayne Caines who sits near to me, bringing us to this singular place today.

So the heading is how this space, notwithstanding its millions, as we just heard, the capacity for millions of dollars being brought into the consolidated fund and deployed into education in our community, gang reduction, and it has this marvellous sweet spot of a community involvement.

Now, I did not hear the former Minister of Economic Development, Dr. Gibbons, address these soft issues. That is not the type of person he is. Frankly, his presentation, I say with the greatest of respect, was dinosaur-ish. And he is protecting the dinosaur elements. And I am saying that not wishing to bring him to his feet.

Mr. Speaker, Dr. Gibbons, the Honourable Member, speaks to—

Mrs. Patricia J. Gordon-Pamplin: Point of order, Mr. Speaker.

The Speaker: We will take your point of order.

POINT OF ORDER
[Imputing improper motives]

Mrs. Patricia J. Gordon-Pamplin: Thank you, sir.

The Honourable Member is imputing improper motive. I think that is most inappropriate at this time.

The Honourable Member is not being dinosaur-ish; I believe that the Member has taken very careful pains to be able to articulate the concerns that have come from our side. And I think that the Honourable Member is imputing improper motives.

Hon. Michael J. Scott: I am not imputing improper motives.

The Speaker: Thank you, Honourable Member.

Member, just be careful of the guidelines so you do not impute any unnecessary comments towards any Member.

Hon. Michael J. Scott: Mr. Speaker, thank you. I am grateful for your guidance.

Dinosaurism is a metaphor for following something that is fairly ancient. It is the old way of doing things. And we all know that Dr. Gibbons is the singular protector of that system in our country. He has to be. That is why he remains here—

Hon. Dr. E. Grant Gibbons: Mr. Speaker, honestly—

The Speaker: Mr., Mr., Mr.—

Hon. Dr. E. Grant Gibbons: —you know . . . if he wants to throw out bait he is—

The Speaker: Mr. . . . I will take care of it. I will take care of it.

Hon. Dr. E. Grant Gibbons: —done it very effectively.

The Speaker: Honourable Member, we are trying to keep a tone that does not get us down into a lower level. I think this debate today, the matter that is before us, is a very serious matter, it is a great turn for the country, it is a high road for the country. Let's keep the debate on a high road.

Hon. Michael J. Scott: Thank you, Mr. Speaker.

So, the standard of Bermuda in this country in the space of trust, management of trust and finance, is the standard of Bermuda. But when it is under the management of the former Minister of Economic Development, Dr. Grant Gibbons, it is fine. But when it is under the administration and management of a PLP Minister of Economic Development, or the Finance Minister, it is risky. And I deprecate the speech made by Dr. Gibbons—

Hon. Dr. E. Grant Gibbons: Point of order, Mr. Speaker.

Hon. Michael J. Scott: —and this House is the place for me to do just that.

The Speaker: Point of order.

POINT OF ORDER

[Misleading and imputing improper motives]

Hon. Dr. E. Grant Gibbons: The Honourable Member is certainly misleading the House. He is imputing improper motives. I said nothing about the management of the trust or insurance sector under the current Government.

Hon. Michael J. Scott: That was ridiculous. I am talking about the standard, about the administration and management of the Bermuda—

The Speaker: Member!

Hon. Michael J. Scott: —standard.

The Speaker: Member, Member, let me help . . . ah, ah, ah . . . Member, let me help you out.

I think you have a good contribution to make. Let's move on to the real gist of what your contribution can be, and not get distracted with this line of comments.

Hon. Michael J. Scott: Mr. Speaker, as a Member listening to another Member of this House from the Opposition make the kind of speech he made . . . my role here is to respond to it. In addition, to make my presentation as I intend to, as a Member that was appointed to the legal and regulatory sector.

The Speaker: Yes, you have every right to make your point. And I agree with that. But let's not try and get it into a level that is lower than what the debate requires at this point.

Hon. Michael J. Scott: And so the standard of Bermuda in this space of our reputation for being a jurisdiction that is well regulated is the standard of Bermuda. The administrators of it, the civil servants, the consultants who manage and administer it, are the same today as they were when the OBA were managing our standard.

And so I deprecate the analysis that there is some risk and that we should withhold the Bill and wait for the Virtual Currency Bill to come. It is completely inane, irrelevant, and makes no sense that this one Bill that is coming will be an answer to the concerns even raised in the speech by Dr. Gibbons. Just the fact that it comes will not address the kind of attack that he made. So, it is just that. It is an attack. It is an attack.

In his final observation, which is that this is a case of our model being involved with *buyer beware,* and that there is not a presence of the intended onboarders in this country being here, Dr. Gibbons, the

Honourable Member, does not understand, or has not looked at this carefully enough, I believe. The space—

Mrs. Patricia J. Gordon-Pamplin: Point of order, Mr. Speaker.

The Speaker: Point of order.

POINT OF ORDER
[Misleading]

Mrs. Patricia J. Gordon-Pamplin: The Honourable Member is misleading the House. The reference that the Honourable Member made in terms of *buyer beware* was a term that was introduced in the consultation session yesterday by the Minister, that the Government's approach was that of *caveat emptor*. So that is the reference.

Hon. Michael J. Scott: Mr. Speaker, this was a tiresome intervention because that is not what I said.

[Inaudible interjections]

Hon. Michael J. Scott: I referenced what Dr. Gibbons raised, *buyer beware.* I was not saying that it was not a part of the set up. I was not saying that. I merely repeated his words. What he added was the question of the presence, of the absence of presence, is a feature that he was singling out as a way of raising his concerns, and the concerns of those to whom he has spoken, about the risk concern connected with this initiative.

And really, the reason I said that he has not studied this area carefully enough—as the chief executive, the CEO of Binance has just finished saying, Mr. Zhao, just finished saying to me privately, this space is about hubs that are globally disbursed. The idea is not to have a singular presence in one particular place, but to have a presence across hubs globally. Now, we will have to get used to this kind of set up. And this Bill has attracted Binance as being a legislative structure that is reasonable and flexible (his words) enough to make it attractive. And that is what the headline should be.

But I cannot allow an assault on what has been a piece of parliamentary skill, evolved into a Bill by Mrs. Welsh, and in time I will name the entire team which has contributed to where we are today. When I first read this Bill that Dr. Gibbons says is exposing us to risk and has not been well thought out, I had, as a person who is completely familiar with (as we all are) drafting of legislation, I had the same sense that Mr. Zhao had. It was a good, it was, indeed, an excellent, skilful, thoughtful Bill that we have here today.

The Bill seeks to amend the Companies Act, with your permission, Mr. Speaker, and the Limited Liability Company Act to provide a framework for Initial Coin Offerings (ICOs) in or from Bermuda. The framework will be implemented primarily through this Bill, and its associated regulations and Code of Conduct. So that is the structure. And in the midst of its triggery we have already seen the interest to inwardly attract investment. In addition, it tells a story and allows us to tell the story, the softest story, about how this new industry . . . and I heard someone describe it as the new pillar. Just because the new loaf of bread is going to challenge the old bread, the old loaf of bread, that is the trust management business and the banking business with which Dr. Gibbons is so familiar, just because it challenges it does not make it dismissible.

As a matter of fact, we have gone this way before. Mr. Caines talked about the history of the sloop. Countries, societies, do experience, if we are lucky and blessed by the Lord, to experience new trends and new waves. Now, we hope and we pray that this is such a new trend and a new wave. And we do wish from the Progressive Labour Party management and administration of it, and certainly from the executive, control of it by Minister Caines, the National Security Minister, and the Minister of Finance, to control it and to manage it to the best interests of persons heretofore sidelined. Now, that is the great story that is going on, and the one that I wish to address.

There is something special about today, Mr. Speaker, in that a piece of legislation would, in tandem and immediately, attract the presence of, not one $10 million or $50 million player, but two on our shores—

An Hon. Member: Meeting.

Hon. Michael J. Scott: Meeting (exactly) . . . meeting with the executive of this country. There is something special about it.

And what I find most heartening about it, and I am grateful that the Minister of Finance and Minister Caines, the National Security Minister, were kind enough to invite me to contribute to the legal and regulatory team. Now, that team, Mr. Speaker . . . and it must reflect the quality of that team. It was led by Ms. Lydia Dickens, a bright, disciplined chairman of the working group. And she sat at our initial meetings. I remember the first one. I was struck by her knowledge of the subject, her control of the number of people in the room, particularly when at our second meeting, the Minister of National Security arrived, fresh from the exhilaration of the Alps of Switzerland, and sat down with us and gave us timelines that made our hair blow back, gave us evangelism that made us sit up and say we are getting a passion here and we are getting a story about a real prospect here. It drove chairman Dickens and her loyal assistant, Ms. Maxine Binns, to respond. And we all responded.

In particular I single out the response of Ms. Tyndale, who was our majordomo, ensuring that we were not forgetting the regulatory space and the pro-

tection of our reputation, and ensuring that at the top of the configuration of our work was *know your customer*, all of the standards that are normal and credible to the work that we do and have been doing which has given us the reputation that we have.

It was in symmetry, Mr. Speaker, in work that was dynamic daily, when the Minister came and then brought blockchain engineers, Ms. Loretta Joseph, who is connected deeply and integrally with FATA and knows its chair, works with the OECD, and we happened to have been blessed by a synergistic experience and the input of skill and knowledge that resulted in—no wonder—a document (which I contrast with Dr. Gibbons' characterisation of it) . . . with an excellent Bill that is fit for purpose. The fact that it has a number of amendments . . . may I address that for a moment?

We will pass this Bill today, Mr. Speaker. And I was saying to Lydia Dickens earlier . . . I was trying to remember the thesis about the pace of change of technology. I remember it coming across my mind when I held the desk of telecommunications and was trying to understand this pace. So it is Moore's law—not Brownian law, but Moore's law. And it was a simple proposition that the information technology space moves and changes at a promethium rate; it is changing now.

So, when we have passed this Bill today it will require amendments even five minutes after we have passed it. I am not concerned, nor do I take the characterisation of the last speaker, that amendments are an indication of lack of preparation. The space makes up for the need to be responsive, flexible (the word of Mr. Zhao, of Binance), and reasonable. So the Bill is fit for purpose. So I contradict and contrast that view, to which Dr. Gibbons is entitled.

And may I say, when the BMA and all of the publications that he has presented now, when they have hit Hansard, the publications from the BMA, that is the role of the regulator—to publish concerns and warnings. But they must not be interpreted as a cease and desist declaration. This is why I wish to commend Minister Caines and the Minister of Finance for acknowledging, taking advice, taking guidance, and for Mrs. Welsh, who, having had that kind of warning and concerns expressed, express it in parliamentary language in a Bill that addresses it.

Mr. Speaker, as I indicated, I was on the group . . . I do not think we have disbanded it, so I think I remain on it. I was minded on the day, I think before the Minister got there, because I knew that this space was a space for Millennials . . . it is the new way. It is the new way that we will have, as the Premier indicated this morning, the use of mediums of exchange. And as I understood it occurred to me and struck me with some force, that young people are going to be managing this in the future. And they are managing it now. These engineers are all under 20, not even 30 yet.

So, I spoke in the meeting, and I believe our chairperson Ms. Dickens made a note of it, and said it is important that we have the youth perspective right in the midst of our work. And Minister Caines inserted young Glenn Simmons into the position. And he was there—*Wakanda.* He was there throughout all of our work and he has been stellar. And he knows his stuff. He came into it not as a novice, but he came in with a great, great . . . and I am made to understand that young Mr. Glenn Simmons is here—

[Desk thumping]

Hon. Michael J. Scott: Thank you. Thank you, Glenn.

So that part was comforting to me. And then, having met and worked with some of these players, if you all google Paycase, for example, this is a company that has raised . . . again to Dr. Gibbons' point. I mean, the reason we have structured this legislation with such regulatory force is because we do, as I acknowledged the statement that was read by the Honourable Member, that there are a lot of bad players out there, and they need to be corralled by good statutory language so that we know our customer, know who we are dealing with and they declared through the White Paper in their statement of intention who we are dealing with. This is part of the Bermuda standard, and it is no less aptly or actually applied under a Progressive Labour Party administration than it would be under a former administration.

But, these young players, these Millennials, this new generation, have a deep social conscience, and a deep social centre. They believe in giving back. They believe in moving away from the status quo of greed. And that part, when we introduce . . . and it was the Minister of National Security who brought up in the midst of all of our blue, sticky papers and whiteboarding, the piece of education, of community, of support . . . of the implication of gang initiatives. When that piece was brought up, and I think it came up in the specific context of 30 per cent of our young, black males do not matriculate through our education system—

An Hon. Member: Half.

Hon. Michael J. Scott: Half? (It is the Mincy Report, I am being advised.)

Everybody in the room was attentive to this information. All of us were Bermudian, including Mr. Stuart Lacey, who was there, and we were attentive and knew of this. And we all with one accord agreed that this has a proper place in the muscle of the ICO space, the FinTech space that we seek to attract to our country.

Mr. Speaker, may I pause here? As the Minister indicated, we actually accept that we are capable of addressing the Bermudian issues of joblessness, immigration reform that makes it possible for us to say

that we are putting Bermudians first. And those points of policy and those initiatives of policy will go and must go in tandem with the blockchain initiative. And for those who are listening, including the Minister's mother who has got *Fitbit* analyses on her mind and may not be understanding how this all works, save with a few more classes . . . be aware, Mrs. Caines, that we are still addressing what I know you tell your son needs to be done by this Government—address unemployment, deal with the education, deal with violence in our community, but, above all . . . I held a youth summit to thank voters of my constituency earlier in the month. Things came forward in that discussion with them, such as *we can't leave our parish because of gang considerations to find work.*

And what was interesting, I say to my colleague, Mr. Commissiong, I had the women's perspective, the young, black females' perspective, who said, *you know, we qualify in a particular trade. But the foreign worker, who will work for seven days a week out-competes us. I have a three-year old child. I can't be out seven days a week. So I am reduced to doing something else other than something I trained for, such as cosmetology, or . . .* and, you know, this is not the female or male that trained as nurses. They would all be at the Bermuda Hospitals Board. But these are just young women starting on a trade and hoping in our country that they have a fair shake at supporting their three-year old kid, or more than one kid. And they suffer.

Thank God, Minister Caines, that this initiative has linked into that space in a fulsome way. And it is not driven only . . . this is not a Bermuda model, having heard the Binance CEO. They have a charitable foundation. And having experienced it myself . . . I talked with Loretta Joseph and Joseph Weinberg, and I talked with Ms. Ferguson, a brilliant engineer. They all speak without prompting about reaching out to help those less fortunate. So this is a good story, Mr. Speaker.

This is an excellent story today, and it has dynamics that cut across dealing with our Consolidated Fund issue . . . not our Consolidated Fund, but our debt issue; dealing with the raising of taxes in a significant way, in dealing with the deficit, but also, in tandem, dealing with our community educational and training modalities. And again, you know, there is space. The concierge possibilities and opportunities in transportation, in cabling, in food production, in entertainment, in housing . . . these are opportunities that our young people, unemployed people, can find new opportunities for work (if you understand what I mean by "concierge").

So, provided that the onboarding comes and continues at the pace and in the quality that we have seen today with the MOU signed with Binance, new entrants, and this certainly deals with the presence, Dr. Gibbons, of people. Their presence will drive the need for housing and food production and food delivery and food purchasing, cabling to their homes, transportation across, whether by pedal cycle or by drone, and it is going to drive opportunities for Bermudians to offer these services. And it will not be exclusively to the blockchain industry. They will find that we will start using these services.

These are the dynamisms of this story today. Those who deserve our fulsome thanks and praise, I have mentioned our Chairperson, Ms. Lydia Dickens; Ms. Maxine Binns; Ms. Paula Tyndale, who covered the FATF space for us; Mr. Stephen Gift, of the Ministry of Finance; Mr. John Narraway, who is an expert in the information technology space, who offered us excellent input on structuring the very IT footprint for this Bill and for our exchanges; Chris Garrod, an attorney at Conyers, Dill; Kevin Anderson of the BMA, they were always in the room, Mr. Speaker, and giving their input; Myron Simmons, of Chambers; Sean Smatt; and Stuart Lacey. And then we were joined by our overseas guests.

These persons worked at these aggressive timelines, laid down by Minister Caines for us, without complaint and without flinching away from the task. And all good stories have a beginning, a middle and climax, if it is a good story, and then an end. And we are certainly not at the end. We are certainly not at the beginning of the end. But we certainly are at the end of the beginning in this space of the Bermuda digital exchange system. And the players, we actually made jokes that this was a movie in the making with the number of things that were happening, the players who were getting involved.

So I wish to commend and thank Chairman Lydia Dickens and her entire team for the work and leadership she has displayed, and getting us to what we knew was going to be this Bill so that Minister Caines could now take to the road on roadshows and wave the flag that Bermuda is now an officially legislatively regulated area in ICOs. It is a good story to tell. That is the story that we will, no matter what reservations . . . and we welcome the reservations. But they should be put in place as reservations; they ought not to be put in place as stopping the initiative. I am astounded.

We have much to do and to respond to. The immigration space, the management of it, the management of reform, the getting of jobs, the creation of jobs at Tucker's Point or in St. George's, where it is up there on the top of the hill and in Morgan's Point, Mr. Speaker, creating jobs and managing these areas for the benefit of Bermudians. That will be done. But I believe we have been terribly blessed to have this initiative dovetail and in tandem take its place on our shores.

Mr. Speaker—

The Speaker: Honourable Member, you have got about 40 seconds left.

Hon. Michael J. Scott: Oh, well, then, Mr. Speaker, there is a sandbox that Ms. Dickens developed. Players were on board into the sandbox. They will operate in it. Once they have operated and shown that they are ready to emerge and settle in Bermuda as an incorporated entity, which will derive legal services and accounting services, they will be allowed to leave the sandbox. Others will enter it.

Thank you, Mr. Speaker, for this opportunity to speak to this most significant and important initiative.

The Speaker: Thank you for your presentation.

Does any other Member wish to speak?

We recognise the Honourable Deputy Opposition Leader. Honourable Member, you have the floor.

Ms. Leah K. Scott: Thank you, Mr. Speaker.

Mr. Speaker, I have to admit that I am a blockhead when it comes to blockchain. So, first of all, I would like to thank Ms. Lydia Dickens for taking my telephone call last night to go through the amendments to the legislation with me, and also for her patience when she met with me two weeks ago to talk about blockchain and all of the legislation. And I sat there with my eyes pretty much glazed over and pretended that I knew what she was talking about. And I had read, I think, every definition, every article. I have surfed [and] googled to [the point that] when I sit down at my computer, it brings up blockchain on its own.

[Laughter]

Ms. Leah K. Scott: And I still do not get it.

So I am not going to speak long. I am going to speak shorter than my customary three minutes, because this is something that I know absolutely nothing about, other than in terms of the legislation and how I feel the legislation is drafted.

The reality is, Mr. Speaker, that our insurance industry is shrinking. Companies are merging, people are losing jobs, and we do need another area of revenue. So I understand the need to get this legislation passed. I understand that we need to get it done quickly. And I appreciate the position that we are in.

And, to be honest, what I did not realise was that blockchain technology and offerings had been going on since 2014. However, I do not feel so bad, because the *Motley Fool* did a survey of some executives of US corporations, and 39 per cent of the executives did not know about blockchain technology either. So, I am glad to know that I am not alone.

I am not happy about the legislation in terms of—and I shared this with Lydia—embedding legislation into existing legislation. I do think that this legislation is important enough to stand on its own. I also made that same comment to the Minister, and he explained to me that the subsequent legislation that is coming along are all going to be on their own. But I do have concerns, because when you kind of overlay new legislation on top of existing legislation, then the law of unintended consequences can come into play.

I appreciate that, as I said, this is the beginning of the FinTech legislation. I appreciate that we are going to be granted a consultation process with the other legislation. So, as I wear two hats, both as the President of BALT [Bermuda Association of Licensed Trustees] and as an MP, you know, I have a double interest. My interest is in ensuring that the jurisdiction is as good as it can be. And I know that we have suffered a barrage of all kinds of regulatory impositions by FATF and OECD, and we are trying to do the best that we can to manage the regulatory process, but also maintain that we are open for business and open to business. And I think that we are doing a good job.

I will have some technical issues . . . not issues, but concerns that I would like to raise when we go into Committee, to just talk about with the legislation. But at the end of the day, if this is going to create jobs, it is going to educate our young people, if it is going to do positive things for the people of Bermuda and allow them to maintain or restore their dignity and integrity, then I am all for it.

I think that we do have to be concerned about the upcoming FATF review, not in terms of utilising scaremongering or fear tactics, but to just be cognisant of the fact that we need to have a good assessment because it will impact the jurisdiction no matter what innovative legislation we have. So, it is important to just keep that on the horizon.

The other thing is that one of the things that I found most interesting about blockchain, and the Minister mentioned it, is that it can be used for land title registration. And in doing all of the reading that I did, I read about a woman who lived in the Honduras. And she had a house. And she had the title to that house. And the law enforcement agents came to her and tried to kick her out of her house. And she was able to evidence that she had title. But there was another person who also said that they had title to the property. They engaged in a huge legal dispute. At the end of the day, she ended up losing the house by the time they proved that she did have the title to it.

And so blockchain, from what I understand in my reading, is something that could assist in land title registration so that incidents like that would not happen. I know that the legislation as it is currently drafted is only in respect of digital assets. But I am hoping that it will be expanded or additional legislation will be put in place to expand the utilisation of blockchain.

I think that is all I have to say. I will wait until Committee. As I said, I have some comments on the legislation itself. So when we get into Committee, I will discuss that. Thank you, Mr. Speaker.

The Speaker: Thank you, Honourable Member.

Does any other Honourable Member wish to speak? We recognise the Honourable Member Gordon-Pamplin.

Mrs. Patricia J. Gordon-Pamplin: I just assumed that we would have a Member from the Government stand so that this debate did not . . .

The Speaker: You can take advantage of their slow movement. You jumped quick. I will acknowledge you. You have the floor.

Mrs. Patricia J. Gordon-Pamplin: Well, thank you, Mr. Speaker.

It gives me pleasure to be able to contribute to this debate. We had the opportunity yesterday, and we were very appreciative of it, to have a roundtable with the Minister and the technical officers in which the intent of the Government and the underlying concept, for those of us who may not have understood and just to reaffirm the knowledge that some of us may have had, was able to be articulated again yesterday. And that was a situation in which we appreciate the opportunity to listen and to hear.

There were some things that arose as a result of that meeting and, obviously, things that when we have concerns . . . It is interesting that when anything is expressed that is not in absolute lockstep with what the Government anticipates hearing we hear sighs and *Oh, you can't be serious!* and stuff. But I think we would be remiss in our responsibility if we did not point out areas with which we had concern. And that is our duty and our responsibility as the Members of the Opposition.

Let me say at the outset that I probably am one of those who had almost been blessed, by default, with some knowledge with respect to not just blockchain, but also with cryptocurrency. I think anybody who is a parent of one of the Millennials would have some indication that they dance to the tune of a different drum than we do as their parents. And when you have a now-33-year-old, whose life has been engaged and engrossed with computers, and everything related thereto, and things like coding and stuff that, to my mind coming along may have been foreign, it is to them the way that you operate. I believe my son was 14 years old as a student at Saltus at the time when they actually introduced their entire curriculum on laptop computers.

Well, in our day, we actually had, you know, pencil and paper. And do not talk about having a calculator because that was non-existent in our learning and educational experience. Our young people had better exposure. My older son certainly would have had better exposure to technology than I did. And I did not learn much about computers until I actually went to college as a mature student. But with our young people, when they start to talk, they all have little laptops, they all have little iPads, they have all kinds of things with which they engage. Therefore, their level of understanding is a little bit deeper than might be the norm for us.

So, when it comes to cryptocurrencies and what an ICO will do, enabling the technology in order to be able to advance the concept of cryptocurrencies, the first thing that came to my mind was recognising that the concept of virtual currencies was effectively advanced because there were those who did not wish to operate in the traditional banking fiat currency environment, and there was a way around that. And this legislation will enable companies to establish the technology that would support that extra traditional banking environment.

Now, the one thing that I did express to the Minister yesterday when we had the opportunity was my concern for the integration between the normal currencies that we are accustomed to and that which obtains on the virtual currency spectrum, because at some point in time, money will come out. You will have your virtual; and then you cash it in. The money will come back in. So, having an ICO is important; having the legislation that surrounds ICO companies and corporations is going to be critical in order to ensure that we do not have wild, Wild West, and that we have the ability to weed out any players in this space who may bring negativity to the reputation that we have developed as a mature jurisdiction.

One of the things that I think it is important to mention is that Bermuda stands out as a mature, regulated jurisdiction. And it has done basically from the year dot. Because I think that founding fathers, forefathers, those who came before us had a significant recognition as to the limitations that we had as a country, in terms of our geographical size, as we punch in higher-weight categories. And in so doing, I believe they recognise that if we have a pristine jurisdiction of which we can be tremendously proud, then we can be the example for the world to be able to offer a product and to have people pounding a path to our doors. And I believe that that is what we have been able to do.

Now, the one thing that I found curious with this legislation was the cost of engagement. As I spoke to the Minister yesterday when he talked about establishing another pillar of the economy and recognising that, ultimately, we will have significant debt . . . we *have,* not *we will have . . .* we *have* significant debt. And, ultimately, we need to, as a Government, ensure that there are processes and procedures and situations in place to help us to pay down on that indebtedness.

And what I found very interesting, when the Minister said it would be $5,000 for a company to operate or to register under this ICO, I looked at him and I said, *Minister, this is a matter of multiplication. It is going to take an awful lot of companies at $5,000 in order to start to make a dent on our $2 billion debt that we have.* So, I think that the reality of what we are

doing, recognising that we want to create an environment in which we are able to embrace as many legitimate operations as possible in this space, we also want to ensure that we are not giving away our services.

You know, I think when you start to think the cost is almost $5,000 when you think in terms of insuring your house, that is going to cost you $5,000 annually. So when you think in terms of a company establishing itself, and with the potential of the amount that is likely to be raised in terms of revenues on an ICO, we are not talking peanuts. And I think that we need to consider whether, in fact, the amount that we now have as the entry fee (if I could put it that way) is appropriate.

We heard the Minister indicate that there is a company (citing an MOU) . . . that there are $10 million available from them for education. When companies have that kind of expendable income and they want to go into this space . . . and I am glad to know that it is only going to be a legislative, regulated company, that this whole technology is deemed to be, I think the Minister called it restricted, as the Premier called it *a restricted business activity.* And that is a good thing to know, that the activity is restricted.

So, it is important also to recognise that, notwithstanding the peripheral benefits that will enure to Mr. and Mrs. Bermuda, this ICO legislation is not speaking to that ilk. It is not speaking to the person . . . Because Mr. and Mrs. Bermuda . . . I, as Pat Gordon-Pamplin from Loyal Hill, am not likely to go to the Registrar of Companies asking to be registered with my white paper that is necessary for an ICO, because that is just not where I would participate in that environment. Where I may be able to participate and where some of my friends and fellow Bermudians may be able to participate is in some of the ensuing jobs that might be created.

And we did ask the question. I think the Minister indicated that his perception, at least initially, would be that in the compliance sector. And he gave the example of some of his colleagues who may have studied law who may not now still be operating in that space because of various circumstances. And they find themselves in a position to be able to take advantage of a compliance job and opportunity. Well, clearly, compliance is something that is critical to the success of any legislation that we bring as far as the company is concerned.

But I was interested to know how we were going to meander in and out of fiat currency versus virtual currency. And notwithstanding that I also recognise that the Virtual Currency Business Act (which is coming next) is going to give us the meat behind those bones, I think a debate of this sort, which enables the money to be raised or the value to be raised, digital assets to be raised, we cannot have this debate without ignoring what will come next. And we need to make sure that we protect our jurisdiction, as has been done since the beginning of time. And I think that is critical, and it is most important. (I think my other colleague will speak to that. I am going to leave that comment.)

We recognise that AML, KYC and ATF are critical elements that must be considered when we are talking about the preservation of our jurisdictional reputation. So AML, which is anti-money laundering; KYC, which is know your customer*;* and ATF, anti-terrorist financing, are critical elements of what we wish to ensure that we guard against in order to be able to keep our reputation intact. And under those circumstances we also have to look at the manner in which our existing institutions will, in fact, interact with customers who operate in a virtual currency space, which will be enabled by this ICO legislation, to ensure that they are not discounted from their ability to have their normal banking regulation defended and protected.

Notwithstanding, as much as we would like to believe that virtual currency, which is the cutting edge, and as the Minister indicated, we are going to have new regulations . . . We are going to have new legislation. We are going to have amendments to what we are doing today because of the rapid pace of the changes that exist in this particular space. But we want to make sure that when we do so we recognise that everybody is not going to want to go down that path. You know, as one who is tremendously risk-averse and very, very cautious as an individual, as I explained to somebody the other day, I want to be able to take my sixpence to the bank, give them my passbook for them to deposit my sixpence, and I want to go back in six months' time, take out my threepence and show evidence of it on my passbook.

[Inaudible interjections and laughter]

Mrs. Patricia J. Gordon-Pamplin: So, that is the level of risk—

The Speaker: These young ones do not know about those things.

Mrs. Patricia J. Gordon-Pamplin: They do not understand that. They are from a different world.

The Speaker: No. They do not know about that.

Mrs. Patricia J. Gordon-Pamplin: The Honourable Member does not even know what a sixpence is.

[Laughter and inaudible interjections]

Mrs. Patricia J. Gordon-Pamplin: But that is the kind of risk aversion that people may have. As the Minister indicated that the whole concept of virtual currencies is a caveat emptor environment, it effectively is saying that, you know, everybody is not going to want to op-

erate in that space, notwithstanding that the technology and the availability will be rapidly evolving. But I think it is important to note that there are traditionalists who will continue to operate in the manner in which they presently operate. We want to ensure that, for those who want to think that *I can be a little bit off the edge*, people who think that there is a possibility to be half-pregnant, that you could sort of step—

[Inaudible interjection]

Mrs. Patricia J. Gordon-Pamplin: Exactly. You either are or you ain't!

[Laughter]

Mrs. Patricia J. Gordon-Pamplin: So, in this environment there are those who would want to say, *I want to try this. But I will reserve this.* We just want to make sure that the protections are there. And I know that that will come under the Virtual Currency Business Act, at that point in time, for protections.

But the actual start-ups that we have, the unfortunate history of some of the non-traditional fundraising IPOs and now also some ICOs, we have found the history that . . . research (I should not say *history,* but the *research)* is showing us that some of them may be prone to failure. And that goes for any investment that one would make. So I think that it is important that we have the oversight that effectively says that before you are able to operate in this jurisdiction in Bermuda, in this space, in this virtual currency space requiring an ICO, we are going to make sure that at the very least, at the outset, you present the necessary documentation that we are able to examine and to at least minimise the possibility that there will be risk or harm financially to those who might invest in your ICO. I think that is critical for us to find ourselves protected, from that perspective. And, clearly, we want to ensure that we protect our people.

I wanted to speak to the BMA and its consultation paper. The Minister indicated that this was perhaps unprecedented and unheralded for this level of consultation paper to be out there. I believe my honourable colleague from constituency 22 may have mentioned it. But when one operates in the environment in which I do, in which regulation is the key to the success of our jurisdiction and has been so for a significant period of time, one will be fully cognisant of and familiar with, and having the pains of, the consultative process that has been engaged upon by the BMA. *[Coughing]* Excuse me.

The Speaker: Have some water. Take your time.

Mrs. Patricia J. Gordon-Pamplin: Thank you, Mr. Speaker.

The Speaker: Yes.

Mrs. Patricia J. Gordon-Pamplin: So, the idea of public consultation and putting a consultative document on the BMA website inviting comment is not just prudent, it is the way the BMA operates. And it is through that process that Bermuda at the moment actually enjoys Solvency II equivalence.

The Speaker: Yes.

Mrs. Patricia J. Gordon-Pamplin: It is because you have to let people know what it is that you are attempting to do, what it is that you have in mind and how can we enhance this so that, once the final product is completed, then you know that what you have got is something that is effective and able to be implemented. So, that is the key that we have been able to enjoy as a business environment and as a sophisticated jurisdiction.

I think it is also important for people to understand that this ICO legislation is perhaps not the area that we can sort of hitch our cart to, to say that this horse is leaving the station, it is out of town, I want to make sure that I jump on. Ultimately, it is the structure that enables the next step. And I think that if I get nothing else across today, it would be that this is not what the Minister indicated earlier . . . and I am not trying to discount his comments. But for Mr. and Mrs. Bermuda, this is not the space that they are likely to want to be engaged in or that they are likely to be engaged in at this sophisticated level.

So when you have corporations wanting to set up here, obviously it is better to have some legislation that surrounds it than to have none. If there are companies who are operating or who are established with the intent of operating in this arena, you certainly want to make sure we do have ourselves subjected to the CFATF review that they do not find us, as a jurisdiction, being deficient—which is one of the comments that I made in an earlier debate. And not intending to reflect, but I think it is important for us to realise that we have an obligation as a jurisdiction to pass our investigation. It is not that we can sort of say, *Oh, well, if this doesn't happen (*as the Junior Minister indicated this morning*), we'll give people more time.*

We have to make sure that we minimise the possibilities of failure. And while the Junior Minister may have taken exception to my comments indicating that I wanted to ensure, to be helpful at the outset, that if there are likely to be pitfalls we want to identify them, minimise them and eliminate them, that it is because our responsibility as an effective Opposition is to be able to say, *We see that this is a challenge.* As somebody who works in industry, we see that these can be problems, and therefore we want to eliminate them. And let us work together to do so—as opposed to people taking a defensive position.

So I did want to highlight, Mr. Speaker, that, obviously, job creation is critical. You know, we can hear all kinds of cynical comments coming from the

other side of the aisle to ask, *Well, what has happened over time?* We also have comments that can come from this side of the aisle, saying, *When you're talking about the concerns for Mr. and Mrs. Bermuda, what policies and programmes were implemented during the 14 years of the prior administration?* But looking back is a lot easier than looking forward.

So my belief is that looking forward we have a responsibility to work together as Members of this Honourable House to determine that which is best for the country. And if the Government believes that this ICO legislation is the best that we could do at the moment, and I say that respectfully, because ideally, we would have, as my honourable colleague indicated, a stand-alone piece of legislation. Obviously, within the time frame that has been afforded to be able to put this legislation in place it was easier to be able to append it to an existing piece of legislation. But what would have been ideal, given that this was an intent from day one of the new administration, [is if] they would have started to work on this from day one. Because the companies that have formed who have come to Bermuda to start to form, to operate in this space, obviously they have been under the purview of the Registrar of Companies because they would have had to register with the Registrar of Companies.

So we want to make sure that step by step by step, not only can we oversee what is happening, but we can control what is happening for the benefit and for the preservation of the risks that our reputation might face if we do not get it right.

Those are my comments, Mr. Speaker. Thank you very much.

The Speaker: Thank you, Honourable Member.

Does any other Honourable Member wish to speak to this?

No other Honourable Member?

We recognise the Honourable Member Commissiong. Honourable Member Commission, from constituency 21, you have the floor.

Mr. Rolfe Commissiong: Thank you, Mr. Speaker.

Mr. Speaker, it is a great day for Bermuda! I mean, the opinion received by Standard & Poor's, upgrading Bermuda's rating, followed by the news that we got as per the press conference a little while ago, Mr. Speaker, with the Premier concerning the MOU with Binance headed by Mr. Changpeng Zhao, originally a native of Shanghai, China, is big. And the commitment of $10 million to fund technological education of our young people is really good.

I might just remind people, only a few days ago, we heard of the investment put into or allocated at BHS [Bermuda High School]. And I spoke about the digital vibe that this is likely to exacerbate. This can help to redress that by pouring money into those areas and into those student bodies that have been too deprived to get on top of this train, this revolution.

Mr. Speaker, you may remember that in 2015 I had a take note motion in this House talking about technology, its impact, automation, robotics, on our labour markets. And that was in 2015. Mr. Speaker, if I may, I just want to open up here formally with some comments in my opening around that motion.

The Speaker: Continue.

Mr. Rolfe Commissiong: I said then, or wrote, "The ancient Greeks had two words to denote time. *Chronos,* which speaks to the steady drumbeat of mundane time, the artificial passing of seconds, minutes, hours, days, months, and years, ad infinitum onto seeming eternity—time as defined by man. And then there is *kairos,* which refers to the quintessential moment, a definitive event, which represents a transformative moment of opportunity that ushers in the new. Therefore, *kairos* is pregnant with destiny, the transcendent moment which, seemingly, stops the mundane time of *chronos* in its tracks. Perhaps it is vote by declaration of war, or the moment the last bullet was shot in anger and the battlefield fell silent, or at the micro or personal level by the white body of a female dancer as her performance produces the deep and profound sense of catharsis and tears in the eyes of the discerning viewer at that precise moment."

Mr. Speaker, I contend that this has been a historic day for Bermuda in this sense: I remember reading as a younger man in 1988 or 1989, or somewhere around that time, in perhaps *Newsweek* or *Times* . . . back then, people went to those hard copy magazines to get information as opposed to Google. And I remember that you had the economist Milton Friedman giving an interview where he said that, *Imagine that one day in the future, a place like Bermuda*—which even then was burnishing its offshore reputation—*issued its own virtual currency.* This was in the late 1980s. Look what has happened now.

An Hon. Member: Aha!

Mr. Rolfe Commissiong: Look at what has happened now, Mr. Speaker. Milton Friedman. This is a historic first for Bermuda, but not only for Bermuda, for the world. And I am sure that we are prepared to take advantage of it.

Mr. Speaker, I heard of the Honourable Minister who . . . first I want to say both he, the Premier and the Minister . . . I am telling you, as young men black men in this country, they are qualified, they are the spearheads who have been able to take that baton from earlier leaders of our party and of our country and help lead us into the 21st century. That is what they have done. And they both need to be commended for the work that has just been done.

[Desk thumping]

Mr. Rolfe Commissiong: And believe me, this work shows great promise. And we will grow from there.

Mr. Speaker, what is FinTech? FinTech, simply put, is an economic industry composed of companies that use technologies to make financial systems more efficient. And in this House, Mr. Speaker, I hear people talking about the BEDC [Bermuda Economic Development Corporation] trumpeting FinTech some years ago. But I know, and you know, that in this House many of us only heard that term *FinTech* in this House when we were in Opposition, going back about close to four years ago, largely from our former Leader, who is no longer in the House right now. That is where we first heard about FinTech. This party has been talking about these issues since we were in Opposition.

Now, I know that there are people out there, and we heard it from the Opposition, and it is a valid argument, [asking], *What is in it for Bermudians?* How can this industry do what the previous iteration of international business as it was established over four decades ago (let us say, benchmark 1988) did not do for many Bermudians, particularly Bermudians of colour? Particularly our educated people? And what I mean by that is, as many of you will know, we have in the international business sector which currently exists reinsurance and insurance, et cetera. We have an industry where there is only one Mr. Patrick Tannock, after four decades. By this time, we should have had at least 30 or 40 Patrick Tannocks.

What led to the underdevelopment of one segment of our community to such an extent that they still play only a marginal role in Bermuda's most lucrative industry? Meanwhile, within Bermuda's public sector they are all over the place. Our most able and most educated black Bermudians have dominated the public sector. It did not happen by happenstance. It did not! This was put in place, this structure, during the same time when we were transitioning to a more democratic Bermuda. It was reported to Henry Tucker, in the celebrated conversation with the Governor, who was getting increasingly concerned about the ongoing unrest, the ongoing what people say were disturbances that were occurring, the struggle for civil rights, for racial justice in the country, for labour rights in the country . . .

When asked by the Governor, because of the British concern, what was he going to do to provide good-paying jobs for those educated black Bermudians, he replied (he was then the Government Leader), *Well, we can put them in the public sector, but the private sector, our people are not ready.* And thus you see the roots of the current bifurcation along racial lines in this society! And we paid a big price. When I say "we," I am not just talking about black Bermudians. White Bermudians, too! The country paid a big price for this.

Well, this Government is not going to let this happen with respect to this new opportunity with this new economy we are creating. We are not going to let this happen. Mr. Speaker, I was so enthusiastic. I felt so proud of this young man right here. And even if this thing does not go anywhere tomorrow, he has already earned a place, I think, in one of the pantheons of one of our great leaders. He tells me he went to a very well-known law firm. And they had a young black professional woman there. But, of course, she was behind all the other leaders in that law firm's office. She was there to provide a token presence. But he made sure that she was not going to be an afterthought, a token presence, and made sure he brought her to the front. And her colleagues had to allow her to exercise the undoubted talent she had and the leadership she possessed.

An Hon. Member: Hear, hear!

Mr. Rolfe Commissiong: And she is now going to play a frontline role in that private sector company. That is what we are talking about. Okay? So people ask, *What's in this for Bermudians?* And what they are saying in coded language is, *What's in it for black Bermudians?*

Keep your eye on this space. Because leaders like David Burt, the Honourable Leader, Premier of this country, and Minister Wayne Caines, National Security [Minister] are going to ensure . . . and this PLP Government is going to ensure that 30 years from now we are not going to see replicated what took place with respect to the current IB [international business] ecosystem that we have inherited.

An Hon. Member: Okay. Tell us.

Mr. Rolfe Commissiong: So, I just want to say this, Mr. Speaker. We want a collaborative relationship with these cutting-edge innovators from wherever they come. We are not going to discriminate against them; but they must understand that we are doing business the new way, that we are looking for companies that are going to be diverse, that are going to eventually help Bermudians, assist Bermudians, help educate Bermudians. And the actions of Mr. Changpeng Zhao and his [Binance] are a fine example of the sort of collaboration we are looking for.

When our National Security Minister came back from Switzerland, went over to Davos, and of course, I was jealous—never been to Davos yet. (When will I be able to go to Davos?) Anyway, when he came back, and I heard [a comment] someone had made earlier to my honourable and learned colleague (I know, Mr. Speaker, you have issues about calling him "learned," but he is learned, in my eyes). Michael Scott talked about his *evangelism* around this issue. And I listened to him. And he is perfectly right. That is about the most apt word he could have used, the most accurate description.

The Minister says that he found another, what I would call alternative "Davos" taking place not too far from the main event. And that place was all these young entrepreneurs who had been pioneers in terms of blockchain and, more particularly, the digital asset revolution. And he came back—wow! His mind, as he said . . . I am going to age myself here. I am 61 years old now as of another two weeks. He came back with his mind blown and told us about this great new opportunity. And he has been persistent in pursuing that opportunity, not for himself, but for Bermuda.

This is going to be one of the more significant moments in Bermuda's history as a country in terms of finally being able . . . still early days yet. But all indicators are that we are finally going to be able to bring some degree of diversification, in real terms, to this economy. How many years now have we been crying about that? *Ah, too dependent on reinsurance and insurance. The hotel industry has been in structural decline for over three decades, and we need to diversify this economy.* Both parties have been singing this song for the last five years, as my colleague from constituency 26, Mr. Neville Tyrrell, would tell you. Well, it looks like we are at least going to be able to say we are bringing a level of diversification.

Now, getting back to this canard about . . . well, I was just going to . . . sort of cynicism, I heard someone say . . . Well, I am going to use it too, surrounding these types of initiatives, about, you know, *will Bermudians benefit*. What we are going to make sure of in a tangible way . . . let me tell you what we are going to do. We are going to have a host of opportunities in what is known as providing concierge services to these business entrepreneurs and companies that are on-boarding, who are coming to this safe haven. And we are going to make sure that those persons who organise and who provide those goods and services for these companies and the individuals within them are going to be people who look like Bermuda.

So, the days when all the cream is going to one sector of our community, which has led to a host of major social problems—let us be honest about it—are over. They are over. Okay?

Now, on the same issue of diversification, for example, insurance-linked securities, many of us naively thought that this would be the ticket that would help to offer . . . even though within the insurance/reinsurance matrix it became a tremendously successful new iteration of how insurance is provided . . . but it provided little in the way of jobs and real, real benefit overall for Bermuda. But this is going to be different.

Second, I hear people talk about potential reputational risk or harm to Bermuda. Well, let me tell you something. Under the previous Government, and I will be honest, even under the previous PLP Government, we had a ticking time bomb that continues to tick. And I am hoping that we address it. And that is those companies like the Apple's and Google's, who, through tax arbitrage, have been successfully using Bermuda to avoid billions of dollars in taxes in their home countries.

Hey, the bottom line is they have been doing it without having a physical presence here; or any real tangible benefit to Bermuda. And over the last four or five years . . . as a Member of the Opposition then, I remember every year, or when international global organisations called us out on that, saying, *Hey, look. Either we need to close down that particular line of business* (although the law firms and the entrenched law, the big ones, were crying murder if we decided to go down that road), *or at least charge them a fee that begins to compensate us for the damage that they are causing to us reputationally, globally!*

For example, when the Premier went over to the conference (what was it, just after we won the election?) and the EU, the only area that they could move in a way that produced some vulnerability and threat for us was to say, *You're having companies that are, basically, in some computer file in your domicile, but they have no physical presence*—the same companies we are talking about. That is where the reputational risk has come. And we need to be very careful and ensure that these players have a presence and are going to produce jobs, but also help to insulate us from that type of global threat.

Now, the investment in education needs to proceed. As I alluded to earlier, we were the ones in this House who not only talked about FinTech, we talked about STEM and STEAM education. We need to move in that space. Mr. Zhao has talked about that $10 million. We need to ensure that the work of Cora Wells, Connectech, working in collaboration with the Ministry of Education and the Minister in ensuring that Bermudian children, seven, eight, nine, ten, eleven years old—a lot of them from low-income families, many of them I represent or I represent their parents in places like Middletown, Curving Avenue, and all around that region and other parts of the country—learn how to code.

And then, some of those will then learn how to programme. Because it is not just the jobs that are going to be available now—for example, within compliance. But how we can ensure that 10 years from now those seven- or eight- or ten- or twelve-year-olds are able to move into significant positions in this industry, because this industry has to be sustainable if it is really going to be worth anything to Bermuda? It has to be one that 15, 20, 25 years from now is still here and our children's successive generations, Mr. Speaker, are moving into those positions.

Compliance. After high school, we have an excellent programme up in the Bermuda College. And I can talk to the Member from constituency 22. He was one, as well. We have a man, Mr. George Thomas, the son of Dr. George Thomas (now deceased), who sat in this House. He has been one of the major

spearheads. He is now living back in Bermuda, at PwC ensuring that a compliance course be established at the Bermuda College. The course is called the RCA Bermuda Compliance Certification Programme. And it is not onerous in terms of providing the tools by which our young Bermudians of college age or older, even those who are in another profession can now go back and get the tools to become certified compliance officers.

I believe, and somebody can please, . . . a point of order maybe from the Member from constituency 22 . . . I am even talking about maybe a year-and-a-half course, something like that.

[Inaudible interjection]

Mr. Rolfe Commissiong: Probably less. We have heard from both the Premier and the Minister of National Security that, at least in the short term, that is where the desperate need is. So, we have a course that, perhaps in 11, 12, or 9 months, we can get them at least level-one ready to take some of these jobs. We also know that there are a number, a score of compliance officers who, due to the recession, have been unemployed or underemployed. And we need to get them back in the industry actually servicing this need.

Mr. Speaker, how much time do I have left, please?

The Speaker: You've got seven minutes.

Mr. Rolfe Commissiong: Oh, I have got a little time. I have got a little time.

[Inaudible interjection]

Mr. Rolfe Commissiong: No, I know I do not. I do not.

Now, Mr. Speaker, I talked about the potential this has in a very real way for jobs, for training, for education. But let me say this. One of the biggest failures in the previous PLP Government, not theirs alone, between 1998 and 2007 or 2008, was that while facilitating and shepherding the greatest economic boom in Bermuda's history we were blind, as were the previous UBP Governments before that, to the great damage that unfettered economic expansion was doing, particularly to low-income, lower-middle-income Bermudians. Again, the reality of Bermuda—mostly we are talking about black Bermudians—the rampant inflation in the economy, housing going up through the roof, housing costs and all other types of costs.

My only caveat here is that if this is the real boom that we are looking at, then we need to really accelerate the implementation of certain public policy objectives to be able to ameliorate the potential damage that this cycle of rapid economic expansion is going to represent to vulnerable Bermudians, economically. And how do we do that? We have already got three principal initiatives entrain. And they all need to come to the table. *Mea culpa*. The Living Wage Committee, that committee's work is nearly done. We are determined (Mr. Speaker, I am not going to turn this into some interim report) to have it before this House for a robust debate before we break for the summer. It is only a matter of weeks.

Secondly, the work of the Cost of Living [Commission], headed by Senator Richardson. And thirdly, the work of the Tax Reform Commission. Because we are going to need those public policies to be put in place, Minister of National Security, to, again, ameliorate the effects of having Bermuda produce another economic round of activity on steroids. That is my one caveat. So it is not just good enough having this new industry come in and all these great players worth hundreds of millions and even billions of dollars. We also have to learn from our mistakes of the past and ensure that those public policy niches—and there are one or two others I have not called, reform of health care, of all that—are in train, Mr. Speaker, running on the same track.

Lastly, let me just say this, Mr. Speaker, about blockchain. And for my mother out there, okay, and dear Ms. Caines, my constituent, imagine blockchain as the train tracks upon which applications, such as the digital assets, the ICOs that we are talking about here, those exchanges, run upon. But it is not the only application for blockchain, as was noted earlier by a number of speakers who were talking about distribution networks, where you are talking about settlements, when you are talking about the ledgers that can be used in terms of property. All those are some of the expanding ecosystems, to use that buzzword again, that are tied into this basic application.

Mr. Speaker, we had a company here. I do not know if they are still domiciled here, the Transport Minister can probably confirm that. We are talking about Moller-Maersk, the shipping—

[Inaudible interjection]

Mr. Rolfe Commissiong: They are still here? This is the power, the potential power of blockchain.

Mr. Speaker, if I may, again this is quoting from *Bloomberg,* an article written by Kyunghee Park. And again, it was in *Bloomberg.* And I will just give a couple of excerpts: "Globalization has brought the most advanced trading networks the world has seen, with the biggest, fastest vessels, robot-operated ports, and vast computer databases tracking cargoes. But it all still relies on millions and millions of paper documents.

"The last throwback to 19th century trade is about to fall. A. P. Moeller-Maersk" (again, a Bermuda-domiciled company) "A/S and other container shipping lines have teamed up" (in other words, they

have formed a consortium. You have got FinTech; I guess now you have maritime tech) "with technology companies to upgrade the world's most complex logistics network.

"The prize is a revolution" (listen to this, now) "in world trade on a scale not seen since the move to standard containers in the 1960s—a change that ushered in the age of globalization. But the undertaking is as big as the potential upheaval it will cause. To make it work, dozens of shipping lines and thousands of related businesses around the world—including manufacturers, banks, insurers, brokers, and port authorities—will have to work out a protocol that can integrate all the new systems onto one vast platform."

I will wrap up here with this, Mr. Speaker. They say this would be the biggest innovation in the industry since containerisation. And what makes it all work is the blockchain. That is where we are heading, Mr. Speaker.

So, Mr. Speaker, this Government has hit the ground running for the last five or (what is it now) seven months . . . eight months? No, actually it is a little longer than that, under 200 days. And again, with this young, dynamic leadership, I am sure that persons like the lamented Ira Philip, Eugene Blakeney, Freddie Wade, and all those great giants who contributed so much to this country . . . these are early days yet, but I have seen a sense of optimism in the country and a growing confidence about what we all can achieve, all of us together.

And I want to thank you for your time, Mr. Speaker.

The Speaker: Thank you, Honourable Member.

Does any other Honourable Member wish to speak?

No other Honourable Member wishes to speak. Premier.

Hon. E. David Burt: Mr. Speaker, I would like to thank Honourable Members for their comments. And I would like to thank the Opposition for their tacit support in this endeavour.

As the Minister of National Security explained, this is the first step in a number to come. It is complex. It is not easy. And it is not easy to understand.

Imagine if you were living in the 1800s and someone told you about this thing called "electricity." And you just could not wrap your head around how something could work without someone pushing it. But it just does. And you cannot actually explain it except for saying, *It just does.* Or imagine, in the advent of the telephone, when no one can actually explain it, that you can say, *Guess what? You can talk to someone who is 100 miles away and talk to them intimately.* And you will not be able to explain it, but you just say, *It just does*.

Or with the invention of the Internet, which, Mr. Speaker, was invented 50 years ago.

The Speaker: Yes.

Hon. E. David Burt: And 50 years later, we are seeing the transformational power of which it has. There are persons, Mr. Speaker, who are far smarter than I in the area of technology who have stated that this invention, this creation, this new protocol will change the way in which business is done, which will change the way in which economies will work.

If we look at the top companies in the world, Mr. Speaker, the richest and largest companies in the world, Mr. Speaker, they are now all Internet companies. Twenty years ago the top companies in the world did not exist.

The Speaker: Yes

Hon. E. David Burt: In 20 years, Mr. Speaker, we may not know what that looks like. But this Government is determined to make sure that as this new industry develops Bermuda is able to play a part.

Now I hear, Mr. Speaker, the concerns. And I hear the statements from the other side expressing caution, making sure that we understand the risk. Mr. Speaker, we get it. And when I meet with persons, whether they be in the business community, both here and overseas, or whether I meet with people in my constituency, I make it very clear that this Government understands the responsibility of which it has to the future of this country.

I make it very clear that this Government understands the responsibility of which it has to the future of this country, because the economy which we have right now was not built overnight, and we are not going to do things that are going to risk it. And that is the precise reason, Mr. Speaker, why we have this today, because unlike other countries where this activity is taking place with no regulation whatsoever, we are going to make sure that we protect the economy which we have. And so as we go forward with these items—and the next item is set to be tabled on May 11th—we will continue to consult with stakeholders. We will continue to consult with the Opposition. We will continue to consult with the BMA and we will continue to ensure that there is buy-in for the direction of which we wish to go, Mr. Speaker. But make no mistake—

[Timer beeps]

Hon. E. David Burt: —this Government will lead on this initiative. This Government will make sure that Bermuda is ready for the future, Mr. Speaker, and this Government will—and it is this Bill and future Bills—ensure that we have a flexible framework in which to make sure that Bermuda participates in what the future economy will look like.

And with that, Mr. Speaker, I move that the Bill be read a second time and committed.

The Speaker: Any objections to that? No?

Mr. Deputy [Speaker], would you like to assume the chair?

House in Committee at 5:12 pm

[Hon. Derrick V. Burgess, Sr., Chairman]

COMMITTEE ON BILL

COMPANIES AND LIMITED LIABILITY COMPANY (INITIAL COIN OFFERING) AMENDMENT ACT 2018

The Chairman: Honourable Members, we are now in Committee of the whole [House] for further consideration of the Bill entitled Companies and Limited Liability Company (Initial Coin Offering) Amendment Act 2018.

Mr. Premier, you have the floor.

Hon. E. David Burt: Thank you very much, Mr. Chairman.

Mr. Chairman, as we are now in Committee of the whole, I wish to move clauses 1, 2, and 3.

The Chairman: Any objections to moving clauses 1 through 3?

No objections.

Continue, Mr. Premier.

Hon. E. David Burt: Thank you very much, Mr. Chairman. As was indicated in the general debate, there are without question amendments—a number of amendments to clauses 4, 11, and 14, which I believe have been circulated to all Members.

Thank you very much. Mr. Chairman.

Clause 1 provides that this Bill shall be cited as the Companies and Limited Liability Company (Initial Coin Offering) Amendment Act 2018.

Clause 2 amends section 2 of the Companies Act 1981 (the "Companies Act") to insert new definitions to aid in the interpretation of new provisions.

Clause 3 amends section 4A of the Companies Act to insert a new subsection (3A) to designate an Initial Coin Offering as a restricted business activity for which consent is required. Such consents may be granted subject to conditions as the Minister responsible for Companies may consider appropriate.

The Chairman: Any further speakers on clauses 1 through 3?

There appear to be none. Premier, continue.

Hon. E. David Burt: Thank you very much, Mr. Chairman.

Mr. Chairman, I move that clauses 1 through 3 be approved.

The Chairman: Any objections to approving clauses 1 through 3?

There appear to be none.

Approved.

[Motion carried: Clauses 1 through 3 passed.]

Hon. E. David Burt: Thank you very much, Mr. Chairman.

Mr. Chairman, I will now move on to clause 4, and I am going to read through . . . there are a number of amendments to clause 4. The document that . . . both Members of the Opposition who are handling this Bill have the Brief that I have in front of me, Mr. Chairman, and I am just going to read through clause 4 which will reference the various amendments, if I may, Mr. Chairman.

AMENDMENTS TO CLAUSE 4

Hon. E. David Burt: Mr. Chairman, clause 4 inserts new Part IIIA in the Companies Act setting forth new sections 34A to 34P as follows:

Section 34A inserts definitions specifically for the interpretation of this new Part IIIA.

The [amendment] reads:

"Clause 4 [is amended as follows:]

"(a) in section 34A" (which is the definition of distributed ledger technology) "by inserting in the appropriate alphabetical order the following: 'distributive ledger technology' means a database [system] in which—

"(a) information is recorded and consensually shared and synchronized across a network or multiple nodes; and

"(b) all copies of the database are regarded as equally authentic.'"

"(b) [by inserting after section 34A the following—

"Restriction on issuing Initial Coin Offering.

"34B Subject to the provisions of [section] 4A, no persons shall issue an Initial Coin Offering in or from within Bermuda unless that person is a company to which this Act applies and is for the time being registered with the Registrar of Companies in this Act."

"(c) by renumbering the remaining provisions and" the various cross references.

Section 34C, as renumbered, requires a company that receives consent to offer digital assets to the public publish an ICO offer document in electronic form on the ICO platform and to file such offer document with the Registrar of Companies. That filing must be accompanied by a certification from an attorney or officer of the company stating that it complies with applicable statutory requirements for the ICO offer

documents. Each of the directors or promoters who fail to comply with this provision shall be liable to civil penalties.

Section 34D, as renumbered, provides a list of required information that must be included in the ICO offer document or other requisite accompanying documentation. Such pertinent particulars include, but are limited to, the name and address of the registered office of the promoters, a description of the project and the proposed timeline for the project, the amount of money that the ICO is intending to raise, rights and restrictions attached to the digital assets on offer, the opening and closing date of the offer, a statement as to how personal information will be used, and a general risk warning.

Section 34E, as renumbered, requires any company that offers digital assets to the public to update their offering document with supplementary provisions as soon as reasonably practical. If the details in the ICO offer document cease to be accurate, failure to comply with this section attracts a civil penalty.

Section 34F, as renumbered, requires the promoter to provide an electronic facility for communication regarding the ICO by participants and the company or other service providers. This section also provides a three-day time frame within which a person may withdraw from the ICO together with requirements for specific instructions and means for withdrawal.

Mr. Chairman, in [amendment] 1(d), amends the renumbered 34F(1)(a), by deleting the words "ICO offer document" where they appear the second time and substituting the words "ICO platform."

Section 34G, as renumbered, requires that a general warning regarding risk to participants be prominently displayed on the ICO offer platform at all times.

Section 34H, as renumbered, requires a company to ensure that appropriate measures are taken with respect to identification and verification of the identity of persons who participate in its ICO.

In section 34H, Mr. Chairman, we also have [amendment] 1(e) and that reads "in the renumbered section 34H(1), by inserting after the words 'verification of' the words 'the identity of.'

We will now move on to section 34I, as renumbered, Mr. Chairman, which requires the promoter to ensure that appropriate mechanisms are in place with respect to the security of issued digital assets, confidentiality, disclosure of information, and any other concerned matters. It also requires the promoter to comply with applicable Bermuda laws in this respect.

Section 34J, as renumbered, provides for offences relating to the issue of an ICO offer document. [Amendment] 1(f) in the attached sheet amends the renumbered 34J by substituting a new provision. [Amendment 1](f) deletes the renumbered section 34J and substitutes it with the following:

"Offences relating to the issue of an Initial Coin Offering

"34J (1) Any person who

"(a) contravenes section 34B; or

"(b) who makes or authorizes the making of an untrue statement in an ICO offer document unless he proves either that the statement was immaterial or that at the time he made the statement he had reasonable grounds to believe it was true,

"commits an offence.

"(2) A person convicted of an offence under subsection (1), shall be liable—

"(a) on summary conviction, to a fine not exceeding $50,000 or to imprisonment for a period of one year or to both such fine and imprisonment;

"(b) on conviction on indictment, to a fine not exceeding $250,000 or imprisonment for a period of five years or to both such fine and imprisonment."

Moving on to section 34K, Mr. Chairman. Section 34K, as renumbered, provides for circumstances under which persons may be civilly liable to ICO participants.

[Amendment] 1(g) amends clause 4, renumbered to [section] 34K(2)(c). In [section] 34K(2)(c), Mr. Chairman, we are inserting . . . we are moving to amend section 34[K](2)(c) by inserting after the words "any issue" the words "of digital assets."

Mr. Chairman, section 34L, as renumbered, provides exceptions from liability for experts.

Section 34M, as renumbered, provides that the Minister make regulations for the purposes of this new Part IIIA.

Section 34N, as renumbered, provides for the issuance of a code of conduct by the Minister in consultation with the FinTech Advisory Committee with respect to initial coin offerings. The code of conduct is intended to provide guidance on requirements and principles to be observed by persons in the conduct of an ICO.

[Amendment] 1(h), Mr. Chairman, amends clause 4 of the renumbered 34N. And in that we are looking to amend the renumbered 34N by deleting the word "shall" and substituting the word "may."

Mr. Chairman, those are the . . . that is clause 4 with the requisite amendments, and I move that clause 4 . . . I move that the amendments to clause 4 be approved.

The Chairman: Any further speakers?

The Chair recognises the Honourable Leah Scott.

Ms. Leah K. Scott: Thank you and, first of all, the Premier was not in the Chamber when I spoke.

Sir, I would like to say thank you for providing me with your brief. I appreciate it and for accommodating our request to meet.

I have a comment on [clause 4, new section] 34A(1), the definition of "digital assets."

The concern is that it might actually catch things that are not ICOs, and the definition has some undefined terms that might result in uncertainty when an application is made.

So, say I want to start up an IT company and I am not going to create a Bermuda company, if it is unclear whether the product that I am going to be selling, if my business model that I am using is adopting a digital asset that requires compliance with the ICO. So does this definition apply to like iTunes cards? Just asking, because they are a medium of exchange, and if they were offering iTunes cards using blockchain technology, would they be caught by 34A(1)(c), I think . . . sorry . . .

The Chairman: Any further speakers?

Mr. Premier, you have the floor.

Hon. E. David Burt: I do not need to answer the question. I will answer when everyone is finished.

The Chairman: Oh, you want . . . you had questions? The Chair will recognise the Honourable Grant Gibbons.

Hon. Dr. E. Grant Gibbons: Yes, thank you, Mr. Chairman, I was trying to make it easier for the Premier by sort of doing this one at a time.

The question I have actually is on page 3 of—this is the tabled document—I think it is probably pretty close. Let us see . . . it is under the definition of "digital assets." So, it is 34A, digital asset . . . 34A a digital asset, it is (b) there, and it says . . . it includes under the umbrella of digital asset "means anything that exists in binary format [and] comes with the right to use it and includes a digital representation of value that—" and it is letter (b) which I am interested in. It says, "is intended to represent assets such as debt or equity in the promoter."

I am sure there must have been some discussion on this particular one. A lot of jurisdictions basically will segment ICOs into those that are actually providing ownership or debt in the company versus those that are providing a commodity like a product, or use, or a subscription of some sort. We have included here debt or equity, and I am just curious as to what the rationale was here, because I know other jurisdictions have excluded that.

The US has been particularly pointed about anything which is trying to raise capital which represents where an ICO or a coin or a token actually represents debt or equity be excluded. And I just wanted to get a sense of what the Honourable Member's perspective was on that.

Thank you.

The Chairman: Mr. Premier?

Oh, yes? Go ahead.

Ms. Leah K. Scott: Yes, sorry, Mr. Chairman, I just have one more question.

Just the definition of "Initial Coin Offering," the words . . . what does "otherwise acquire digital assets" mean? Or what are you trying to catch by adding those additional words?

The Chairman: The Chair recognises the Honourable Cole Hadley Simons.

Mr. N. H. Cole Simons: [Clause 4, new section] 34B(2) says, "It is not necessary to file an ICO offer document under subsection (1), at any time or in any circumstances, where— [(a)] the digital assets are listed on an appointed stock exchange—

POINT OF CLARIFICATION

Hon. E. David Burt: Point of clarification, please. Can you repeat . . . Mr. Chairman, I just want to find the section he is speaking to.

Mr. N. H. Cole Simons: [Section] 34B(2). So basically, it is saying the offering document is not required if the assets are listed on an appointed stock exchange or appointed digital asset exchange. Can you define what an "appointed stock exchange" is?

[Inaudible interjections]

The Chairman: You have the floor, Mr. Premier.

Hon. E. David Burt: Thank you very much, Mr. Chairman. I will begin to start to answer the questions.

The first question that was asked was from the Honourable Deputy Leader of the Opposition who asked a question regarding something about iTunes cards or if they are building assets or all the rest. The fact is that this only applies to things which are offered to the public. The question about iTunes cards are specifically addressed down in the next section in (e) and (f) which state: does not include a digital representation of value issued by or on behalf of the publisher and used within an online game, game platform, or family of games or cannot be taken or exchanged with the person for legal tender. So, that sets to carve out those types of things for iTunes cards, et cetera.

More specifically to the broader question which was asked about the definition of "digital assets" and things which may be brought, I think it is important to realise that it says that anything that exists in binary format and comes with the right to use it and a digital representation of that value. So the instance which you are talking about—about a comput-

er that someone programmed and putting that together—you are not offering said digital asset to someone else from that perspective.

The question which came from the Honourable Grant Gibbons regarding section 34A(b) which spoke about the issue of intended to represent assets such as debt or equity in the promoter. I think during the general debate we made it very clear that unlike other jurisdictions that may treat things separately as securities and otherwise and different things because there is coin offerings, utility tokens, securitised tokens, et cetera, we are having a broad umbrella piece of legislation that is flexible, that allows us to apply the appropriate scrutiny out to all the rest.

What we are finding in this world—which I think, with the education of which we are getting as we travel to learn more about this particular item—is that utility tokens being the first thing are those things which do not actually represent a claim on debt and/or assets. But where we are merging to now is securitised tokens. And in order to make sure that we can govern securitised tokens we have to make sure that our legislation makes allowance for that.

So we are not trying to legislate for the past. We are trying to legislate for the future. What Dr. Gibbons is talking about is how certain companies, or countries, such as the United States and the Securities and Exchange Commission, or the Commodity Futures Trading Commission or otherwise, have specific definitions on the use of virtual currencies and digital assets and how they are used. What we are saying in this particular issue is, unlike the other jurisdictions, we are going to have one Act which governs all which will be flexible enough to say that if you want to issue an ICO for just a utility token you can do that. If you want to use the Bermuda platform for the issuing of a digital asset in order to represent equity or debt, insofar as raising capital for your project, you can do that as well, with the protections underneath this Act.

So, other countries where they have no regulation . . . then you will see inside the United States where the SEC is saying, *Well you cannot do that because that is a security*, what we are saying is we are broadly defining all of these particular items to fall under it. And the flexibility with the conditions which can be set by the Minister underneath the Act allow us to be flexible to allow all the different types of things which may be happening now or different things which may be coming as this industry is increasing, is modernising, very quickly.

The next question, I think, was on Initial Coin Offering. I think that was from the Deputy Leader of the Opposition as well, who says . . . "means an offer by a company to the public to purchase or otherwise acquire digital assets." I think that might be legal speak to make sure you catch it all. So, if it purchased, or otherwise, or exchanged—just to make sure that you lawyers do this stuff incredibly well, and I did have . . . okay.

I think it was a question from the Honourable Member for constituency 8, the Honourable Member Mr. Cole Simons who had asked about 34B(2). And it said it is not necessary to file an ICO document under subsection (1) anytime there are circumstances where the digital assets are listed on an appointed stock exchange. The reference to an appointed stock exchange is made in clause 2, which we did before.

The Chairman: Any further speakers?

The Chair recognises the Honourable Member Leah Scott.

Ms. Leah K. Scott: Thank you, Mr. Chairman.

I have, like, about six more questions. Do you want me to just do them all at once? Or—

Hon. E. David Burt: Go ahead—on this clause?

Ms. Leah K. Scott: Pardon me?

Hon. E. David Burt: On this clause?

Ms. Leah K. Scott: Yes—all the way through. Okay, thank you.

So, I am working from my original draft. On section 34A(4)(a)—

Hon. E. David Burt: [Section] 34A . . .

Ms. Leah K. Scott: [Section] 34A(4)(a)—that is the one that starts "Subsection 2 shall not . . ."

The Chairman: Mm-hmm.

Ms. Leah K. Scott: Okay. What does "of the same class" mean in relation to digital assets?

Could I avoid the legislation by giving away one token of insignificant value to anyone who visits a certain website, like a cookie, and then when that person visits the offering site to buy tokens they already have a digital asset of the same class which ultimately allows me to avoid the ICO legislation?

[Section] 34A(4)(c)—can you explain what an offer . . . "having a private character" is? What is "a private character"?

[Section] 34A(4)(d)—why do we have this exception and what is the exception intended to catch?

Hon. E. David Burt: Stop there.

Ms. Leah K. Scott: Stop there? Okay.

Hon. E. David Burt: While I wait for some answers to the questions.

While I wait for some answers to questions, allow me to go on the second question which was

posed by the Honourable Member, and that was an offer having "a private character." Again, I think it was stated that if they are not offering it to the public, if it is just, you know, all the rest, then that is the issue of the document. So, if you are not offering it to the public, like someone may be doing, a capital raise via digital assets on a private placement basis where they may come to family offices such as the ones that you represent to raise the money there.

So, it is not something that is going out to . . . it is not something that is going out to the public and, so, the protections that are there.

The question about section 34[A](2) shall not be taken as requiring any Initial Coin Offering or invitation to be treated as made by the public if an offer by the promoter to existing holders of digital assets in the same class of digital assets complies as the office.

[Pause and crosstalk]

Hon. E. David Burt: The final question was in section [34A(4)(d)], it says shall not be treated if "an offer certified in writing by an officer of the company on behalf of the board of directors to be an offer which the board considers as not being calculated to result, directly or indirectly, in digital assets becoming available to persons other than persons whose ordinary business involves the acquisition, disposal or holding of digital assets, whether as principal or agent."

I will seek clarification on that before I give an incorrect answer. I am relatively certain I know what it is because we have to remember there is a difference between, you know, offers to the public and offers in the exact same thing when we are talking about on a closed basis. And as we know what is going to be happening with the virtual, sorry, with the Act that is going to be coming from the BMA which is actually going to regulate companies that provide ICO services. There will be people who provide ICO services specifically as opposed to things that are going out to public.

So, the purpose of this for the public provisions are to protect consumers, to protect those persons who may be going and doing things in the public as opposed to professional institutional investors, broker dealers, et cetera, who will be doing some of the private placements for these particular digital assets.

And I will stand by for more questions to come, answers to come. Any other? Okay. I nailed it apparently.

[Laughter]

Ms. Leah K. Scott: Okay. [Section] 34C(1), the "Contents of an ICO [offer] document." Just in terms of the information that is required, why is there no request for or no requirement for any financial information to be provided? [Subsections] (a) and (b) refer to the promoters, but (c) refers to the company. So, should (a) and (b) also include the word—

[Inaudible interjection]

Ms. Leah K. Scott: Okay. So, 34C and the subsections (a) and (b) make reference to promoters. But subsection 34C[(1)(c) refers to the company. So, should subsections (a) and (b) also include a reference to the company?

And then in 34B(5)—

[Inaudible interjection]

Ms. Leah K. Scott: [Section] 34B(5) . . . oh, wait, I think I—

[Inaudible interjection]

Ms. Leah K. Scott: Oh, wait . . . I was talking about 34C, but 34C . . . it is still 34 . . . still 34B? Or 34C? [It is] 34B.

[Inaudible interjections]

Ms. Leah K. Scott: So, wait . . . let me see—

[Inaudible interjections]

Ms. Leah K. Scott: Wait. 34B(5)—

An Hon. Member: Page 5.

Ms. Leah K. Scott: I am on page 4.

An Hon. Member: Okay, so 34B.

Hon. E. David Burt: If I may, Mr. Chairman . . . can I answer the two questions that are posed? And then I can—

Ms. Leah K. Scott: Yes.

Hon. E. David Burt: —allow these particular items.

The first question was in regard to whether or not subsections (a) and (b) of 34C(1) should have the company reference in them. The answer to the question is no. The reason why it is the registered office or principal office of the promoters, the name, description of the promoters and the business or the proposed business of the company. So, these people are promoting it which may or may not be the company—it could be an individual—but then there is the name of the business or company there.

Regarding the question about financial information and why that is not included in there . . . I do believe that financial information is required in [subsection] (f).

[Inaudible interjections]

The Chairman: Oh, I am sorry. The Chair will recognise the Honourable Member Grant Gibbons.

Hon. Dr. E. Grant Gibbons: Thank you, Mr. Chairman.

I am on page 4 and I will try and stick to the red-lined version. It is 34A(4)(b)(ii). This is the section which basically exempts as being made to the public if in this particular case, in the case an exempted company or permit company to more than 35 persons.

I guess the question I have for you is . . . obviously, we would like to do everything we can to have some sort of physical presence here with these companies. And I know it is in the Companies Act, and this has been taken from Part III of the Companies Act. It just seemed to me that including a permit company here, where they are not even basically here, they are somewhere else and they are using Bermuda . . . in fact, one of your colleagues earlier on, the Honourable Member Mr. Commissiong, was belabouring the permit companies that are using Bermuda's good reputation.

It just seemed to me that including a permit company here, although I know it is a wider ambit, may be something you wish to exclude for the simple reason that I think what you really want to do is make these companies have as close an attachment to Bermuda as possible. And I think this may give you what I will call a bigger problem in the future, given the issues we have discussed over the last couple of years on permit companies here.

The other area that I was interested in is . . . and I am going to flip over to 34C (it is now 34D) and this is the area which talks about the contents of an ICO offer document. One of the questions that I had is in the Companies Act Part III. There are a couple of sections which have been dropped. One is 27(1)(c) in the Companies Act, where the document is asked to give the minimum subscription that the promoter intends to raise. Okay? That has been dropped. And the other, which I think is also a useful thing here in terms of information is 28(1), which is what is known as the use of funds. What will the funds that are being raised be used for? And in a prospectus, or whatever, that is part of the requirement. It just seems to me that those are two useful pieces of information.

So, I will leave it there, Mr. Chairman.

The Chairman: Any further questions?

Mr. Premier?

Hon. E. David Burt: I will try to tackle those two. The first one in the reordered section that the Honourable Member raised regarding permit companies, the question he raised is an interesting one and one which I will take under advisement and further review.

Regarding the issue of why those particular sections were dropped, from my knowledge of that, it was something that was not considered to be necessary here. We do know what the funds are going to be used for. The funds are going to be used for the platform as spelled out in the White Paper document. White paper documents basically talk about what the company is going to do, and it is for the development of the platform. If they are utility tokens, they will be able to be used on the platform.

The best example, or the most recent example, that I can give is the company that was here today, Binance. They issue utility tokens that can only be used on their platform, and those tokens can be used to pay for trading fees on their particular platform. So these capital raises are raised for things to be used inside of the platform for utility tokens. However, inside of this capital raised, the white paper basically spells out what the funds will be used for.

The Chairman: The Chair recognises the Honourable Grant Gibbons.

Hon. Dr. E. Grant Gibbons: Yes, thank you, and I appreciate the Premier's answer there.

Having done a couple of prospectuses myself, I think one of the reasons I am raising that on the use of funds is because certainly we know the funds will be going to develop the product or whatever else. Often what is useful here in terms of what I will call removing those that are a little more fraudulent is, will those funds be used to hire people? Will they be used for, you know, software development? Will they be used to buy a boat, you know, for the promoter? I am being a little facetious here, but I think having a little bit more information on where those funds will be actually allocated . . . it may be considered bureaucratic but it does give both the, Minister who is going to have to consent to this, and also the FinTech Advisory Committee, a little bit more data on whether this is (I will say) frivolous, or whether this is somebody who has really thought through how, let us say, if they are trying to raise $1 million, how that $1 million will be spent and whether it looks like it is going to be allocated to stuff which is real as opposed to stuff which may be trips to Brazil for the promoter. Thank you.

The Chairman: Any further questions? The Chair recognises the Honourable Leah Scott.

Ms. Leah K. Scott: Thank you, Mr. Chairman.

Moving on to 34E—

[Inaudible interjections]

Ms. Leah K. Scott: Oh, sorry.

Hon. E. David Burt: Mr. Chairman, if the Opposition would please work with me and if we can go section

by section. Just so . . . so, I think we are now on and we are going to go with original sections so, even though Grant has got the revised sections, we are going to go with original sections. I have both in front of me, so it is fine. So if you say you are going from the original or the revised I am able to do both. Yes, I am able to do both.

But from the original section . . . and I believe there was the question of what the items would be used for. I think that would be . . . I think as I said before, inside of the actual White Paper, those are the things of which those things are spelled out. And if you have read ICO white papers, they are reasonably detailed, talking about the number of people that they are looking to hire, looking at the number of people they have to do. But we also have to remember that there are regulations that are going to be coming out that will specify.

There is going to be a FinTech Advisory Committee that is going to look at something. So, if we see something that is going to be composed of a panel of experts that does not even anywhere near pass the smell test, it is like go back. The one thing of which we have to remember, that I want Honourable Members and also the listening public to recognise, is that we realise there are certain people who believe that ICOs and these types of issuances are the wild, Wild West. And guess what? In some places it is. The one place where it will not be the wild, Wild West is in Bermuda.

We will have a committee that will vet these items and if there is something that is not going to pass the smell test, we are not going to do it. And the particular reason why that is so is that we are not going to be the ones who are going to put our global economy at risk, or our local economy and our international economy at risk. So those are the things which will be . . . without question, that will be analysed by the advisory group. Thank you.

The Chairman: Any further questions? The Chair recognises Leah Scott, Honourable Member.

[Inaudible interjection]

Ms. Leah K. Scott: Original, thank you. Sorry about that.

So, section 34D, companies offering digital assets to the public, and section 34D(1)(a) says "publish supplementary particulars disclosing the material changes." What is published? It is published in the official *Gazette*? Can you stick it on the website? Can you walk around with a sign? What do you mean by publish?

Section 34D(2), should you include the word "promoter" in addition to the company?

[Section] 34E—

[Inaudible interjections]

Ms. Leah K. Scott: Sorry. Oh, okay.

The Chairman: Mr. Premier?

Hon. E. David Burt: I am good, but I am not that good right now.

On 34D the question about, she said, publish and what does publish mean? I do not believe there is a necessary definition of publish, but I think there is probably a common law definition for publish. And so, we are looking here and it says, "publish supplementary particulars disclosing the material changes." My assumption would be, and this is just—and they will correct me if I am wrong—is if they are doing an ICO offer document, for instance, and there was an update, then you would publish it in the same manner that you published it before.

An Hon. Member: Yes.

Hon. E. David Burt: Yes. Okay, I got that one.

Let me just get your second question. The second question says should we use the word "promoters" in addition to directors, and in this case, we are talking about the company specifically. Companies do not have promoters. Activities might have promoters; but companies, specifically, have directors.

Ms. Leah K. Scott: Okay.

Just going back to the publish, usually in the Companies Act if you are going to publish something it will say it should be published in the official *Gazette*. So, I guess that is my question. Does it have to be published in an official *Gazette*, or where do you publish it? If you publish . . . if you are making changes, are you publishing it to the Registrar of Companies? Who are you publishing . . . are you publishing it to whoever the participants are? Who are you publishing it to?

The Chairman: Mr. Premier?

Hon. E. David Burt: (It is the same answer I gave before?)

I am being advised by the technical officers that it is the same answer that I gave before regarding that *publish* is a common law . . . there is just understanding . . . publish, and it would be in the same method of which was done. And the issue here on 34D is that, as you will note, it will be on the site or the offer platform which was filed with the ROC. So, in this whole issue there is going to be an offer platform with the ROC where the ICO documents will be published and this will be published there.

The Chairman: Any further speakers?

Member? Continue.

Ms. Leah K. Scott: Thank you. Moving on to section 34F.

Hon. E. David Burt: Original?

Ms. Leah K. Scott: Yes, original. No, sorry, 34E original.

Hon. E. David Burt: Okay, got you.

Ms. Leah K. Scott: Okay. In the title you refer to "cooling-off rights," and that seems to be related to the application under 34E(2). What is an application?

And then 34E(3) refers to the withdrawal of an application pursuant to subsection (1), but subsection (1) does not talk about an application.

And then in 34E(1)(a), could I suggest that after the words "offer document" you insert the words "and any supplementary particulars" just for clarification?

Hon. E. David Burt: Okay, so we are on the original version on 34E.

Ms. Leah K. Scott: [It is] 34D.

Hon. E. David Burt: I thought we moved past 34D.

[Inaudible interjections]

Hon. E. David Burt: She just said 34E.

The Chairman: E. We finished D.

[Crosstalk]

Hon. E. David Burt: Okay, got it. So, you are on the original. One more time, please?

Ms. Leah K. Scott: Sorry, 34E. Okay. 34—

[Inaudible interjection]

Ms. Leah K. Scott: Yes, right. 34E refers to "cooling-off rights" and these cooling-off rights, I guess, pertain to an application in 34E(2), which says, "If a person in relation to an Initial Coin Offering makes an application pursuant to the Initial Coin Offering, the person may withdraw the application within three business days after the application is made."

Subsection (1) does not talk about . . . it refers to subsection (1). Clause 34E(3) refers back to 34E(1) in respect of the application, but (1) does not talk about an application. So do we need to insert some wording there about talking about the application?

And then in 34E(1)(a) after the words "offer document" I would suggest inserting the words "and any supplementary particulars."

Hon. E. David Burt: Honourable Member . . . Mr. Chairman, can I ask the Honourable Member just . . . you are querying subsection (3) which says the withdrawal of an application pursuant to subsection (1), and you were saying there is no reference to an application in subsection (1). I just want to make sure I understand your question.

[Inaudible interjections]

Hon. E. David Burt: And, if I may . . . that is helpful, thank you, because in that very long list of amendments of which I just gave, I do believe the amendment to this section, which is [amendment] 1(d) . . . and if we look at amendment (d), page 2, all the amendments are . . . the amendments, if you look at the sheet of amendments which have been circulated . . . yes.

[Inaudible interjections]

Hon. E. David Burt: We have copies. We can give you one.

[Crosstalk]

Hon. E. David Burt: Can you stand by for one second?

[Pause]

DRAFTING ERROR IN 34E(3) CORRECTED

Hon. E. David Burt: It is good to see how democracy works, Mr. Chairman.

If I may move to amend the clause as it is originally written, 34E(3), and the amendment that I would make (although the technical officers say this can be made as a simple switch) . . . I just want to let them know . . . and I would ask that all House Members will accept that in subsection (3) of 34E we change . . . it says "The withdrawal of an application pursuant to subsection (1)." It should read "The withdrawal of an application pursuant to subsection (2)."

And I would ask that we can approve that amendment.

The Chairman: Any objection to approving that change from subsection (1) to [subsection] (2)?

The Chair recognises Pat Gordon-Pamplin.

Mrs. Patricia J. Gordon-Pamplin: Thank you, Mr. Chairman.

Mr. Chairman, it is just that the Premier has just created a little bit of confusion now, because under the revised version the new 34F—which was the old 34E—they have actually inserted through the ICO platform, and (c) . . . sorry, clause 3 relating to that speaks to the ICO platform pursuant to subsection (1).

And that is now in subsection (1) having mentioned through the ICO platform. So, I am just wondering whether . . . it is just a little confusing to amend the amendment.

Hon. E. David Burt: Just so we are clear, in here it makes a reference to subsection (1) and it really should be just referring to subsection (2). So, we are just changing the (1) to the (2).

[Inaudible interjections]

Hon. E. David Burt: Again, subsection (3) says withdrawal of an application—

[Inaudible interjections]

Hon. E. David Burt: And subsection (2) can only be made by a method specified on the ICO platform and the ICO platform must include specific instructions and a means to withdraw.

So, the Honourable Member caught a mistake in drafting. That is the reason why we go through these things clause by clause

The Chairman: Any objections to that approval?

No objections.

Approved.

[Motion carried: Drafting error at clause 4, new section 34E (3), corrected.]

[Inaudible interjection]

Hon. E. David Burt: Thank you, Honourable Member.

The Chairman: Continue, Mr. Premier.

Hon. E. David Burt: Thank you, very much. That is section 34E on the original. I am happy to take more questions.

Ms. Leah K. Scott: On 34E(1)(a), would you consider adding the words "and any supplementary particulars" after the words "offer document", just because it is kind of a catch-all phrase.

Hon. E. David Burt: Mr. Chairman, we are not inclined to make that change at this time. But I am sure the technical officers will take it under advisement. They believe that it is broad enough.

The Chairman: Any further questions?

There appear to be none.

Mr. Premier?

[Inaudible interjections]

Ms. Leah K. Scott: Okay. Thank you, Mr. Chairman. I think we are almost done.

So, 34G talks about the identification of persons in relation to the ICO, and "[(1)] A company shall, in relation to an Initial Coin Offering, ensure that it applies appropriate measures relating to identification and verification of persons participating in the Initial Coin Offering."

What are you identifying as appropriate measures? Because I know that in other legislation it sets out what you are required to do in terms of getting information—your CDD and your EDD and what KYC you are going to require. So what . . . the challenge is that if we come in like . . . if the BMA comes in for an on-site and they are going to say, *Well, how are you acquiring your KYC? How do you know your client?* What are the appropriate measures so that we that are providing the service to anybody that does an ICO can make sure that we are taking the right steps?

Hon. E. David Burt: Thank you, Mr. Chairman.

Mr. Chairman, subsection (2) in that same clause states "For the purposes of subsection (1), the Minister may make such regulations, subject to the negative resolution procedure, as he considers appropriate." So, regulations will be made for that.

Ms. Leah K. Scott: Thank you, Mr. Premier. I just have one more question. Oh, thank you, Mr. Chairman, sorry.

The Chairman: That is all right. That is fine.

Ms. Leah K. Scott: Okay, it is on page 22 of the original, consequential amendments.

[Inaudible interjections]

Ms. Leah K. Scott: Page 22 of the original document . . . clause 15, Consequential amendments: general.

[Inaudible interjections]

The Deputy Clerk: Yes, we are still on clause—

Ms. Leah K. Scott: Okay.

Hon. E. David Burt: Thank you very much, Mr. Chairman.

This is a very extensive set of amendments to clause 4. I appreciate the indulgence of the Opposition for these amendments and with that we have discussed . . . the Opposition, I believe, is satisfied with clause 4, which is inserting this section 34A and . . . sorry, the items under 34, so what I will ask, Mr. Chairman, is that the amendments which have been placed and circulated to all Members in addition to the amendment that we had previously approved for the renumbering, the change from subsection (1) to subsection (2), I would ask that the amendments be approved.

The Chairman: Any objections to the amendments being approved?

No objections.

Approved.

[Motion carried: Amendments to clause 4 passed.]

Hon. E. David Burt: I move that clause 4, as amended, be part of the Bill.

The Chairman: Any objections to clause 4 being approved, as amended?

[Motion carried: Clause 4 passed as amended.]

Hon. E. David Burt: Thank you very much, Mr. Chairman.

Mr. Chairman, I will now move on to, if I may, clauses 5 through 10.

The Chairman: [Clauses] 5 through 10. Continue.

Hon. E. David Burt: Thank you very much, Mr. Chairman.

Clause 5 inserts a new Part (oh, dear—I am just going to call it) XIVC into the Companies Act relating to the establishment of a FinTech Advisory Committee.

Clause 6 amends section 287A of the Companies Act by deleting the words "affirmative" and substituting the word "negative" in relation to the Minister's regulating power.

Clause 7 amends section 289 of the Companies Act to provide for savings provisions in relation to laws governing securities, foreign exchange control, or other applicable law.

Clause 8 amends the Ninth Schedule to the Companies Act to include Initial Coin Offerings as a restricted activity. That was clause 8.

Clause 9 . . . and I am just going in this area, Mr. Chairman, but just the clauses before were amendments to the Companies Act, now we are moving on to the amendments to the Limited Liability Company Act.

Clause 9, Mr. Chairman, amends section 2 of the interpretation of Limited Liability Company Act [2016] ["LLC Act"] to insert new definitions for the proposed Part 10A.

Clause 10 inserts a new subsection (3A) in section 67 of the LLC Act to include Initial Coin Offerings as a restricted business activity for which the consent of the Minister is required under section 67.

The Chairman: Any further speakers?

The Chair recognises the Honourable Grant Gibbons.

Hon. Dr. E. Grant Gibbons: Thank you, Mr. Chairman, just a couple of questions.

I am going to start with clause 5, which is the FinTech Advisory Committee. I think we are under the understanding that, obviously, the function here is fairly broad—advise the Minister in any matter relating to FinTech or the development of FinTech industry. Would it be fair to say that the FinTech Advisory Committee is going to be the one that vets the ICO applications before the Minister decides whether or not to give their consent?

What will be the role of the Registrar of Companies in here? Are they going to be sort of doing a dual function here? Do they have any role in terms of advising the Minister with respect to these applications that they fall more directly, I think, under the Companies Act? So, that is sort of one question.

The next question that I have is actually clause 6. I had a quick look at this, but this amends section 287A of the Companies Act, and this is, if I understand it correctly, quite a reach. What this is doing is saying that any regulations under the Companies Act will now be switched from affirmative resolution to negative resolution, that includes anything in the Companies Act. Is my understanding correct? And is that not a bit of a reach here?

Are there not aspects of the Companies Act which really require parliamentary oversight as opposed to simply passing through on a negative resolution?

Thank you.

The Chairman: Any further speakers?

Mr. Premier?

Hon. E. David Burt: Thank you, Mr. Chairman.

Mr. Chairman, in regard to the question from the Honourable Member on the first issue—yes, the FinTech Advisory Committee will be the group that will be the ones that are reviewing those items and to be adding the . . . will be responsible for providing advice to the Minister of Finance in this particular issue.

There was a question as to what would the Registrar of Companies be doing . . . the Registrar of Companies during this . . . I do not want to say purely administrative, but from the administering portion of this provision the issues insofar as the approval for these items, or the vetting of these items, will be with the FinTech Advisory Committee which will more than likely have a representative from the Registrar of [Companies] on that particular matter.

The issue when it comes to negative resolution, Mr. Chairman, is that at this amendment to the Companies Act we are making the provisions the same as they are in the Limited Liability Company Act—the Limited Liability Company Act 2016 which was piloted through this House by none other than the Honourable Member who asked the question.

The Chairman: Any further . . . the Chair recognises the Honourable Leah Scott.

Ms. Leah K. Scott: I just have one. Thank you, Mr. Chairman. Sorry—

The Chairman: Continue.

Ms. Leah K. Scott: I just have one question, Mr. Premier, and just please indulge me.

So, the amendment to change the regulation procedure for the entire Companies Act is now going to be from affirmative to negative resolution?

Hmmm. Okay.

[Inaudible interjections]

The Chairman: The Chair recognises the Honourable Pat Gordon Pamplin.

Mrs. Patricia J. Gordon-Pamplin: Thank you, Mr. Chairman.

Mr. Chairman, in light of the Premier's response in terms of the question from the Honourable Member from [constituency] 22 on section 272F, the FinTech Advisory Committee, since part of their functions will have the responsibility for vetting the application process for ICOs, might it be useful to specify, as opposed to leaving it as general, to say that, you know, the responsibility of the FinTech Advisory Committee, whose primary function shall be to advise the Minister on any matter relating to FinTech. But I think we specifically want to know that there is someone who can be held accountable for the vetting of the applications in respect of the ICOs, and would it be useful to, as opposed to just saying any matter which the Minister may refer to it, could include words such as "and shall have responsibility for vetting the application process for ICOs"—would that be useful?

Hon. E. David Burt: I thank the Member for her question.

The reason why it is there is for broad and general. I understand we were talking about the various provisions. But I can assure you that the Minister of Finance either present and/or future would not put the country at risk in attempting to try to look at these things themselves. That is the purpose of the FinTech Advisory Committee, and why the FinTech Advisory Committee was written in there. But I recognise the statement of which you are saying, and if there is an opportunity to revisit this, if we want to make it more specific, I will see if we can do that.

In regard to the question that was asked by the Honourable Member Leah Scott, it would seem as though the One Bermuda Alliance Government thought that there should be negative resolution powers for the Government, the Companies Act, the LLC. And we are taking this opportunity to make sure that both Acts mirror each other.

The Chairman: The Chair recognises the Honourable Deputy . . . the Leader of the Opposition, Ms. Atherden.

Hon. Jeanne J. Atherden: Mr. Chairman, in respect to the statement that the Premier just made that he was changing . . . I am talking about the amendment to section 287A, and turning around and making this negative resolution because it is in line with what is in the Companies Act . . . I guess I want to ask the question . . . the Limited Liability Act. I guess I want to ask the question, recognising that we are using these changes to reflect what we want to have with respect to ICOs, and that is really what we should be looking at regardless of which Act it is being put in to. I just wondered, in other jurisdictions where I know there is always a concern about . . . you have the FinTech Advisory Committee to make sure that they are looking at things to make sure that it is properly done. In other jurisdictions where you have seen the regulations, has the Minister who is responsible for these ICOs not had some sort of . . . not . . . I mean, by making a negative resolution you effectively do not allow, let us say, like the Parliament or whatever else, to have any oversight. So, in other jurisdictions is that the way that it has normally been done?

Hon. E. David Burt: Mr. Chairman, what I will say to this is that I think Honourable Members will recall that the last time this House sat we tabled, I think, 22 negative resolutions. And what I will say is, Mr. Chairman, and I am trying my best not to be nakedly political, although as most people know that is in my nature. There were many points in time where the party opposite did not submit items to Parliament's scrutiny and we had to search on websites to see negative resolutions which were passed.

The Attorney General and the statements of the Cabinet Secretary made aware that any time there is a negative resolution item that is passed it will be tabled in this House because we have to follow the law. That was not what they did. That is what we are doing, and that is the commitment.

But it is not correct for the Opposition Leader to say it does not have parliamentary oversight. Negative resolutions under the Interpretation Act, of course, have parliamentary oversight. And any Member can raise those issues or take up those issues at any point in time. The commitment that I will give to Members is that we will follow the law and we will table the negative resolutions. And you have seen that we have tabled all the backlog of negative resolutions, and we will continue to bring negative resolutions to this House in concert with as the law states.

[Desk thumping]

[Inaudible interjections]

Hon. E. David Burt: Mr. Chairman, seeing no further statements on clauses 5 through 10, I move that clauses 5 through 10 be approved.

The Chairman: Any objections to the approval of clauses 5 through 10?

There appear to be none.

Approved.

[Motion carried: Clauses 5 through 10 passed.]

The Chairman: Carry on.

AMENDMENTS TO CLAUSE 11

Hon. E. David Burt: Mr. Chairman, it is my hope that the amendments to clause 11 may go a little quicker than the amendments to clause 4, as they are substantially similar to the amendments which were made to clause 4 as they are substantially similar positions—one in the Companies Act and the other one in the Limited Liability Company Act. But I will read through them nonetheless, Mr. Chairman, as they have to be read for the record. But all Members do have the amendments to clause 11, which do start on page 3 and go all the way through page 5.

Clause 11 inserts a new Part 10A into the LLC Act relating to ICOs that offer digital assets. The new sections 85A through O provide as follows:

Section 85A inserts definitions for the interpretation of the new Part 10A.

And now, Mr. Chairman, regarding the amendments which we have in front of us, [amendment] 2(a) amends section 85A by amending subsection (1), in the definition of "distributed ledger technology," by deleting the word "decentralised"; in subsection 4(b) by deleting the word "managers," and substituting the word "members"; and in subsection 4(b) by deleting the word "board considers," and substituting the words "managers consider."

[Amendment] 2(b) inserts a new section 85B and the new section 85B is a move to amend clause 11 by inserting after section 85 the following: "Restriction on issuing Initial Coin Offering," which will read:

> "85B Subject to the provisions of section 67, no person shall issue an Initial Coin Offering in or from within Bermuda unless that person is a limited liability company to which this Act applies and for which is at the time being registered with the Registrar of Companies under this Act."

[Amendment] 2(c) is to renumber the remaining provisions and references accordingly.

I will keep going through.

Section 85C, as renumbered, requires an LLC that receives consent to offer digital assets to the public to publish an ICO offer document in the same manner as is required for a company.

There is [amendment] 2(d), Mr. Chairman, which is in section 85C, and in the renumbered section 85C it is deleting subsection (5).

Section 85D, as renumbered, provides a list of required information that must be included in the ICO document.

[Amendment] 2(e) amends the renumbered section 85D, and in the renumbered section 85D the amendment is as follows:

> "(i) in subsection (1), by deleting paragraph (f) and substituting the following:
>
> > "(f) the disclosure as to the allocation of the amounts intended to be raised amongst the classes of any issuance (pre-sale, post-Initial Coin Offering etc.);
>
> "(ii) in subsection (2), by inserting after the words "prescribed by" the words "regulations or."

Section 85E, as renumbered, requires updates to the published ICO offer document if the details cease to be accurate. Failure to comply with this section attracts a civil penalty.

Section 85F, as renumbered, requires a promoter to provide an electronic facility for communication regarding the ICO by participants and the company or other service providers. This section also provides for withdrawal from the participation in the ICO.

Section 85G, as renumbered, provides requirements relating to disclosure of a general risk warning.

Section 85H, as renumbered, requires a limited liability company to ensure that appropriate measures are taken with respect to identification and verification of the identity of the persons who will participate in its ICO.

Mr. Chairman, amendment 2(f) which is located on page 4 of the sheet of amendments amends clause 11, renumbered to 85H(1), and in the renumbered section 85H(1), by inserting the words "verification" . . . sorry, by inserting *after* the words "verification of" the words "the identity of."

Section 85I, as renumbered, requires the promoter to ensure that he has the appropriate mechanisms in place with respect to security of issued digital assets, confidentiality, disclosure of information and any other connected matters. It also requires the promoter to comply with applicable Bermuda laws in this respect.

Section 85J, as renumbered, provides for offences relating to the issue of an ICO offer document.

[Amendment] (g) amends the renumbered section 85J by substituting a new section 85J and therefore in [amendment] (g) it reads as follows: It is

moved to amend deleting the renumbered section 85J and substituting the following:

"Offences relating to the issue of an Initial Coin Offering

"85J (1) Any person who—

"(a) contravenes section 85B; or

"(b) makes or authorizes the making of an untrue statement in an ICO offer document unless he proves either that the statement was immaterial or that at the time he made the statement he had reasonable grounds to believe it was true,

"commits an offence.

"(2) A person convicted of an offence under subsection (1), shall be liable—

"(a) on summary conviction, to a fine not exceeding $50,000 or to imprisonment for a period of one year or to both such fine and imprisonment;

"(b) on conviction on indictment, to a fine not exceeding $250,000 or imprisonment for a period of five years or to both such fine and imprisonment."

Section 84K *[sic]*, as renumbered, provides the circumstances under which a person may be civilly liable to ICO participants.

An Hon. Member: That is 85K.

Hon. E. David Burt: Sorry?

The Chairman: [It is] 85K.

Hon. E. David Burt: [It is] 85K, as renumbered.

The Chairman: Yes.

Hon. E. David Burt: Provides the circumstances under which persons may be civilly liable to ICO participants.

[Amendment] 2(h) amends the renumbered section 85K, and it states that in the renumbered section in subsection (1) it is requested to be amended by deleting the word "can" and in subsection (2)(c), by inserting after the words "any issue" the words "of digital assets."

Section 85L, as renumbered, provides exceptions from liability for experts.

Section 85M, as renumbered, provides the issuance of a Code of Conduct by the Minister, in consultation with the FinTech Advisory Committee with respect to Initial Coin Offerings.

And the final amendment in this clause, Mr. Chairman, is [amendment] 2(i) which amends the renumbered section 85M, and in the renumbered section 85M it is moved to amend this subsection . . . sorry, this section, by deleting subsection (4).

The Chairman: Any further speakers?

The Chair recognises the Honourable Member Leah Scott.

[Crosstalk]

Ms. Leah K. Scott: Section 85F, you will have to make the same amendment as you did on section 34E of the—

[Inaudible interjections]

Ms. Leah K. Scott: All right, Bat Man.

[Laughter]

Hon. E. David Burt: I will, Mr. Chairman, because the keen-eyed lawyer that the Deputy Opposition Leader is has—

[Laughter]

Hon. E. David Burt: She has been reading a whole lot of trust documents, and what she is making sure that takes place (as she stated) is that in the renumbered section 85F, subsection (3), it is additionally moved to amend subsection (3) that says withdrawal of an application pursuant to subsection (1) and to change subsection (1) to subsection (2).

The Chairman: The Chair recognises the Honourable Pat Gordon-Pamplin.

Mrs. Patricia J. Gordon-Pamplin: Thank you, Mr. Chairman.

Mr. Chairman, I just wonder if the Honourable Minister in respect of renumbered section 85J, on Initial Coin Offering on page 20 of the renumbered document . . . it has an (a) and a (b) basically talking about the penalties on summary conviction or conviction on indictment. [I ask] whether we might consider including a disqualification from further participation as a separate clause?

And the idea of that being that we believe that this whole construct is so important to our reputation that if somebody gets out there and they say, *Okay, got a summary conviction, I will pay $50,000*—which is just a drop in the bucket. *You know, I do not want to go to jail but I could pay $250,000 because this is an either or*. But I think that if we have a further penalising capacity to say that they will be precluded from further participation in any form of ICO engagement, then I think that this will sort of highlight the importance we place on making sure that our reputation

remains pristine. I wonder whether the Minister would consider that as an addition.

The Chairman: The Chair will recognise the Honourable Cole Hadley Simons.

Mr. N. H. Cole Simons: Under the old heading 85G, identification of persons in relation to ICO offer document, I wonder if the Minister would share with us how long will these companies be required to hold these documents. Four years? Five years? Ten years?

The Chairman: Mr. Premier.

Hon. E. David Burt: Thank you, Mr. Chairman. I will answer both questions. I will answer the last question first.

In the original 85G, the renumbered 85H, subsection (2) says for the purposes of subsection (1) the Minister shall make such regulations subject to the negative resolution procedure as he considers appropriate. Those items will be covered in the regulations.

And the first question, which was asked by, I think, the Deputy Opposition Leader . . . oh no, sorry, the Honourable Member for constituency 23, I will take the specific recommendation under advisement for any possible future amendments.

What I will say, however, is that of course the Minister of Finance can refuse any additional consent. I think that any Minister of Finance will be crazy to possibly allow someone who has a conviction of possibly doing something fraudulent to an ICO to [then] do another one. But I will take that under advisement as to something that could be clarified in law as well because it may be something that may tighten up things for any assessment. So, I appreciate that comment.

The Chairman: Any further speakers?

Mr. Premier, you have the floor.

Hon. E. David Burt: Seeing nothing further, I move with the extensive amendments to clause 11, which have been printed and circulated for all Members, and have been moved and discussed, I move that the amendments to clause 11 be approved.

The Chairman: Any objections to approving the amendments in clause 11?

There appear to be none.

Approved.

[Motion carried: Amendments to clause 11 passed.]

Hon. E. David Burt: Thank you, Mr. Chairman. I move that clause 11 be approved.

The Chairman: Any objections to approving clause 11?

There appear to be none.

Approved.

[Motion carried: Clause 11 passed as amended.]

Hon. E. David Burt: Thank you very much, Mr. Chairman.

Mr. Chairman, I will now move on to clauses 12 and 13. I move that clauses 12 and 13 be approved and I will read them. Thank you, Mr. Chairman.

Clause 12 amends section 255 of the LLC Act to extend the Minister's regulation power in relation to an application for consent to an ICO.

Clause 13 amends section 257 of the LLC Act to provide for savings.

The Chairman: Any further speakers?

There appear to be none. Continue, Mr. Premier.

Hon. E. David Burt: Thank you very much, Mr. Chairman.

Mr. Chairman, I move that clauses 12 and 13 be approved.

The Chairman: Any objections to the approval of clauses 12 and 13?

There appear to be none.

Approved.

[Motion carried: Clause 12 and 13 passed.]

AMENDMENT TO CLAUSE 14

Hon. E. David Burt: Thank you very much, Mr. Chairman. I will now ask that we now move to clause 14.

Clause 14 amends the Government Fees Regulations 1976 to provide for new fees in relation to an ICO. And there is an [amendment] to this as well, a motion to amend. And that motion which has been circulated is saying that clause 14 is deleted and the following is submitted.

"Amends Government Fee Regulations 1976

"14 The Government Fees Regulations 1976 are amended in the Schedule as follows—

"(a) in Head 16, by inserting after paragraph 39 the following—

39A	Application by a company under section 4A for consent of the Minister to an ICO	$5,000
39B	Filing an ICO offer document under section 34C	$95

"(b) in Head 40, by inserting after paragraph 15 the following—

15A	Application for consent of the Minister under section 67 to an ICO	$5,000
15B	Filing an ICO offer document under section 85C	$95

„

The Chairman: Any further speakers? The Chair recognises the Honourable Pat Gordon-Pamplin.

Mrs. Patricia J. Gordon-Pamplin: Thank you Mr. Chairman.

Mr. Chairman, I am particularly mindful in this particular clause. As I mentioned in the general debate we seem to be giving away the shop in terms of the cost of registration. And I am looking at $5,000 as a fee, and recognising that this probably accounts for maybe two hours of civil servants' time for three people, and then you are done. So the reality is . . . the question is, can we really consider a fee that is far more commensurate with the responsibility of (a) protecting our jurisdiction; and (b) the work that has to go into vetting and verifying these particular applications and something that really makes it . . . I would not say that it penalises anybody, but it just makes them recognise that we have to do our due diligence on their applications.

It is going to take resources, and I think $5,000 is basically giving away the shop. It is nowhere near enough.

The Chairman: Any further speakers?

Mr. Premier.

Hon. E. David Burt: Thank you very much Mr. Chairman.

Mr. Chairman, I note the comments from the Honourable Member for the Opposition, and, as I would say, as we continue to go through this process if there are revisions that are needed to be made regarding these fees, we shall so make them. And I accept the recommendations and the comments which were made and we will examine and adjust appropriately.

Thank you very much. Mr. Chairman, I move that clause 14 be approved.

The Chairman: Any objections to approving clause 14?

Hon. E. David Burt: As amended. Sorry.

The Chairman: As amended.

There appear to be none.

Approved.

[Motion carried: Clause 14 passed as amended.]

Hon. E. David Burt: Thank you very much, Mr. Chairman. I move to clauses 15 and 16.

The Chairman: Continue.

Hon. E. David Burt: Thank you very much, Mr. Chairman.

Clause 15 makes general provision for consequential amendments to be made by order subject to the negative resolution procedure.

Clause 16 provides for the commencement of this Act.

The Chairman: Any further speakers?

There appear to be none. Continue, Mr. Premier.

Hon. E. David Burt: Thank you very much, Mr. Chairman. I move that clauses 15 and 16 be approved.

The Chairman: Any objections to the approval of clauses 15 and 16?

There appear to be none.

Approved.

[Motion carried: Clauses 15 and 16 passed.]

Hon. E. David Burt: Thank you very much, Mr. Chairman. I move that the preamble be approved.

The Chairman: Any objections to approving the preamble?

There appear to be none.

Approved.

Hon. E. David Burt: Thank you, Mr. Chairman.

I move that the Bill be reported to the House as amended.

The Chairman: It has been moved that the Bill be reported to the House as printed—as amended, sorry.

Is there any objection to that?

None.

Hon. E. David Burt: Thank you, Mr. Chairman.

[Motion carried: The Companies and Limited Liability Company (Initial Coin Offering) Amendment Act 2018 was considered by a Committee of the whole House and passed with amendments.]

House resumed at 6:35 pm

[Hon. Dennis P. Lister, Jr., Speaker, in the Chair]

REPORT OF COMMITTEE

COMPANIES AND LIMITED LIABILITY COMPANY (INITIAL COIN OFFERING) AMENDMENT ACT 2018

The Speaker: Good evening, Members.

Are there any objections to the Bill entitled the Companies and Limited Liability Company (Initial Coin Offering) Amendment Act 2018 being reported to the House as amended?

No objections. So moved.

I believe that brings us to the end of the Orders of the day. Yes?

Third readings.

SUSPENSION OF STANDING ORDER 21

Hon. Wayne L. Furbert: Thank you, Mr. Speaker.

I move that Standing Order 21 be suspended to enable me to move that the Bill entitled the Companies Amendment Act 2018 be now read for the third time by its title only.

The Speaker: Continue on.

[Motion carried: Standing Order 21 suspended.]

BILL

THIRD READING

COMPANIES AMENDMENT ACT 2018

Hon. Wayne L. Furbert: Mr. Speaker, I move that the Bill Companies Amendment Act 2018 do now pass.

The Speaker: Thank you.

[Motion carried: The Companies Amendment Act 2018 was read a third time and passed.]

The Speaker: Second . . .

Hon. Walter H. Roban: Mr. Speaker—

The Speaker: Yes?

SUSPENSION OF STANDING ORDER 21

Hon. Walter H. Roban: On behalf of the Minister of Finance and the Premier, I move that Standing Order 21 be suspended to enable me to move that the Bill entitled Companies and Limited Liability Company (Initial Coin Offering) Amendment Act 2018 as amended be now read a third time by its title only.

The Speaker: Any objections?

No objections. Continue on.

[Motion carried: Standing Order 21 suspended.]

BILL

THIRD READING

COMPANIES AND LIMITED LIABILITY COMPANY (INITIAL COIN OFFERING) AMENDMENT ACT 2018

Hon. Walter H. Roban: Mr. Speaker, I move that the Bill now be read a third time by its title only and passed.

The Speaker: Thank you.

No objections?

The matter is now passed.

[Motion carried: The Companies and Limited Liability Company (Initial Coin Offering) Amendment Act 2018 was read a third time and passed.]

The Speaker: That brings us to the close of day.

[Desk thumping]

The Speaker: Mr. Premier?

[Crosstalk]

ADJOURNMENT

Hon. David Burt: It was not indicated that it would be done today.

[Inaudible interjections]

The Speaker: Continue.

Hon. E. David Burt: Mr. Speaker, if you will forgive me, with your indulgence, it would help me for you to let me know what next week Friday is.

The Speaker: What next week Friday is?

Hon. E. David Burt: What is the date?

An Hon. Member: The 4th.

The Speaker: The date?

Hon. E. David Burt: The 4th—thank you!

Mr. Speaker, I move that the House do now adjourn until Friday, May 4th.

The Speaker: Any objections to that?

Anyone wish to speak to it?

I recognise the Honourable Member from constituency 22, the Honourable Member Grant Gibbons, has the floor.

Hon. Dr. E. Grant Gibbons: Thank you, Mr. Speaker, and good evening.

The Speaker: Good evening.

RESIGNATION OF HON. DR. E. GRANT GIBBONS, JP, MP

Hon. Dr. E. Grant Gibbons: Mr. Speaker, I rise this morning . . . I rise this evening—it is evening, it has been a long day. I rise this evening on what I would call a bittersweet note. This will be my last sitting of the House. I will be forwarding my formal resignation as an MP to you, Mr. Speaker, effective the 30th of April—Monday.

An Hon. Member: What?

An Hon. Member: This is your last day?

Hon. Dr. E. Grant Gibbons: This is my 25th year as a parliamentarian. And I can say that I have enjoyed every one of them—although I must admit there are some years that I have enjoyed more than others.

It has been a privilege to carry out the people's business. I would particularly like to thank the constituents of Paget East for their continuing trust and support over the last 24 years. I have enjoyed advocating on their behalf and assisting them with everything from pensions and roadworks to dog issues. I hope they feel that I have served them well and made a positive contribution to Bermuda during my time as an elected Member.

A few colleagues may recall that I started my time as a parliamentary member in the Senate, the other place, following the general election in 1993. I was subsequently elected to represent Paget East in the July 1994 bye-election, and became Sir John Swan's running mate under the dual constituencies that were in place at the time.

Premier Swan appointed me to Cabinet in January of 1994 to manage the portfolio of Management and Technology. I remember, Mr. Speaker, my first piece of legislation—an amendment to the Obscene Publications Act. Hardly an auspicious start, but the first of many more significant pieces of legislation I introduced as a Cabinet Minister over the years.

Looking back, Mr. Speaker, I believe I had the privilege of being directly involved in many positive social and economic advancements in Bermuda. I do not have the time to speak about all of them tonight, but I hope you will indulge me to mention a few of them.

Under Sir John I led the bases transition effort starting in 1994, with the departure of the US Navy and the return of the US base lands to Bermuda. Following negotiations, as some Members may recall, with the US Navy, Congress, and the Pentagon, the airport and its operations were transferred successfully to Bermuda in 15 months. The base lands project involved a thorough legal and environmental study, the formation of the Bermuda Land Development Corporation, and a reuse plan for the return of roughly 10 per cent of Bermuda's land area.

As Minister responsible for telecommunications I initiated the deregulation of the monopoly-controlled telecom sector in June of 1995 paving the way for the entry of competition and the dramatic lowering of long distance phone charges which saved residents and businesses tens of millions of dollars in fees over succeeding years.

In 1996, as Minister of Finance, I had the privilege of hosting and co-chairing the Commonwealth Finance Ministers meeting with UK Chancellor Kenneth Clarke. This was actually the seventh and last time the meeting was held in Bermuda.

During the 1990s it was clear that Bermuda's pension provisions were inadequate to meet the needs of our retirees. I had responsibility for developing and piloting the Bermuda's National Occupational Pensions legislation through Parliament in 1998. This landmark legislation provided the basis for our current pension system which ensures that Bermudians have a solid financial nest egg for retirement, and it removed, as Honourable Members will know, the need to rely solely on social insurance benefits for retirement.

More recently, Mr. Speaker, as Minister of Economic Development in the OBA Government, I was proud to have contributed to the economic revitalisation of Bermuda that was so desperately needed, in 2012. One of the first steps was establishing the Cabinet committee on Economic Development which facilitated significant tourism investment and infrastructure development over the last five years.

In April of 2013 we achieved the successful transfer of the satellite EchoStar 6 into Bermuda's orbital slot just days before the expiration of Bermuda's rights to the slot. After many years of frustration and disappointment, this was a key step in Bermuda's . . . that was actually begun by Dr. John Stubbs in the 1980s to enable Bermuda to benefit commercially from the space sector.

Following the launch of the Regulatory Authority in January of 2013 the Ministry of Economic Development introduced the 2015 Electricity National Policy followed by the Electricity Act in 2016. This key legislation enabled, after more than a century, competition in the electricity sector and opened the door to the broader use of renewables and potentially less costly, cleaner and more secure energy sources for the Island. As part of this effort I initiated the first utility scale solar PV tender for the unused land at the airport Finger which, in its initial phase, I hope will provide up to 6 per cent of Bermuda's peak load at a much lower cost than fossil fuels.

Mr. Speaker, the Ministry of Economic Development was responsible for the Personal Information

Protection Act of 2016 which, when brought into force, will provide privacy and much-needed protection for Bermuda's residents' personal information.

I was also pleased to introduce the Limited Liability Company Act 2016, the first new corporate vehicle in Bermuda in more than 100 years that will provide a flexible and attractive corporate framework for local and international business firms.

Finally, Mr. Speaker, I was incredibly proud to have led the Bermuda bid team that successfully brought the 35th America's Cup to Bermuda, and the superb team that delivered such a successful event.

Hosting AC35 put Bermuda on the world stage, created hundreds of jobs, helped to rejuvenate tourism and jump-started Bermuda's struggling economy by adding over $330 million to Bermuda's GDP. It also demonstrated, Mr. Speaker, the remarkable ability to raise Bermuda to the occasion and work together to achieve extraordinary results.

So now, Mr. Speaker, as my political to-do list comes to an end, let me briefly comment on what I have observed during my time in Parliament.

There have been many changes over the past few years—some for the better and some for the worst. Perhaps it is less obvious to new Members, but I believe that in the last few years the tone of debate and personal conduct have deteriorated. Unfortunately, Bermuda is not alone in the degradation of political discourse. We have only to look to our neighbour to the west to see divisiveness and bad behaviour demonstrated on almost a daily basis.

Perhaps this has been exacerbated by unregulated social media and the ability of bad actors to disrupt democratic systems, something that Government and the community may have to address more effectively. But in Bermuda this is particularly unfortunate, because parliamentarians who are leaders and role models in our community set the tone for the rest of the Island. A deteriorating tone in Parliament undermines the public credibility and makes it more difficult to find new candidates for political office—something we clearly need. Younger Bermudians, particularly those with established careers, will feel they have better options than to deal with the so-called cut and thrust on the Hill.

Finally, given the serious issues Bermuda will continue to face as a small community with a fragile economy, we need more cooperation and far less partisan rancour.

Let me end, Mr. Speaker, by saying it is not often that one gets to leave an elected position on one's own terms. So again, I would like to express my appreciation to my constituents in Paget East for their support through many elections. But it is time to go.

It is time to make way for new blood, someone who is prepared to make the commitment, who can bring substance and passion, and who will have Paget [East] and Bermuda's best interests at heart. Before any Honourable Members or political commentators outside these walls try to twist my resignation into something it is not for political purposes, let me confirm that I remain a member and supporter of the One Bermuda Alliance and what it stands for. I will remain a member of the One Bermuda Alliance, although recent unanticipated events may now influence the impact of my decision on public opinion.

I can assure Honourable Members in this House and the public that my decisions to retire from politics, and then when to retire from politics, were made long ago. I look forward to continuing my family's legacy of public service—just not as an elected Member.

So let me thank my party colleagues, both past and present, for their friendship, counsel, and support. I would also like to extend my sincere appreciation to the many capable civil servants that I have had the pleasure of working with over the years. Let me thank my fellow parliamentarians for their collegiality.

Finally, and most importantly, I am indebted to my own family for their unstinted support—particularly my wife, Kathy, my partner in this exercise, who has been a tremendous resource and confidant throughout the political highs and lows, and my two sons who have had to put up with a semi-absent father for many years. It has been an extraordinary experience.

Thank you all.

[Desk thumping]

The Speaker: Thank you. Thank you, Honourable Member, and we do recognise that the service in this House comes with both good and bad—and you have given long service to the country and we honourably accept your resignation.

We now recognise the Honourable Member from constituency 10, the Honourable Member Dunkley. You have the floor.

Hon. Michael H. Dunkley: Thank you, Mr. Speaker.

Mr. Speaker, that is a tough act to follow. I have to say that I am not surprised at the retirement, but certainly surprised at the timing of the announcement.

Dr. Gibbons has served in this legislature for 25 years, since January of 1994, with distinction. So, it is no surprise after such tireless service that he might want to step down. In fact, Mr. Speaker, there was a bit of arm twisting for Dr. Gibbons to run at the last election in July of last year.

For as long as I have known Dr. Gibbons, Mr. Speaker, he has been a man of a tireless work ethic. I have always found him to be prepared, calm, cool, and collected. And, Mr. Speaker, in recent years he has also developed somewhat of a sense of humour, which I think we have seen on the House of Assembly. So I guess it shows if you serve a long time you

can develop a sense of humour. And maybe that is what politics does to you.

No doubt, Mr. Speaker, Dr. Gibbons is one of the most accomplished people ever to serve in this Honourable Chamber earning a Bachelor of Science from Brown in 1974. He attended Oxford as a Rhodes Scholar from 1974 to 1976 and was awarded a Master of Arts in philosophy, politics, and economics. He studied organic chemistry at Harvard (whatever that is, Mr. Speaker), for which he received a PhD in 1982, and then served as a teaching Fellow during that period of 1976 to 1981 and 1981 to 1982.

He came to this House of Assembly after returning to serve in the numerous businesses that the family had. And, certainly, Mr. Speaker, Dr. Gibbons gave an outline of his service starting in 1994 when he was appointed to the Senate and then became a Member of the House of Assembly with the bye-election. He continued to get elected in Paget East through the years. And following the 1998 election in 2001 he became the Leader of the Opposition for about five years. Also at that time he was Chairman of the Public Accounts Committee, which we know the Minister of Finance normally takes over.

Mr. Speaker, I have always found Dr. Gibbons to be a man who gives it his all. In the Cabinet that I served in, and then became the Premier, I found Dr. Gibbons to be perhaps the most effective Minister of Education that we ever had. And he was an excellent Minister of Economic Development.

Dr. Gibbons had direct responsibility, as he said, for the America's Cup. And no doubt his excellent work and guidance, Mr. Speaker, played a large part in exceeding every expectation we had, and coming in under budget.

In addition to his stellar political career, there is no doubt that Dr. Gibbons has had a tremendous success in family business and in the community work that he has done.

Mr. Speaker, it has been an honour for me to have known Dr. Gibbons and his family for many, many years. And it has been a pleasure to serve with him since 1998. During our time together in service, I have many fond memories of working with a true gentleman . . . a true gentleman, Mr. Speaker, who I served with, I served under, and then had the pleasure of sitting in Cabinet with.

Mr. Speaker, I think many will agree that Dr. Gibbons was not your natural politician. But he dedicated 25 years of service to our beautiful Island; service which, no doubt, helped immensely in so many ways. He was excellent. He excelled in everything he did from the start as the Minister of Management and Technology through to the Minister of Finance. The base transition, to which Dr. Gibbons referred briefly, was a tremendous challenge we faced in the mid- to late 1990s and Dr. Gibbons took it on with the full vim and vigour that he has always been known to have.

He served well as an Opposition Leader and as Chairman of the Public Accounts Committee, and then as a Minister in the OBA Government when this country faced significant challenges.

Mr. Speaker, the party, the United Bermuda Party, the OBA, this House, and the country lose the outstanding service and commitment of Dr. Gibbons. But, in my humble opinion, Mr. Speaker, he leaves behind a legacy that will always live on, an example for generations that come behind, an achievement that has rarely been matched and perhaps never exceeded to this date.

Mr. Speaker, I say thank you, thank you to a man of impeccable character, a man of integrity, a friend, a mentor, an advisor, and a class act.

Mr. Speaker, I say to Dr. Gibbons directly: My brother, from the bottom of my heart I thank you. And I want to thank Kathy for standing with you all this time because beside every good man there is a woman just as strong. So, to you and your lovely wife, best wishes in whatever you decide to do and know that you have left a large footprint in the sands of Bermuda history with your service. Let your service be the stimulus for others to step forward and follow in your footsteps.

Mr. Speaker, I say best wishes to a good friend and please do not change your telephone number.

[Laughter]

[Desk thumping]

The Speaker: Thank you, Honourable Member. Mr. Premier?

Hon. E. David Burt: Thank you very much, Mr. Speaker.

Mr. Speaker, today has, without question, been a monumental day for a number of particular reasons. And I would say that when Dr. Gibbons got up and gave his speech, it became even more memorable. When the former Premier got up to speak, I thought that we were probably going to get another one.

That much being said, the sentiments that were stated by the former Premier, though he knows Dr. Gibbons in a different capacity than those of us on this side, what we can say, Mr. Speaker, is one thing: All of us who sit in this House recognise the pains and travails of service. And despite which side you sit on, despite the items of which you put forward, we serve. And service is not easy. Service takes time from your family. Service takes time from your friends. Service sometimes makes what would be routine trips to the supermarket far less than routine. But that is the job of which those of us who sit in this House have signed up for.

So, yes, Mr. Speaker, the Honourable Grant Gibbons, E. G. G. G., has given his last speech in this House. But he will be remembered. And so, on behalf of my colleagues, I wish him all the best in his endeavours. There will be many times that we did fight, whether we sat on this side or the other side. But at the end of the day he has served the country very long, and he should be thanked and recognised for his service.

Mr. Speaker, what I will say in closing, as I started, is that it has been a very monumental day. We have seen the passage of legislation which will put Bermuda on the map in regard to the new digital economy. We have seen an announcement made earlier today with a promise of investment, a promise of jobs, a promise of stimulation for entrepreneurs and, what is most remarkable, $10 million for Bermudians to become educated to participate inside of this industry, Mr. Speaker.

This, Mr. Speaker, is what this Government has set out to do. We hear the complaints—sometimes we will call them cynical—of those who wonder why we get on planes. We hear the complaints from those who wonder why we continue to push these particular efforts. These efforts, Mr. Speaker, are pushed by the vision that this Government has, the vision that will ensure that we will deliver for the people of which we serve.

Today, Mr. Speaker, is a proud day for the Progressive Labour Party. But, in my opinion, Mr. Speaker, it should without question be a proud day for all of Bermuda.

Thank you, Mr. Speaker.

[Desk thumping]

The Speaker: Thank you, Mr. Premier. The House now stands adjourned until Friday next, the 4th of May at 10:00 am.

[Gavel]

[At 6:59 pm, the House stood adjourned until 10:00 am, Friday, 4 May 2018.]

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