



GOVERNMENT OF BERMUDA

The Ministry of Finance

Ministerial Statement

To the House of Assembly

By

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Premier and Minister of Finance

Ministerial Statement on Prague and Brussels Trip

Date: 30th September 2022

Mr Speaker, Bermuda's economy continues to be driven by international business. This summer we saw a record number of young Bermudians enter the industry as interns, graduate trainees or full time employees in the various sectors. The growth encountered in international business provides significant positive impact on the local economy. In the wake of the worldwide restrictions on travel and in-person meetings, there is a renewed sense of urgency to reconnect again and the Government of Bermuda must re-engage with the industry.

Therefore, **Mr. Speaker**, I am pleased to advise this Honourable House that between 7-14 September I travelled to Prague and Brussels for a series of meetings with top officials from the European Commission and Council of the European Union. As well as with Member State and third-country representatives, industry representatives, Brussels-based thought leaders, and other stakeholders.

The trip was planned around the Association of Bermuda Insurers and Reinsurers' (ABIR) annual Regulatory Dialogue, held in Brussels from 8-9 September. As it was ABIR's first event in Brussels since the start of the COVID-19 pandemic, it was an important occasion to demonstrate the government's support for our local industry partners and for the Bermuda market more globally. I had the pleasure of delivering the conference's closing remarks over a "sea-side" chat, moderated by Stephen Catlin, Chairman of the Convex Group.

Mr Speaker, the timing of ABIR's Regulatory Dialogue gave me the opportunity to attend the bi-annual Eurofi conference, the largest gathering of financial services stakeholders in Europe.

Attendance at this conference facilitated many networking opportunities and side meetings, including with Petra Hielkema, the chair the European insurance supervisor (EIOPA), with Colin Bell, CEO of HSBC Bank plc and HSBC Europe, and with fintech businesses interested in domiciling in Bermuda.

It would not be an exaggeration to say that these interested businesses literally tracked us down during the conference, in order to get more information. This is truly a testament to Bermuda's leadership within the fintech and digital asset space and shows the value of participating in events such as these.

Mr Speaker, a key objective of this trip was to refresh and deepen connections with financial services and taxation stakeholders in the European Union, with special attention to (1) maintaining Bermuda's equivalence under Solvency II and (2) being removed from Annex II (otherwise known as the "State of Play document") of the Council of the EU's Code of Conduct Group.

Mr. Speaker, I am pleased to say the trip was a success on all counts. On the European Commission side, I met with the EU Commissioner for Financial Services, Financial Stability and Capital Markets Union, Mairead McGuinness. We had a positive exchange regarding Bermuda's re/insurance sector and the importance of Solvency II equivalence. We also discussed Bermuda's strength on AML and how it relates to our regulation on digital assets. Commissioner McGuinness was particularly interested in financing renewable energy and green investment and was pleased to learn about Bermuda's new energy sandbox and our work on climate risk finance. She also took note of our comments on the need to highlight countries that are achieving compliance in key areas rather than just a focus on areas of weakness or non-compliance.

Mr Speaker, I also met with Mr. Gerassimos Thomas, the Director of the Directorate-General for Taxation and Customs (DG TAXUD). While we must await the official report on 4 October, I am pleased to share that we received very positive feedback on Bermuda's progress to address our commitments under Annex II of the Code of Conduct Group. This was echoed by the chair of the Code of Conduct Group, Madame Lyudmila Petkova, whom I also met with in Brussels.

Based on all of my discussions, there is no expectation that Bermuda will be kept on Annex II when the list is updated on 4 October.

Mr. Speaker, on the Member State side, we held meetings with Mr. Michael McGrath, Assistant Secretary, in the Financial Services Division, in the Irish Department of Finance, who is also the Vice-Chair of the EU Financial Services Committee which helps prepare the Council's ECOFIN meetings. The delegation also met with Irish Ambassador to the EU, Mr. Tom Hanney, and Estonian Ambassador to the EU, Mr. Aivo Orav, as well as key members of their teams

Meeting with Member States is crucial so that Bermuda can advocate for our interests directly and can strengthen our engagement on areas of mutual interest. In all meetings our message was clear, Bermuda is a transparent, cooperative jurisdiction, committed to strong regulatory standards and high levels of compliance and we are a trusted partner to the EU during these uncertain geopolitical times.

Mr. Speaker, another objective of this visit was to buttress Bermuda's reputation in non-finance related policy areas, namely on climate change and sustainability. This was a topic of interest across all meetings, and especially in the meeting with Elina Bardram, Acting Director for International Affairs and Climate Finance in the Directorate-General for Climate Action in the European Commission. Ms. Bardram was impressed by Bermuda's leadership on ocean monitoring and climate risk finance, and suggested new opportunities for Bermuda to engage more closely with the European Commission on these topics.

During the visit I also met with representatives of the UK Mission to the EU including the UK Ambassador to the EU, Mr. Lindsay Croisdale-Appleby. We exchanged on many topics, including the Bermuda-UK-EU relationship post-Brexit and areas for further potential cooperation, such as on climate outreach.

Mr. Speaker, one of the highlights of the trip was a reception organized by the Government of Bermuda's Brussels Office with about 50 attendees from EU Member State representations, European Commission and European Parliament officials, influential thinktank leaders, private sector representatives, and third country representatives. This reception gave yet another opportunity to share the Bermuda message, which was well received by all those in attendance.

Mr Speaker, the European Union is a key trading partner for Bermuda and plays an increasingly important role in setting international standards in areas of vital importance to our economy. The impact and support provided by Bermuda companies to the EU infrastructure and in the management of risk is important and expanding. The Government of Bermuda will continue to engage actively with the EU institutions, its Member States, and other stakeholders, both through visits such as these and through our Brussels Office to ensure that relationships continue to be strengthened and Bermuda interests are protected.

Mr. Speaker, those interests include the protection of Bermudian jobs in a sector that is increasingly being chosen by our young people. Their aspirations and those of their parents who support them demand that we continue to promote Bermuda internationally to ensure growth and opportunity locally.

Thank you Mr. Speaker.