



GOVERNMENT OF BERMUDA

**The Ministry of Finance**

---

**Ministry of Finance Headquarters**

**Ministerial Statement**

To the House of Assembly

By

**The Hon. Curtis L. Dickinson, JP, MP**

Minister of Finance

**Mutual Evaluation Report on Bermuda's Anti-Money  
Laundering/Countering Financing of Terrorism Framework**

Date: 31<sup>st</sup> January, 2020

---

Mr. Speaker, I am extremely pleased to rise today to advise Honourable Members of the outstanding findings included in the recently published Mutual Evaluation Report (MER) of Bermuda's systems and framework to combat money laundering and the financing of terrorism and proliferation.

Mr. Speaker, this report was published following an assessment of our regime to combat money laundering and the financing of terrorism and proliferation. This review was conducted by a team of independent experts from various countries who are members of the Caribbean Financial Action Task Force ("CFATF") and comprised of two components. The first component evaluated the compliance of Bermuda's legislative framework and institutional arrangements against the international standards and in this area Bermuda achieved the highest ranking

globally for all published evaluations against the current standards. The second part of the review assessed the effectiveness of the implementation of the regime and in that regard, Bermuda was ranked in the top seven globally of countries who have completed such a review.

Mr. Speaker, for Bermuda to have achieved such strong rankings is an excellent outcome for this jurisdiction. This is the result of many years of dedicated work by a team of professionals who had strong support at the highest levels of Government, as well as the legislature and the private sector. Our sincere thanks to the persons involved in the National Anti-Money Laundering Committee for their tireless work to achieve such a high level of success. I am also deeply appreciative for the support of this legislature, and the work done by other persons in Government and in the private sector in this regard.

Mr. Speaker, in relation to the assessment of our legislative framework, Bermuda was rated as compliant in 28 of the 40 areas of the assessment and largely compliant in 11 of the remaining 12. No other country has, to date, achieved this level of overall compliance in their mutual evaluation report based on the current standards. When I further consider the assessment of our effectiveness, I must highlight that Bermuda was one of only two countries that has to date achieved a High rating of effectiveness with regard to our framework for understanding and assessing risk and our domestic coordination mechanisms. Again, a strong testament to the work of the NAMLC teams, in accordance with its statutory responsibilities.

Mr. Speaker, in addition to that High rating, Bermuda also achieved ratings of Substantial Effectiveness in areas such as international cooperation, supervision, preventing the misuse of companies and trusts, use of financial intelligence to assist in investigations and prosecutions and our work in addressing terrorist financing and targeted financial sanctions. Mr. Speaker, these are all important and core areas of our regime.

Mr. Speaker, for those who may not be as familiar with how this accomplishment may impact their day to day lives, it is worth noting that Bermuda is in the international financial services business and this industry is responsible for thousands of jobs for both Bermudians and guest workers alike. Having a good showing confirms for quality businesses in that sector, that Bermuda is the right domicile for them. These results, especially in relation to our understanding of risk, and the effectiveness of our supervisory framework, assists in preserving our long standing correspondent banking relationships. This affords all of us the continued convenience of utilizing ordinary international banking services. Further this outcome provides a solid platform for our marketing efforts to attract other quality businesses to Bermuda to grow and expand our economy and consequently offer additional employment opportunities for Bermudians.

Mr. Speaker, to provide further credence to the importance of this report, the Fiscal Responsibility Panel noted in their 2017 Report that a less than positive report could have caused severe damage to the financial services sector. Here is a quote from their report:

- *Risks from global initiatives in financial regulation.* The upcoming Caribbean Financial Action Task Force (CFATF) assessment of Bermuda's Anti-Money Laundering (AML) and Counter-Terrorism Financing (CTF) measures remains critically important: a less than positive report would carry a high risk of major damage to Bermuda's financial services businesses. Many might choose to leave. This remains a serious possibility. Despite all the work that has been and is being done there remain a few critical tasks to complete by summer 2018, some requiring additional resources, if Bermuda is to secure a positive outcome. And even a positive outcome is likely to involve a requirement for work to further improve the system.

Mr. Speaker, as members of this Government, including myself, have said on a number of occasions, we want to continue to create an environment that encourages quality business to grow and flourish. We want to make it clear that persons who wish to undertake or hide criminal or other such unacceptable activity are not welcome in this island. The results of this review demonstrate in a very clear manner, that we are serious about that commitment and are actively taking steps to ensure that we are playing a strong and positive role in the global fight against money laundering and the financing of terrorism and proliferation.

Mr. Speaker, this is a fight where Bermudians from all walks of life have been able to make a positive contribution. Cooperating with our regulated institutions to provide the necessary information to ensure that these entities "Know their clients" has been a helpful factor. Evaluating transactions happening in their places of employment or business to ensure that they are not suspicious, and where there have been concerns, ensuring that they are reported to the appropriate authorities was very important.

Mr. Speaker, industry has also played a key role in providing input on the various consultation and other papers to strengthen our legislative and institutional framework. Even in our charities, there has been good support provided by many volunteers to reach the required levels of compliance with the more stringent obligations imposed as a result of these international requirements. All of these actions have helped to give Bermuda the level of credibility that has been recognized in this report.

Mr. Speaker, this assessment and the finalization of this report was a very rigorous process. The report, along with all required pertinent information was subject to assessment by persons and entities throughout our region and in the global FATF, community. This further reinforces the quality of the regime that we have developed and implemented.

Mr. Speaker, I want to emphasize that this Government understands that we must continue the important work to maintain and regularly update our regime to ensure that it remains relevant and appropriate. So the work continues. Work is already in progress to address some of the recommended actions that are noted in Bermuda's Mutual Evaluation Report. Further, Mr. Speaker, in keeping with our National Policy, the teams have already started the next national assessment of Bermuda's terrorist financing risks. In this regard, I would note that one of the key contributing factors to the rating of High effectiveness for understanding of risk was the fact that to date, Bermuda has conducted three national risk assessments in relation to money

laundering and terrorist financing. The fact that we are now embarking on a fourth such assessment shows how serious we are about such matters.

Mr. Speaker, I referred earlier to the strong level of commitment at the highest political levels as playing an important role in the outcome. In this regard, a Cabinet AML Sub-Committee was established in July 2017 immediately after this Government came into office. The Committee which was chaired by the Premier, and whose membership included key Ministers, provided oversight and support to the NAMLC agencies and the Bermuda team overall.

Mr. Speaker, I am pleased to note that this Cabinet Committee met on Monday to review the results of the MER and to discuss the impact of the mutual evaluation report. Further the Committee wanted to ensure that an updated plan is being developed to continue to strengthen our regime and that there is an ongoing program for assessment and mitigation of relevant threats and risks. Mr. Speaker, this Sub-Committee will continue to meet at least quarterly to ensure that Bermuda's program in this regard is appropriately advanced. This is further evidence that the Government recognizes the importance of this work in the preservation and protection of Bermuda's quality reputation and is a sound foundation for the continued stability and security of our economy and island home.

Mr. Speaker, the MER was adopted at the CFATF Plenary held in Antigua and Barbuda in November 2019. I had the privilege to lead the delegation to Antigua and Barbuda to defend Bermuda's MER at the working group meeting ahead of the formal consideration of Bermuda's report by the Plenary. The meeting was extremely

positive which has resulted in the best outcome for a CFATF Member in the fourth round of evaluations to date and one of the best in all of the global FATF network as highlighted already. This was truly a team effort and this outcome reflected the dedication, professionalism, collaboration and cooperation of the Bermuda team and I am honored to have been a part of this process. Other members of the delegation were:

|   |                       |
|---|-----------------------|
| <b>Attorney General's Chambers</b>      | Melvin Douglas        |
|   | Shakira Dill-Francois |
|   |                       |
| <b>AML/ATF Board</b>                    | Kim Wilson            |
|   |                       |
| <b>Bermuda Casino Gaming Commission</b> | Julie Grant           |
|   |                       |
| <b>Bermuda Monetary Authority</b>       | Shauna MacKenzie      |
|   | Chris Brown           |
|   | Bruce Law             |
|   | Sharon Suess          |
|   | Katie Duguay          |
|   | Allyson Lang          |
|   | Jeffrey Lawrence      |
|   | Yvette Pierre         |
|   | Susan Davis-Crockwell |

|  |                                       |
|--|---------------------------------------|
|  | Niall Farrell                         |
|  |                                       |
| <b>Bermuda<br/>Police Service</b>                | Asst. Commissioner<br>Antoine Daniels |
|  | Det. Superintendent<br>Nicholas Pedro |
|  | Det. Chief Insp. Ian Grant<br>Tomkins |
|  |                                       |
| <b>Customs</b>                                   | Richard Amos                          |
|  | Dean Lema                             |
|  | O'Brian Roberts                       |
|  |                                       |
| <b>Department of<br/>Public<br/>Prosecutions</b> | Larry Mussenden                       |
|  | Alan Richards                         |
|  | Loxly Ricketts                        |
|  | Javone Rogers                         |
|  | Cindy Clarke                          |
|  | Carrington Mahoney                    |
|  |                                       |
| <b>Financial<br/>Intelligence<br/>Agency</b>     | Sinclair White                        |
|  | Calon Hollis                          |
| <b>Ministry of<br/>Finance</b>                   |                                       |
|  | FS Anthony Manders                    |
|  | AFS Pamela Burrows                    |

|  |                           |
|--|---------------------------|
|  |                           |
| <b>Ministry of Legal Affairs</b>   | PS Marva O'Brien          |
|  | Renee Foggo               |
|  |                           |
| <b>Office of NAMLC (or Office of the National Anti-Money Laundering Committee)</b> | Cheryl Lister             |
|  | Paula Tyndale             |
|  | Charmaine Smith           |
|  | Christal Hanna            |
|  | Natalie Pereech           |
|  |                           |
| <b>Registrar of Companies</b>  | Kenneth Joaquin           |
|  |                           |
| <b>Registry General</b>  | Aubrey Pennyman           |
|  | Denise Carey              |
|  | Marvin Hanna              |
|  | Antoine Lightbourne (Tax) |
|  |                           |
| <b>Superintendent of Real Estate</b>   | Gladwina O'Mara           |
|  | Daniel Reece              |

Mr. Speaker, every team needs a good leader and the leader of this team is none other than, Mrs. Cheryl Ann Lister, the Chair of NAMLC.

I wish to personally recognize and thank Mrs. Lister, for her exceptional leadership, professionalism and commitment over the past few years on this very important effort. The technical and strategic advice she has provided over this period has been invaluable. Mr. Speaker, the most important qualities of a good leader include integrity, accountability, understanding, humility, resilience, vision, influence and positivity. Mrs. Lister possess all of those qualities and has been the taskmaster and inspired the team to do things they never thought they can do! She has kept the team focused on the tasks ahead despite other pressing priorities, and has been steadfast in her forceful advocacy to Ministers and Permanent Secretaries while diligently leading this team. The Government and people of Bermuda are extremely grateful for her service and dedication.

Mr. Speaker, as I conclude, I would like to again highlight the excellent work that this report represents. We can all feel proud of the ratings that have been achieved - # 1 in overall technical compliance and in the top 7 in relation to effectiveness of all countries whose assessment has been finalised and published. These ratings place us in the same league as peer jurisdictions such as the UK, US and Switzerland. To those who have been key to this outstanding outcome I wish to again express my sincere thanks and appreciation. A special thank you again to the NAMLC team who were key drivers in this process. Well done to all!