

**Paradise Papers**  
**Friday, 10<sup>th</sup> November 2017**

**Ministerial Statement by the Premier and Minister of Finance, The Hon. David Burt, JP, MP**

**Mr. Speaker**, That great friend and frequent visitor to Bermuda, Mark Twain reacted to the rumor that he had passed away by telling a reporter: ***“The reports of my death are greatly exaggerated.”*** After this week's international and local media coverage arising out of the release of hacked information now known as "The Paradise Papers", many are privately wondering what the impact of this will be on Bermuda.

**Mr. Speaker**, Let me put Honourable Members and the international press, our friends and our competitors on notice: The reports of Bermuda's demise are greatly exaggerated.

To be sure, Mr. Speaker, this is not the coverage we would have wished for but in these times when onshore interests are ascendant at the expense of offshore livelihoods, we must meet falsehoods and inaccuracies with facts. The unassailable facts are:

- Bermuda is not a tax haven and this is not a jurisdiction to hide money
- our regulatory regime is internationally known to be robust, fair and respected
- Bermuda's reputation is one that stands equal to any international measurement and in some cases exceeds the regulatory rigor of our critics

**Mr. Speaker**, I do not propose to descend into the legitimate client advice and services provided by the law firm in question, or I dare say, by others operating in similar spheres. The international obsession with what foreign nationals do with their fortunes is a matter for them and cannot be laid at the feet of jurisdictions whose business it is to provide legitimate, legal vehicles for financial planning.

**Mr. Speaker**, The Paradise Papers reveal something of interest to every reader. My sole concern in this matter is Bermuda and her reputation. Mr. Speaker, let me be clear, it is not my responsibility to defend any one entity named or involved in this [scenario](#). *If* [1] what they have done for their clients

in this jurisdiction and beyond is illegal there are proper authorities who will deal with that.

I am charged with defending Bermuda and this I will do without fear or favor. I have privately urged regulators of all stripes to step up their game and to use the fullest extent of their powers to make sure that regulated entities meet their obligations. I believe this is the best way to address adverse publicity: actions will speak louder than words.

Most importantly, Mr. Speaker, is the reality of the partnership required to make Bermuda work; not just in times of crisis but all the time.

Too often our local politics are used to stoke the flames of division between political parties and the financial services sector of this country. This is not a game and so perhaps now we can put an end to the petty "nickel and dime" approach to travel and face the stark reality that more than ever, on this issue, Bermuda needs a chorus of unity and not the dissonance of partisan dissent.

**Mr. Speaker**, I am confident that Bermuda's reputation will survive this latest series of events. Within the government, targeted action has been taken to manage the continuing impact of this disclosure. All relevant ministries are working together to coordinate responses as required, but more importantly to strengthen systems of oversight where necessary and communicating clearly that Bermuda is the same, sound place to do business it has always been.

**Mr. Speaker**, As I have done repeatedly throughout this week, through press statements and interviews, both nationally and internationally, I would like to "set the record" straight. Bermuda's leadership as a cooperative jurisdiction for tax transparency, inclusive of our over 70 year old central registry on beneficial ownership is a key reason why the attacks being made on Bermuda in relation to the Paradise Papers are untrue. Bermuda seeks to attract quality clients who wish to conduct business in a country that is committed to a high level of compliance with international standards.

**Mr. Speaker**, Bermuda is a leader in Tax Transparency and was in fact the first UK Overseas Territory to join the OECD Country by Country (CbC) automatic exchange of information regime to automatically exchange 2016 fiscal year information on companies with global tax authorities. Bermuda is also among the Early Adopters to exchange 2016 calendar year financial account information with various tax authorities around the globe under the common reporting standard (CRS) automatic exchange of information regime. This and other such information will be automatically provided on an annual

basis to the relevant tax partners under these and other similar agreements. We also have in place agreements that allow us to exchange information by request with over 100 tax treaty partners. Further, I would note that we have and will continue to cooperate with international organisations to cement our leadership as a cooperative jurisdiction for tax transparency.

**Mr. Speaker,** The OECD, which you will recall I visited several weeks ago, made constructive comments at the beginning of this week amongst the media hype caused by the agenda driven ICIJ. The OECD Secretary General Mr. Angel Gurría was quoted in the Financial Times saying that the problems shown in the leaks were a “legacy issue” and there was now “quite literally no place to hide. But while the OECD is largely satisfied by the progress made by the offshore centres, some governments would like to go much further.”

**Mr. Speaker,** Considerable time and attention has been spent in this House and in the Senate enacting laws to ensure that Bermuda has a strong and robust regulatory and legislative framework that is compliant with the ever changing international standards. Our regulatory, law enforcement and prosecutorial agencies have the required powers to monitor and enforce compliance and our track record demonstrates that we are willing to use these powers when persons fail to comply with the law.

As a Government we will not tolerate persons using our shores to carry out or facilitate illegal activity and will continue to encourage strong and decisive action if there is evidence of such activity.

**Mr. Speaker,** Bermuda has had a beneficial ownership register for more than 70 years and that, along with our commitment to Tax Transparency, has contributed to the reputation that Bermuda has as a quality international centre – a reputation which is well-deserved. This has been a key factor that has attracted a considerable number of insurance and reinsurance companies to set up their headquarters here and conduct business from our shores. This industry provides significant benefit to the citizens in the United States and the world. As I have stated on a number of occasions, Bermuda is a great place to raise capital but not the place to hide capital.

**Mr. Speaker,** There have been calls for Bermuda to make our beneficial ownership register public. I would like to emphasise that the Bermuda government has already made a commitment to the government of the United Kingdom that once this has become an international requirement adopted by ALL members of the G20, we will certainly comply. But until that time we will

continue to encourage other countries to come up to the level of the “Bermuda Standard”

**Mr. Speaker,** In relation to this data breach, I can confirm that a coordinated police criminal investigation is underway in several jurisdictions including Bermuda and there is the usual cooperation among law enforcement agencies in the jurisdictions under British control which includes the UK National Crime Agency. I can also confirm that the Government has been and continues to be in contact with all relevant competent authorities in Bermuda including the Bermuda Monetary Authority to ensure that any new matters raised by the Paradise Papers can be properly reviewed and that any action that may arise from that review be taken in a timely, effective and proactive manner.

**Mr. Speaker,** In closing, I would like to reinforce that Bermuda is committed to being a quality international financial centre, with a strong and robust regulatory framework and a leader in Tax Transparency. We will continue to exchange financial and other information with other countries automatically or by request, as appropriate to minimize the risk that persons/entities will use our borders to undertake their nefarious activities. Where such acts are discovered we will use our comprehensive suite of powers to ensure that these matters are addressed to the full extent of the law.

In the days and weeks ahead, when other news shifts this from front pages and online special reports, Bermuda will still be a jurisdiction of choice based on the effort we collectively bring to bear now. I wish to assure the people of Bermuda that while it may seem that all our efforts are devoted to these issues, this Government is bringing equal energy to delivering on the promises we made to the ordinary, hardworking Bermudians who elected us to represent them. This is our commitment to the people. The depth and breadth of our energy and skill is such that we can meet this challenge, emerge stronger and continue the work of building a fairer and better Bermuda.

**Thank you, Mr. Speaker.**