



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

Report on Travel to the United Kingdom, Belgium and United States of America

Date: 10th December, 2021

Mr Speaker, I rise today to inform this Honourable House of recent travels to London and Brussels, along with the Acting Financial Secretary, as part of the Ministry of Finance's ongoing program of engagement and advocacy with key stakeholders and trading partners. I will also provide an update on my work last week in New York, as I again provided support to the Bermuda Business Development Agency, in their promotion of Bermuda as a centre of excellence in climate risk finance.

Mr. Speaker, my visit to London and Brussels, spanned the period from November 14th to 23rd. During my time in London, I had the opportunity to accompany the Premier to the Joint Ministerial Council ("JMC") session on

“Economic Resilience”, at the Foreign Commonwealth & Development Office. The Council was chaired by the Minister for the Overseas Territories, Amanda Milling MP. The cross-Whitehall departmental engagement included HM Treasury led by the Exchequer Secretary, Helen Whatley MP and focused on building economic resilience in the Territories. It provided the opportunity to share experiences on managing economies post Covid-19, and the impact to some as result of the UK’s departure from the European Union (the “EU”).

It was highlighted that as a result of external impacts such as Covid-19, natural disasters and climate change, Territories have been gravely affected by the resultant fiscal and economic challenges. It was therefore agreed that the UK will work alongside Territory Governments to appropriately explore opportunities for infrastructure development, and assistance in sound public financial management and effective fiscal planning, particularly supporting the diversification of economies through building resilience and investment. During the discussions, we affirmed Bermuda’s ongoing commitment, as a leading compliant financial services jurisdiction, to cooperate on meeting evolving international regulatory and tax standards.

Mr. Speaker, during that week we also had the opportunity to meet with senior officials at the Bank of England, including experts addressing financial stability matters and the Chief Executive Office of the Prudential Regulatory Authority. Bermuda’s Financial Policy Council was established in 2015, as an advisor to me, as Minister of Finance, on financial system stability matters. Their advice has

been an important input, as the Ministry has developed strategies and policies to address many of the relevant financial challenges that Bermuda has faced. The UK Financial Policy Council has been operational for a significantly longer period, and it was therefore helpful to understand how the UK work and framework in this area continues to evolve. In addition, the meeting provided the opportunity to have discussions on issues of common interest and challenge. The PRA, in turn, were very complimentary about the work of the BMA and expressed their positive views of the robustness of the Bermuda regulatory framework.

Mr. Speaker, during the week we were also able to meet with the Chair of Lloyds, Mr. Bruce Carnegie-Brown. He then graciously hosted a lunch, at the Lloyd's offices, which was attended by CEOs of Lloyds members, who also had Bermuda operations. These discussions reinforced the symbiotic relationship between Lloyds and Bermuda, while also highlighting the important role played by the Bermuda insurance market in the UK risk mitigation program.

Mr. Speaker, the Brussels segment allowed us to continue our advocacy program begun in 2019, with senior persons in the European Commission and Council. We had the opportunity to meet with senior officials from the Commission's Tax Directorate, including a Member of Cabinet for EU Commissioner Paolo Gentiloni and the European Commission's Director for Direct Taxation, Tax Coordination, Economic Analysis and Evaluation. We discussed Bermuda's positive efforts to effectively implement economic substance requirements and country-by-country reporting. We also had a dialogue on the recent OECD/G20 international

agreements on taxation and key aspects of the approach being considered for implementation at EU level, particularly in relation to third countries.

Mr. Speaker, I also had the opportunity to have a meeting with the chair of the Code of Conduct Group, **Lyudmila Petkova**, in the Council of the EU. The Code of Conduct Group is composed of high level representatives from the EU member states and the European Commission. One of its tasks is preparation of the revisions of the EU list of non-cooperative jurisdictions for tax purposes. I am pleased to share that our meeting with Ms. Petkova was her first meeting with a non-EU country since she was re-elected as chair in January 2021. Bermuda's dialogue and cooperation with the Council of the European Union and the Code of Conduct Group was discussed as being exemplary.

Mr Speaker, the Premier and I also had the opportunity to meet with the European Commission's Director-General for the Directorate-General for Financial Stability, Financial Services and Capital Markets Union, John Berrigan. Bermuda was recognised for our importance in the global insurance industry. During the meeting, we discussed the crucial role of insurers as investors in the carbon neutral economy and in helping the world prepare for climate risks.

In addition to presenting Bermuda as a centre of excellence in climate risk finance, we also shared Bermuda's advancements within the crypto-assets regulatory space. This is an area where Bermuda was an early mover, adopting regulation in 2018, which still exceeds in some areas, the requirements of the

Financial Action Task Force. The Commission particularly praised Bermuda's work to meet anti-money laundering rules, which was described as "a model for other countries".

As my first visit to Brussels since the pandemic began, these meetings were a vital opportunity to reinforce Bermuda's outreach efforts within the EU, and to strengthen the relationships with this important trade and regulatory partner.

Mr. Speaker, during the past week, I once again had the opportunity to lead a Bermuda delegation on a marketing trip organized by the Bermuda Business Development Agency (the "BDA"). During this trip, Bermuda was ably represented by officials from the BDA, the BMA, the BSX and the Ministry of Finance. The purpose of the trip was to inform key asset allocators on the critical factors that make Bermuda a prime jurisdiction for climate risk finance business. The series of meetings, lunches and dinners provided an excellent platform for promoting Bermuda to important influencers and decision makers. Ensuring the growth and diversification of Bermuda's international business sector is a critical part of stabilizing and strengthening Bermuda's economy. Therefore, we intend to continue to support initiatives such as this, which are important for the expansion of Bermuda's client base.

Mr. Speaker, in closing, I would again note my strong commitment to take necessary action to prudently build a stronger, more resilient Bermuda. We

recognize that having a thoughtful and strategic program for engagement and advocacy must be a core part of our work.

Thank you, Mr. Speaker