



ANNUAL REPORT

1 April 2020 – 31 March 2021





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STRATEGIC GOALS

To be a modern regulator

To be financially sustainable

To continue to foster a culture of continuous improvement

MISSION STATEMENT

Establishing a regulatory framework that builds a culture of compliance through education and collaboration in a fair and responsive manner.

VISION STATEMENT

An innovative organization that regulates in the public interest.

PUBLIC POLICY GOALS

Increase employment

Stimulate investment in Bermuda's economy

Enhance the view of Bermuda as a tourist destination

High caliber advertising and marketing standards

Fiscal prudence



CHAIRMAN'S FORWARD

The primary theme for the fiscal year 2020/2021 was navigating unforeseen obstacles and change management. As was the case for most organizations in both Bermuda and abroad, the Commission work was overshadowed by Covid-19. Under the leadership of the then Acting Chief Executive, the Commission team continued to work in line with the Commission's mandate whilst maintaining a "family first" approach to the well-being of the team. Staff support as well as the work deliverables were maintained. The Commission and team proved to be agile – transitioning from the office environment to working from home whilst under lockdown without a misstep having been properly and quickly equipped to execute their responsibilities. Early summer saw a smooth phased approach to transitioning back to the office environment.



Legislative initiatives in June of 2020 saw flexibility built into the gaming legislation providing the responsible Minister with discretion to defer or waive certain casino gaming market entry fees for potential license applicants.

Much of the early part of this fiscal year involved the finalization of recruitment of a permanent Chief Executive for the Commission. The focused efforts resulted in the engagement of a gaming professional with extensive experience in the operations of a gaming supervisor and regulator who joined the Commission on 2 November 2020.

Finalizing certain key supervisory and regulatory internal necessities, progressing the licensing process for the applicants and maintaining fiscal prudence was the focus. The Commission received a complete casino gaming license application in January 2021 and the suitability assessment (Phase 3 of the process) was launched in earnest. The certification of local clinicians in order to provide support for persons with gaming specific problems was completed. One key initiative somewhat derailed as a result of Covid-19, was settling the use of cashless wagering in land-based casinos.

Cheryl Ann Mapp

Chairman



OVERVIEW

The Commission commenced operations in 2015 after the enactment of the Casino Gaming Act 2014. The underlying policy decision for the establishment of a land-based casino gaming industry was to enhance the Bermuda tourism product, making Bermuda an attractive jurisdiction for visitors, thereby increasing tourism, stimulate investment in the Bermuda economy and increase employment opportunities for Bermudians.

The Commission will be the supervisor and regulator for casino gaming. Its principal statutory objects are to maintain and administer systems for the licensing, supervision and control of gaming for the following purposes:

- ensuring that the management and operation of casinos, bookmaker services and other businesses that offer gaming is carried out by persons who are suitable, and remains free from criminal influence or exploitation;
- ensuring that gaming offered by such businesses is conducted honestly;
- containing and controlling the potential of gaming to cause harm to minors, vulnerable persons and society at large; and
- performing such functions as may be necessary or expedient to fulfil such principal objects

The functions and duties of the Commission are:

- to administer the gaming legislation, and perform the functions conferred or imposed on the Commission under the gaming legislation, in a manner that best ensures that the objects of the Commission are achieved;
- to supervise casino operations and casino operators for the purpose of detecting or preventing money laundering, the financing of terrorism and the financing of the proliferation of weapons of mass destruction; and
- to perform such other functions as are conferred or imposed on the Commission by or under any other enactment.

The Commission, in the course of its general responsibilities for the supervision, regulation and inspection of gaming businesses shall have regard to the need for them to be alert to the risk that their operations may be used in connection with financial crime and to the consequent need to have appropriate arrangements in place to monitor and control its incidence.

GOVERNANCE

The Ministerial responsibility for the Commission changed from the Ministry of Finance to the Minister responsible for the Cabinet Office as of 4th of June 2020.



During this fiscal year, members of the Commission were:

Cheryl-Ann Mapp - Chairman, is a practicing member of the Bermuda Bar with 30 years' experience providing legal and compliance services on a wide range of complex regulatory issues. She heads Island Legal Outsourcing Solutions, a regulatory compliance practice which provides outsourced independent legal, compliance and governance services within Bermuda and the Caribbean.

Chairman Mapp has held key leadership roles as general counsel, compliance manager and compliance consultant and has been engaged to support professional firms, financial services companies, government and private entities grappling with practical and policy issues in anti-money laundering/ anti- terrorism financing, regulatory compliance, governance, risk, privacy and business continuity. She has served the local community in leadership roles on various government boards and industry groups and in the non-profit sector.

Judith Hall-Bean - Deputy Chairman was employed as a Civil Servant with the Bermuda Government for almost 49 years, before she retired from her final post of Assistant Secretary to the Cabinet/Deputy Head of the Civil Service in 2013.

Deputy Chairman Hall-Bean was awarded the OBE by Her Majesty the Queen for her service to the Bermuda Government.

During this fiscal year she served as Chairperson of the Problem & Responsible Gaming Council and the Chairman of the Human Resource Committee.

During her Government career, Deputy Chairman Hall-Bean served in several administrative and management positions such as the Director of Personnel Management and Secretary to the Public Service Commission with direct responsibility for recruitment and selection for the positions for which the Commission had responsibility as well as those positions which had been delegated to her as the Director of Personnel Management.

Deputy Chairman Hall-Bean gained administrative qualifications from the Institute of Supervisory Management. She also attended Kingston Polytechnic in the UK where she gained professional qualifications in Personnel Management. This led to her successful completion of the educational requirements for the award of Graduate Membership in the UK Institute of Personnel Management, by examination.

During her appointment to the post of Director of Personnel Management, Deputy Chairman Hall-Bean also served as the Chairperson of the Government Negotiation Team, with direct responsibility for the successful completion of contract negotiations with all of the labour unions who represented Government employees.

In addition to being the Deputy Chairman of the Bermuda Casino Gaming Commission, Judith presently serves on the Juvenile Panel and is also a member of the Continental Society of Bermuda.



Daniel Reece - is an independent compliance consultant with over 15 years of experience in the financial services industry. He has held senior compliance and finance positions at major banks and other financial institutions in Bermuda. Commissioner Reece is a qualified accountant and holds the Associate in Risk Management (ARM) designation from the American Institute for CPCU.

Commissioner Reece's responsibilities included budget preparation, financial analysis, and reporting, conducting risk assessments (business, reputational, country, regulatory etc.), performing Money Laundering Reporting Officer (MLRO) duties and reporting to relevant stakeholders including Senior Management, Board of Directors and Regulators.

Commissioner Reece also has extensive knowledge in reviewing and creating compliance policies and procedures, independent audits, transaction monitoring (including implementation of systems), regulatory onsite preparation and follow up, and training at all levels of financial organizations.

As a former police officer, Commissioner Reece has received extensive training in Bermuda, United Kingdom, and the USA on all aspects of financial crime. He was also one of the founding members of the Bermuda Service Financial Intelligence Unit, which later became the Financial Intelligence Agency (FIA). Commissioner Reece has served on the previous tourism boards that have been responsible for developing Bermuda's tourism plan.

Jonathan Smith - served as the Commissioner of Police. He works in the private sector as co-owner of a leading off-site records storage company, a secure document destruction and IT asset Disposal Company, property management and real estate development companies. He is a member of the Telecommunications Commission and the Broadcasting Commission. He previously served as a Government Senator, member of the Public Service Commission, Defense Board, Immigration Board and Trustee of the National Sports Centre.

Commissioner Smith has considerable leadership, management and security-sector related experience and trained at the Bramshill Staff College in the UK and the Canadian Police College. His considerable experience with intelligence, security services and law enforcement was derived from relationships, training and work with CIA, FBI, DEA and Metropolitan Police. He served as Chairman of the Emergency Measures -+Organization, co-chair of the joint UK- USA White Collar Crime Investigative Team in Miami; Chairman of the Firearms Working Group for the UK Caribbean Overseas Territories and as an executive member and 2nd VP of the Association of Caribbean Commissioners of Police.

During his tenure as Commissioner, the BPS underwent five years of expansion, a successful external inspection, and creation of the first Police Support Units, Community Beat Officers, the first Operational Community Policing Strategy and an increased firearms capability.

His interests include politics, economics, social and military history. He has written two books; 'In the Hour of Victory,' of which the documentary film adaptation won two major International Film Festival awards; and 'Island Flames,' which was the best-selling book in Bermuda for two years. A third book, 'Black & Blue,' is being written.



Commissioner Smith was awarded the OBE for this service to law enforcement. He holds a BSc. in Management from the University of Maryland and a Diploma in Criminology and Police Studies from the University of Cambridge, UK. He is married with three adult sons.

Dennis Tucker - was appointed Commissioner to BCGC in February 2015. Commissioner Tucker has a distinguished career in the local hotel industry, stemming back to 1960. During his time in hospitality, Commissioner Tucker served in a variety of positions for the Bermuda Employers' Council and the Bermuda Hotel Association. He currently serves as the Chief Executive Officer and Secretary to the Board of Trustees of the Hotel Pension Trust Fund; he also actively participates in philanthropic endeavors through the Bank of Bermuda Foundation and as President of the Sandys Rotary Club.

Also, during this fiscal year, the following Committees and Sub-Committees of the Board were active:

- Problem Gaming Council
- Human Resource Committee
- Finance Sub-Committee

COMMISSION OPERATIONS

During the second half of this fiscal year, the focus of the Commission was sharpened. Operational efficiency was facilitated by the delegation of Commission functions to the Chief Executive; save for the determination of policy positions and the determination of an application for a casino gaming license.

Casinos

Consideration was given to regulatory priorities and resources were deployed in these areas. Operational land-based casinos remained target priorities. Attention was given to the operational necessities to be ready for regulating and supervising casinos. Thus, a regulatory assurance solution incorporating a strategy to ensure compliance to both the gaming and anti-money laundering and anti-terrorist financing regimes was developed and documented. In support of this solution, internal policies and procedures in anticipation of the soonest occurring regulatory submissions from the provisional license holders were developed and documented. In tandem, submissions for the approval of nine gaming vendors were processed and granted. Casino gaming equipment cannot be utilized in a casino unless manufactured or supplied by a licensed gaming vendor. Additionally, casino gaming equipment must itself be assessed and approved by the Commission prior to use in a casino. To aid and ensure that equipment meets the required statutory standards, technical standards are developed and issued by regulators. The first set of six equipment standards were developed with the support of a globally respected international technical organization.



Industry stakeholders were consulted and after finalization, six standards were approved by the Commission and published on the 12th of March 2021.

To facilitate the opening of a casino, the Commission published a series of Information Bulletins for potential operators, setting out guidance for the approval of games (17th March 2021) and the approval of gaming equipment (17th of March 2021).

Attention was also given to the two potential candidates for casino gaming licenses each candidate having followed different licensing paths, thus each being at different stages of the licensing process. One applicant followed the public procedure and was granted a provisional license by the Commission. Another applicant was granted a statutory provisional license.

Thorough consideration of a part of the required internal controls for one provisional license was given. The assessment of submissions for the licensing of equipment and special employees in preparation for formal applications was also conducted in respect of another provisional license. Finally, a completed casino gaming license application was submitted to the Commission on the 15th of January 2021. Immediately, the Commission undertook the second phase of the process – the suitability and eligibility assessment of the applicant and any associates. Where there are corporate structures, beneficial owners of 5% or more are to be revealed and assessed. Usually, this phase can take anywhere from a few months to several years depending on the complexity of corporate structures and relevant jurisdictions, information being more available in some than others.

In keeping with the Commission’s mission statement, support for the amendment of the gaming legislation to include a power to defer or waive certain casino gaming market entry fees was provided to the Minister responsible. An amendment Bill and Regulations were tabled in House of Assembly on the 19th of June and debated and successfully passed on the 3rd of July 2020. The new power was effective as of 24th July 2020. In September/October 2020, the Commission administered to the responsible Minister one application pursuant to the new statutory provisions for the waiver and/or deferral of market entry fees.

Betting Sector

A continued statutory initiative during this fiscal year was the modernization of the betting legislation in response to findings in previous money laundering and terrorist financing national risk assessments. The findings did not indicate a requirement for this economic sector to be fully within Bermuda’s anti-money laundering and anti-terrorist financing regime, however, they did support the implementation of more robust market entry requirements and assessments, documented internal controls, policies and procedures as well as financial transaction tracking processes. The Commission work proceeded in collaboration with key stakeholders including the National Anti-Money Laundering Committee (“NAMLC”) and the principal representatives of betting license holders. The first reading of the Betting Amendment Bill 2021 occurred in March of 2021.



Expanded Remit

Whilst this initiative was underway, a policy decision that all forms of gaming should be administered by the Commission was made, resulting in the first reading of the Gaming (Transfer of Functions) Act 2021 also occurring in March of 2021. The Act made provision for the Commission to be responsible for, in addition to casino gaming, betting, cruise ship casinos, lotteries, raffles, and crown, and anchor.

Problem and Responsible Gaming

Considerations of problem gaming and responsible gaming measures go hand-in-hand with gaming. Matters related to problem gaming and responsible gaming are the remit of the Commission's Problem Gaming Council, an advisory statutory body to support the Commission. Members of the Council serve two-year appointments. The Council is ably assisted by the Director of Problem and Responsible Gaming, part of the Commission staff. During this fiscal year, members of the Council were:

- Mrs. Judith Hall-Bean (Chairman)
- Dr. Sharon Apopa
- Dr. Ernest Peets, Jr.
- Mr. Kevin Monkman
- Mr. Leslie Grant

Over this fiscal year, the Director monitored the global impact of Covid-19. For obvious reasons, there were increased incidents of problem gambling, particularly due to "lockdown" or "shelter-in-place" mandates. Coincidentally, arrangements with a local qualified organization were finalized to conduct market research to determine the prevalence of gaming in Bermuda. The purpose behind the timing of the conduct of this study (prior to the opening of a land-based casino) was to have critical bench-mark information regarding gaming activities from which to determine impact, if any, of the opening of a casino in the jurisdiction, as well as conclusions upon which to base the continued development of an integrated and evidenced-based responsible gaming strategy.

In October of 2020, the training of local clinicians for an international gambling certification endorsed by the Bermuda Addiction Certification Board was completed, the purpose of which was to ensure that upon the launch of a helpline, Bermudian callers could avail themselves of the services of Bermudian counsellors.

Finally, the Commission executed a Memorandum of Understanding with the Responsible Gaming Council of Ontario in March of 2021. The Commission is excited to have forged a partnership with this long-established global leader in responsible gaming. It is intended that the agreement facilitates the



implementation of a comprehensive, cohesive, and evidenced-based responsible gambling program required by our gaming legislation, benefitting from the Council’s best-practice approach. The program will ensure that casinos are fulfilling their statutory requirements and are operating at internationally recognized standards.

Anti-Money Laundering and Anti-Terrorist Financing

In keeping with the Commission’s statutory remit as a supervisor for anti-money laundering and anti-terrorist financing compliance, the Commission participated in all NAMLC meetings including the statutory quarterly meetings, meetings of the Supervisory Forum, the Policy and Legislative Working Group and the Sanctions Working Group. Additionally, in keeping with the commitment in the jurisdiction’s National Action Plan to conduct national money-laundering and national terrorism financing risk assessments, 2020 saw the launch of a money laundering national risk assessment, as well as a terrorist financing national risk assessment. A decision was made to include both the betting and gaming sectors in these assessments. Commission staff chaired the working groups required to work through the elements of the selected assessment tool, collated the results and drafted the chapters for the assessment reports.

Cooperation and Coordination – Building Partnerships

The Commission is aware of the responsibility as a regulatory body to cooperate and coordinate with relevant stakeholders. Additionally, the Commission acknowledges the tremendous returns on efforts put towards the development and maintenance of stakeholder relationships. Groups work together more effectively when information and knowledge is appropriately shared; when personnel develop professional trust. These relationships facilitate support and long-term organizational success. To that end, efforts were made in maintaining partnerships with both local and international organizations building on past efforts. Additionally, efforts were made to forge effective new relationships.

The Commission continued communication with the Financial Intelligence Agency, the Bermuda Police Service, the Bermuda Department of Customs and the Operations Working Group, a NAMLC sub-Committee. In some cases, Memoranda of Understanding (MOU) with local stakeholders was updated and executed with international organizations for more formal arrangements. In December 2020 the Commission entered into a MOU with the Alcohol & Gaming Commission of Canada.

Circumstances such as changes in ministerial responsibility and projects such as legislative initiatives serve to strengthen relationships and communication between the Commission and Government bodies.

Transparency

During the reporting period, the Commission received two (2) Public Access to Information requests.



Banking

The captioned has been an ongoing initiative, requiring the coordination of several stakeholders, both local and international. It was reported last fiscal year that the Commission contracted with Rose Investment Ltd. for support. Over the course of this fiscal year, the Commission provided legislative and regulatory information to a number of parties with the view that the information could add a helpful dimension to the dialogue. At the end of this fiscal year, the matter remained unresolved.

Future Planning

In compliance with the Commission's statutory mandate to present to the responsible Minister a proposed work plan and preliminary estimate of the Commission's budget for the upcoming financial year, planning for fiscal 2021/2022 was underway mid-year. Submission of a draft work plan and preliminary budget was submitted to the Government in keeping with our public policy goal to be fiscally prudent.

THE COMMISSION TEAM

As highlighted by the Chairman's remarks, Covid-19 had the most significant impact on the Commission team. Transitioning to working from home, not only ensuring that the necessary tools were in place to continue Commission operations but that the Commission kept at the fore, its duty of care to staff was, in retrospect, one of the successes for this fiscal year.

In anticipation of the opening of Bermuda's first casino, the Commission embarked on expanding its team of qualified professionals, particularly, the building of a regulatory unit within the Commission under the direction of the substantive Chief Executive. Thus, in January 2021, the Commission commenced recruitment for a Bermudian Chief Regulatory Officer anticipated to succeed the Chief Executive position. The post was filled before the end of this fiscal year. Additionally, with the input of the Chief Regulatory Officer, educational criteria and skills were identified for other key regulatory posts for compliance and technology responsibilities.

Return to office brought return to conventional HR matters – performance appraisals, goal setting, internal policy development and planning for staff succession, training and development were completed having been delayed due to Covid-19 mandatory office closures. Reconnecting and moving forward collectively was facilitated by an all staff meeting in November of 2020 to assess, from the team's perspective, the strengths and opportunities for the Commission.



Training Opportunities

The Commission is committed to staff training and development. Plans that continue to support individual training needs and the Commission's succession plan, recruitment, and retainment human resource strategy were implemented. The plans are supported by the Commission's revised Performance Management Program (PMP). This will allow the Commission to focus on cultivating the skills and knowledge required to ensure it is able to competently fulfill its remit. Over the course of this fiscal year, the Commission remained committed to the development of staff knowledge and capabilities. Online training courses were made available to staff.

Statutory Report of Senior Executives

Title	Corresponding Salary
Commissioner (Chairman)	\$1,833
Commissioner (Deputy Chairman)	\$1,500
Commissioner	\$1,250
Commissioner	\$1,250
Commissioner	\$1,250
Chief Executive	\$18,750
Chief Financial Officer	\$14,663
Director of Legal	\$12,800
Director of Problem and Responsible Gaming	\$11,069
Executive Administrator (responsible for maintaining records)	\$6,500