



Doing Business in Bermuda: A Country

Commercial Guide for U.S. Companies

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Chapter 1: Doing Business in Bermuda

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Market Overview

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The country: Bermuda is a group of small islands, totaling approximately 21 square miles in size. This fact is never far from the conscious thought of the people who live on the islands. Bermudians are particularly sensitive to the concepts of retaining the land for the citizens of Bermuda, ensuring that their citizens have preference with regards to employment, and that the assets of Bermuda benefit Bermudians.

Bermuda, an Overseas Territory of the United Kingdom, is the oldest self-governing colony in the British Commonwealth. It is sophisticated in that its regulatory and legal systems adhere to high ethical and current standards and have their history grounded in UK law. In addition, the country is a major industry center for the world insurance and reinsurance market. However, with a Bermudian population of approximately 50,000 and an expatriate presence of roughly 15,000, Bermuda can be somewhat insular. This manifests itself in all facets of life: social, political and business. Most Bermudians are either related, know one another or at a minimum know someone who knows another. Thus, the conditions for misunderstandings and conflicts of interest, both real and apparent, exist and are a part of the political landscape as well as day-to-day life.

Market background: Bermuda offers potential investors a stable and democratic environment, relief from personal and corporate income taxes, close proximity to the United States with extensive air and communication networks as well as a good pool of skilled professionals.

Extensive and sophisticated professional services have developed with the growth of international business in Bermuda. Bermuda is home to the third largest insurance and reinsurance sector in the world. It also has one of the largest captive insurance industries in the world. The local banks offer full international banking, investment and fiduciary services. The major international accounting firms are all well-represented in Bermuda. Local law firms have extensive experience in the incorporation and administration of local and exempted undertakings.

Bermuda welcomes foreign investment in international business and the hospitality industry that generates local employment especially in the area of white collar/skilled jobs. Current major exporters to Bermuda are the U.S., United Kingdom, Canada and Caribbean countries (the latter mostly oil from the Netherlands Antilles).

Tax structure: Although there are no taxes on income or capital gains in Bermuda, international businesses are required to pay various other taxes. For instance, there is stamp duty on mutual funds and trusts, estate duty, payroll tax, land tax, customs duty,

and incorporation fees. U.S. individuals based in Bermuda must also be aware of the taxes levied on them whilst residing and working in Bermuda. Other taxes include hotel occupancy, foreign currency purchase and departure taxes, if applicable.

U.S./Bermuda relations: There is a history of friendliness and cooperation between Bermuda and the United States dating back to before the Revolutionary War. The economy of Bermuda is inextricably tied to that of the U.S., with over two-thirds of Bermuda's imports coming from the United States and nearly half a million Americans vacationing in Bermuda each year. The number of international businesses, mostly with U.S. ties, particularly in the banking and insurance/reinsurance fields, continues to grow, although at a slower pace than before the global economic downturn. Bermuda was host to a U.S. military base for fifty years until base closings in 1995. There is also a large number of skilled U.S. expatriates living and working on the island.

The most important U.S. interests here are assuring that Bermuda remains a stable, democratic state, and protecting American citizens who live, work and visit on the island. In addition, the United States Government places a strong emphasis on working with the Government of Bermuda to eliminate money laundering and other illegal financial dealings; providing information and assistance in the fight to eradicate the trafficking, sale and use of illegal narcotics; encouraging expanded economic ties with the United States; and assisting American businesses who would like to establish themselves in Bermuda.

Market Challenges

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The Bermuda business market has several challenges that need to be met and managed such as:

- Adhering to strict standards and regulations (i.e. 60/40 ownership rule, see Ch. 3, Joint Ventures/Licensing)
- The high cost of customs/import duties
- The drop in the U.S. dollar vs. other major currencies
- Attracting and keeping key employees -work permit issues, salary, high cost of housing
- The increasing cost of living - the overall cost of living in Bermuda is at least 380% more expensive than in the U.S. and 280% more than in Canada and 200% more than in the UK.
- Lack of land to develop
- Racial tension and classism issues
- Physical isolation from major continents

Market Opportunities

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Several factors that encourage market opportunities in Bermuda are:

- Bermuda's small size dictates that it imports almost everything
- No taxes on income or capital gains, which promotes business, thereby increases capital and maximizes profits
- Bermuda currency, which is fixed or pegged to the U.S. dollar
- Stable economic and political environment
- World class accounting, legal, banking, and professional support services

- Easy accessibility to several U.S. east coast cities via daily direct air service

There are also several international commercial/ marketing events that can provide an opportunity for U.S. based businesses to showcase their products, for instance, the Butterfield and Vallis Food Show in May. (Please review *Chapter 9: Contacts, Market Research and Trade Events* for more information)

Market Entry Strategy

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The Bermuda Government has strict rules governing the conduct of business on the island; therefore, imported goods intended for sale to the general public usually pass through a local wholesaler. Local importers/wholesalers are the gatekeepers of 70 percent of food retail sales. The other 30 percent are direct imports by the island's largest food retailers. Penetrating the market is a difficult endeavor in Bermuda because of the high degree of brand loyalty and the small population. The best way for a U.S. manufacturer to enter the market with success is to first search the market for potential niches, develop an excellent marketing plan, and then begin exporting from the U.S. via a local wholesaler. The wholesaler/distributor can assist with pricing, promotion, inventory, distribution, and financial support. If possible, travel to Bermuda to get first hand experience of the market is recommended.

Some goods can be sold directly to the customer, but for a product to be successful in the competitive Bermuda market the vendor should establish a local contact who can act on the companies' behalf.

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Chapter 2: Political and Economic Environment

Government

Bermuda, an Overseas Territory of the United Kingdom, is the oldest self-governing colony in the British Commonwealth. Representative government was first introduced to the colony in 1620. Since 1684, the Crown has appointed a Governor and local legislation has been enacted by the colony. Bermuda has its own written constitution, giving its elected cabinet government almost complete self-determination in conducting local affairs. The Queen appoints the Governor, who is Bermuda's Head of State.

The U.K. retains responsibility is responsible for external affairs, defense, and internal security. In other matters, he or she acts on the advice of the cabinet. A Deputy Governor is appointed by the UK's Foreign and Commonwealth Office, and is normally a British Foreign Service officer. These two officials and their staff are the representatives of the United Kingdom in Bermuda.

The Bermuda parliament is the third oldest in the world, following Iceland's and Britain's. Bermuda's legislature is composed of a Senate and House of Assembly. Members of the Senate are appointed by the Governor, five on the advice of the Premier, three on the advice of the Leader of the Opposition, and three at the Governor's own discretion. The Senate elects its own president and vice president. The House of Assembly, consisting of popularly elected members from 36 single seat constituencies, elects a Speaker and a Deputy Speaker. Universal suffrage, with one vote for one person, has existed since 1968. In 1989, the voting age was lowered from 21 to 18.

The Cabinet consists of the Premier and at least 6 other members of the House of Assembly or the Senate. The Governor appoints the majority leader in the House of Assembly as Premier, who in turn nominates at least six other members of the House or the Senate as other Cabinet ministers. Currently, there are 13 people in Cabinet. Cabinet is responsible for government departments and related business. The Opposition Leader, whose position is formally designated under British parliamentary practice, is the leader of the largest minority party in the House of Assembly.

The judiciary consists of a Court of Appeal, Supreme Court, and Magistrates Court. The Chief Justice presides over the Supreme Court and is consulted by the Governor in the appointment of judges, magistrates, and court officers. Appeals from the Court of Appeal go to the Privy Council in London.

Bermuda Government Revenue & Expenditures

2009/10 Top Revenue Earners (\$Thousand BDA)

1. Payroll tax	355,000
2. Customs duty	225,435
3. Intl Co. Fees	56,045

4. Land tax	46,000
5. Stamp duties	44,259
6. Vehicle licenses & Reg.	25,963
7. Passenger taxes	25,070
8. Aircraft registration	16,175
9. Foreign Currency purchase tax	14,500
10. Immigration receipts	14,141
11. All other receipts	111,572
Total revenue	934,160

Expenditures

2009/10 Expenditures (\$Thousand BDA)

1. Health & Family Services	194,803
2. Education	149,138
3. Labour, Home Aff & Housing	137,541
4. Finance	126,762
5. Tourism and Transport	110,695
6. Culture & Social Rehab	72,867
7. Works & Engineering	71,490
8. Environment & Sport	40,060
9. Energy & Telcom & E-comm	32,871
10. Cabinet Office	20,844
11. Justice	19,692
12. Non-ministry dept	10,915
Total expenditures	987,678

Politics

Two parties dominate the political landscape in Bermuda: the governing Progressive Labor Party (PLP) and the opposition United Bermuda Party (UBP). The PLP first assumed power in 1998, ousting in a landslide the UBP, which had governed the Island for thirty years. The PLP defeated the UBP in the subsequent two general elections. In September 2009, three dissident UBP Members of Parliament resigned from the party to form a third party, the Bermuda Democratic Alliance (BDA). The BDA elected its first leader in February 2010. The BDA and UBP are currently discussing a possible merger. The next general election must be called no later than December 2012.

Economy

The island's economy is based primarily on international business, related financial services and tourism. Bermuda has a well-deserved reputation for the integrity of its financial regulatory system. In recent years, the Government of Bermuda has made that system even stronger by complying with financial and regulatory standards enunciated by several international organizations, including the Financial Action Task Force and the Organization for Economic Cooperation and Development. In 2009, the GDP was estimated to be over \$5.7 billion BDA, about \$86,875 per capita - one of the highest per capita income rates in the world. The top 10 contributors to the GDP in Bermuda are: international companies account for 25.27% (\$1,489.8 million BDA), the real estate/rental sector was the second largest contributor to GDP at 13.75% (\$810.5 million BDA), the financial intermediation sector is the third largest contributor at 11.61% (\$684.3 million BDA), followed by business activities at 9.70% (571.5 million BDA), wholesale/retail/repair at 5.37% (\$421.3 million BDA), education, health & social work at 6.78% (399.9 million BDA), public administration at 5.72% (337.1 million BDA), construction at 5.38% (317.0 million BDA), transport and communications at 4.78% (281.8 million BDA), hotel and restaurant at 4.13% (\$ 243.5 million BDA), and 5.72% (337.5 million BDA) from other sectors.

For background information on the political and economic environment in Bermuda, please click on the link below to the U.S. Department of State Background Notes.

<http://www.state.gov/r/pa/ei/bgn/5375.htm#political>

<http://www.state.gov/r/pa/ei/bgn/5375.htm#econ>

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Using an Agent or Distributor

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Entering the Bermuda market can be somewhat involved, therefore U.S. vendors are encouraged to contact any of the islands 30 plus wholesale distributors who are able to assist in selling foreign imports. Wholesalers distribute grocery (fresh, frozen, and dry), health and beauty, pharmacy, food service, and direct store delivery products. Businesses can export construction materials directly into Bermuda without needing to go through a wholesaler. Businesses should contact local construction firms or the Bermuda Construction Association for any opportunities. There are also several shipping agents that can assist with any importing and exporting shipping needs. Please refer to the Bermuda Yellow pages on-line at: www.bermudayp.com or contact the Commercial/Economic section of the U.S. Consulate.

Although Bermuda law prohibits direct sales by non-Bermudians, sales representatives are permitted entry on a case-by-case basis upon application for a Salesperson's Permit. This permit allows the user(s) to enter Bermuda multiple times within a certain time period for sales to multiple potential customers. For more information on the Salesperson's Permit please contact the Bermuda Chamber of Commerce at www.bermudacommerce.com. Please note, travel into Bermuda for the purpose of business is closely monitored by Bermuda Immigration and proper documentation (salesperson's permits) must be issued prior to entry into Bermuda.

Establishing an Office

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The process of establishing an office in Bermuda may involve several government bodies depending on the size and type of business being set up. Those interested should contact a local attorney to determine the appropriate government bodies. Applicable documents may need to be submitted to a local attorney, the Tax

Commissioner's Office, Ministry of Finance, Bermuda Monetary Authority and/or the Registrar of Companies depending on the size and type of business. Businesses must develop a detailed business plan, determine the legal business structure, register the business name, and pay for a business license. Once the government approves a business plan, businesses should contact a local accounting firm for further assistance.

Franchising

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Although there are some franchises in Bermuda, they are generally in the hotel and retail sector (i.e. Fairmont hotel chain, Marks and Spencer, The Body Shop). Bermuda generally does not encourage franchises because it is trying to maintain its own unique image and products. Therefore, investors must receive special permission from the government in order to establish a franchise on the island.

Direct Marketing

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There is little or no direct telephone marketing or door-to-door sales.

Joint Ventures/Licensing

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Foreign companies wishing to establish or do business in Bermuda have a number of options and must in all circumstances adhere to strict standards and regulations. Businesses are strongly advised to contact a local law firm or accounting firm to assist in this complex process (see www.bermudayp.com for listings).

In order to do business locally, one of the options is to set up a local company which must meet the three requirements of the 60/40 rule whereby Bermudians:

- 1) are the beneficial owners of at least 60 percent of the shares in the company
- 2) exercise at least 60 percent of the total voting rights in the company, and
- 3) make up at least 60 percent of the directors of the company.

Exempt companies are excluded from this 60/40 rule, however, cannot do business in Bermuda unless they receive a special license issued by the Ministry of Finance.

All companies must be vetted by the Bermuda Monetary Authority (www.bma.bm). The Registrar of Companies then issues the certificate of incorporation (www.roc.gov.bm). The incorporation of companies is governed by the Companies Act 1981. In special cases, approval must sought by the Ministry of Finance (www.gov.bm).

Selling to the Government

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The Government of Bermuda may purchase goods and services either directly from the vendor/company or advertise tenders for bid. Tenders for bid usually pertain to skilled or technical assistance which is not present in the local pool. The tenders for bid are advertised locally in the Official Gazette section of the Bermuda Sun.

Distribution and Sales Channels

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Due to the restrictions placed on foreign companies/investors from opening most types of businesses, goods intended for sale to the general public are normally purchased by local wholesalers. The usual business practice is for wholesalers to make purchases directly from their counterparts either in the U.S., Canada, or elsewhere.

Although Bermuda law prohibits direct sales by non-Bermudians, sales representatives are permitted entry on a case-by-case basis upon application for a Salesperson's Permit. This permit allows the user(s) to enter Bermuda multiple times within a certain time period for sales to multiple potential customers. Please note, travel into Bermuda for the purpose of business is closely monitored by Bermuda Immigration and proper documentation (salesperson's permits) must be issued prior to entry into Bermuda. For more information on the Salesperson's Permit please contact the Bermuda Chamber of Commerce at www.bccm.com.

Selling Factors and Techniques

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The Bermudian government follows U.S. and U.K. packaging requirements. Most sales material is expected to be marked in English.

Most local wholesalers directly employ their own teams of salesmen and customer service representatives. In some instances this is also supported by local on-line ordering sites. These activities are also supported by trade promotions and other related events put on by the local wholesaler. (Please view Chapter 9: Contacts, Market Research & Trade Events).

Electronic Commerce

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The Electronic Transactions Act 1999 positioned Bermuda at the forefront of the world in terms of recognizing in legislative terms not only the importance of e-Business, but also the need to establish a proper legal framework within which to conduct it. The Bermuda Government continues to welcome and pursue emergent e-commerce technology, benefiting not only the prosperous business sector but the residents of Bermuda. Bermuda hosts a selection of ISP's, web design companies, computer hardware and software vendors, and a group of certified Internet payment solutions companies. Bermuda has a well developed telecommunications network and transportation facilities that link Bermuda directly with countries around the world. The network comprises four diverse bandwidth routes through fiber optic and satellite networks, quality hosting facilities with maximum security and full redundancy as well as sophisticated telephone, facsimile, satellites services.

For more information on the Electronic Transactions Act 1999 visit Bermuda Laws Online at: www.bermudalaws.bm or contact the Department of Telecommunications at: (441) 292-4595.

Trade Promotion and Advertising

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There are several methods of advertising goods and services in Bermuda. The first is through trade promotion through events such as the Butterfield and Vallis Food Show, the Coldwell Banker Home Show, and the Bermuda Culinary Festival. Please review *Chapter 9: Contacts, Market Research and Trade Events* for a complete listing.

Advertising usually occurs in the local newspapers (Royal Gazette and the Bermuda Sun), on the local radio stations (i.e. ZBM/ZFB, VSB, Hott 107.5), local magazines (i.e. RG Magazine, Bermudian Business), and on-line.

Pricing

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When determining pricing, vendors must consider shipping costs, customs duties/wharfage, fixed costs (rent, staffing, warehousing, utilities), what the competitors are charging, and any charges that the handlers or middlemen (wholesalers) charge.

Sales Service/Customer Support

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One of the benefits of using an Agent/Distributor for your products is to be able to provide convenient sales service/customer support to local consumers. The distributor usually has in depth knowledge of the market and various contacts enabling better penetration of the market.

For more information on sales, service and customer support please contact the Bermuda Chamber of Commerce at: www.bermudacommerce.com or Consumer Affairs at: www.ca.gov.bm .

Protecting Your Intellectual Property

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Bermuda's legal system follows the U.K. model, including the right of appeal to London's Privy Council. As an overseas territory of the United Kingdom, Bermuda is subject to the same treaties to which the U.K. is a party, including those concerning intellectual property rights. (Bermuda cannot enter into treaties on its own unless expressly authorized to do so by the U.K.)

Bermuda provides protection from copyright infringement and taxation on all kinds of intellectual property, including trade secrets, trademarks, designs, ideas, methods of calculation, computer software and artistic works. To facilitate licensing and franchise agreements, there are no regulatory restrictions, export licenses, taxation or customs duties. For more information on protecting your intellectual property in Bermuda please contact the Registry General's Office.

Protecting Your Intellectual Property in Bermuda:

Several general principles are important for effective management of intellectual property ("IP") rights in Bermuda. First, it is important to have an overall strategy to protect your IP. Second, IP is protected differently in Bermuda than in the U.S. Third, rights must be registered and enforced in Bermuda, under local laws. Your U.S. trademark and patent registrations will not protect you in Bermuda. There is no such thing as an "international copyright" that will automatically protect an author's writings throughout the entire world. Protection against unauthorized use in a particular country depends, basically, on the national laws of that country. However, most countries do offer copyright protection to foreign works under certain conditions, and these conditions have been greatly simplified by international copyright treaties and conventions.

Registration of patents and trademarks is on a first-in-time, first-in-right basis, so you should consider applying for trademark and patent protection even before selling your

products or services in the Bermuda market. It is vital that companies understand that intellectual property is primarily a private right and that the US government generally cannot enforce rights for private individuals in Bermuda. It is the responsibility of the rights' holders to register, protect, and enforce their rights where relevant, retaining their own counsel and advisors. Companies may wish to seek advice from local attorneys or IP consultants who are experts in Bermuda law. The U.S. Consulate General can provide a list of local lawyers upon request:

<http://photos.state.gov/libraries/hamilton/19452/pdfs/lawyerslist2010B.pdf>.

While the U.S. Government stands ready to assist, there is little we can do if the rights holders have not taken these fundamental steps necessary to securing and enforcing their IP in a timely fashion. Moreover, in many countries, rights holders who delay enforcing their rights on a mistaken belief that the USG can provide a political resolution to a legal problem may find that their rights have been eroded or abrogated due to legal doctrines such as statutes of limitations, laches, estoppel, or unreasonable delay in prosecuting a law suit. In no instance should U.S. Government advice be seen as a substitute for the obligation of a rights holder to promptly pursue its case.

It is always advisable to conduct due diligence on potential partners. Negotiate from the position of your partner and give your partner clear incentives to honor the contract. A good partner is an important ally in protecting IP rights. Consider carefully, however, whether to permit your partner to register your IP rights on your behalf. Doing so may create a risk that your partner will list itself as the IP owner and fail to transfer the rights should the partnership end. Keep an eye on your cost structure and reduce the margins (and the incentive) of would-be bad actors. Projects and sales in Bermuda require constant attention. Work with legal counsel familiar with Bermuda laws to create a solid contract that includes non-compete clauses, and confidentiality/non-disclosure provisions.

It is also recommended that small and medium-size companies understand the importance of working together with trade associations and organizations to support efforts to protect IP and stop counterfeiting. There are a number of these organizations, both Bermuda or U.S.-based. These include:

- The U.S. Chamber and local American Chambers of Commerce
- National Association of Manufacturers (NAM)
- International Intellectual Property Alliance (IIPA)
- International Trademark Association (INTA)
- The Coalition Against Counterfeiting and Piracy
- International Anti-Counterfeiting Coalition (IACC)
- Pharmaceutical Research and Manufacturers of America (PhRMA)
- Biotechnology Industry Organization (BIO)

IP Resources

A wealth of information on protecting IP is freely available to U.S. rights holders. Some excellent resources for companies regarding intellectual property include the following:

- For information about patent, trademark, or copyright issues -- including enforcement issues in the US and other countries -- call the STOP! Hotline: **1-866-999-HALT** or register at www.StopFakes.gov.
- For more information about registering trademarks and patents (both in the U.S. as well as in foreign countries), contact the US Patent and Trademark Office (USPTO) at: **1-800-786-9199**.
- For more information about registering for copyright protection in the US, contact the US Copyright Office at: **1-202-707-5959**.
- For more information about how to evaluate, protect, and enforce intellectual property rights and how these rights may be important for businesses, a free online training program is available at www.stopfakes.gov.
- For US small and medium-size companies, the Department of Commerce offers a "SME IP Advisory Program" available through the American Bar Association that provides one hour of free IP legal advice for companies with concerns in Brazil, China, Egypt, India, Russia, and . For details and to register, visit: http://www.abanet.org/intlaw/intlproj/iprprogram_consultation.html
- For information on obtaining and enforcing intellectual property rights and market-specific IP Toolkits visit: www.StopFakes.gov This site is linked to the USPTO website for registering trademarks and patents (both in the U.S. as well as in foreign countries), the U.S. Customs & Border Protection website to record registered trademarks and copyrighted works (to assist customs in blocking imports of IP-infringing products) and allows you to register for Webinars on protecting IP.
- The U.S. Commerce Department has positioned IP attachés in key markets around the world. You can get contact information for IP attaché Robert Jones who covers Bermuda at: http://export.gov/eac/intl_staff_list.asp?CPostName=Santo%20Domingo .

Due Diligence

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While there is no local equivalent of a Dunn and Bradstreet in Bermuda, there is a good representation of international and local accounting firms and law firms that can check the bona fides of banks, agents, or customers. Information can also be obtained from the Registrar of Companies or the Bermuda Chamber of Commerce.

Local Professional Services

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For selling retail and wholesale products, local wholesalers would be willing and able to assist you. As in the U.S., most business transactions may be carried out without an attorney. However if you wish to retain local legal counsel please contact the Bermuda Bar Association for its most recent listing. Bermuda has over 100 professional associations, covering many aspects of business. To view these organizations please go to: www.netlinkbermuda.com.

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Bermuda Bar Association: www.bermudabar.org

Business Bermuda: www.businessbermuda.org

Bermuda Chamber of Commerce: www.bermudacommerce.com

Bermuda Government: www.gov.bm

Bermuda Monetary Authority: www.bma.bm

Bermuda On-line: <http://bermuda-online.org/>

Bermuda Small Business Development Corporation: www.bsbdc.bm

Bermuda Yellow Pages: www.bermudayp.com

Ministry of Finance: www.gov.bm

Netlink Bermuda: www.netlinkbermuda.com

Registrar of Companies: www.roc.gov.bm

Registry General: www.registrygeneral.gov.bm

Royal Gazette: www.royalgazette.com

The Bermuda Sun: www.bermudasun.bm

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Chapter 4: Leading Sectors for U.S. Export and Investment

Bermuda's small size dictates that almost everything is imported, however due to the economic decline imports have decreased somewhat from 1.14 billion in 2008 to 1.05 billion in 2009. The United States is by far Bermuda's primary trading partner, providing approximately 68% of imports at an estimated value of \$714 million in 2009. Please find the following information on the leading sectors in Bermuda based on the GDP. Please note, that the currency used in this data is the Bermuda dollar (BDA), which is pegged to the U.S. dollar.

Top Commercial Sectors based on the GDP 2009

1. International business activity
2. Real estate and renting activities
3. Financial intermediation
4. Business activities
5. Wholesale and retail trade and repair services
6. Education, health and social work
7. Public administration
8. Construction and quarrying
9. Transportation and communications
10. Hotels and restaurants

Smaller sectors in brief

11. Other community, social and personal services
12. Electricity, gas and water supply
13. Manufacturing
14. Agriculture and forestry and fishing

I. International Business

Overview

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	2007	2008	2009
Total Market Size 1	4, 689	4, 761	4,431
Total Local Production 2 (BD\$)	2,250,009,895	2,206,177,423	2,099,339,730
Total Exports	n/a	n/a	n/a
Total Imports (est, BD\$)	44,666,514	44,443,371	n/a
Imports from the U.S. (est, BD\$)	33,259,277	33,093,122	n/a

¹ Number of filled jobs

² Calculated at current market prices

³ Not available

The Department of Statistics, Bermuda's national statistical agency, does not recognize the international business sector as a resident industry. While they are domiciled on the island, they are treated as if they are overseas. This practice is in line with similar jurisdictions who are host to large international business sectors. By law, international (exempt) businesses registered in Bermuda are not permitted to sell their products to residents. Regardless of this, they are the largest group of employers, and the largest contributors to GDP growth.

Best Prospects/Services

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Bermuda's International (exempt) business sector excels in insurance, reinsurance, investment holdings, mutual funds, and insurance captives. Contributions to this sector also emanate from the trading operations of security and commodity brokerage, shipping, and consultancy.

Opportunities

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The international business sector contributes an estimated \$1,500 million to the economy annually. This factor makes international business one of the top service industries in Bermuda. The private sector and government have focused the country on using its capital, intellectual resources and creativity to create a major insurance/reinsurance center. This strong market is expected to thrive well into the future.

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Association of Bermuda Insurers & Reinsurers: www.abir.bm

Bermuda Monetary Authority: www.bma.bm

Business Bermuda: www.businessbermuda.org

Ministry of Finance: www.gov.bm

Registrar of Companies: www.roc.gov.bm

II. Real Estate and Rental

Overview

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	2007	2008	2009
Total Market Size ¹	614	625	606
Total Local Production ² (BDA\$)	1,157,102,736	1,272,508,344	1,348,010,455
Total Exports	n/a	n/a	n/a
Total Imports (est, BDA\$)	14,013,942	13,943,932	n/a
Imports from the U.S. (est, BDA\$)	10,434,967	10,382,836	n/a

¹ Number of filled jobs

² Calculated at current market prices

³ Not available

The majority of output in this sector is generated by the real estate activities of both residential and commercial properties owned or leased by government and the private sector. A limited supply in both markets continues to keep rental prices quite high compared to other developed countries. With the average price of a family home being \$1.6 million, agents are selling properties and assisting those attempting to buy. However, the GOB has enacted a law that states that non-Bermudians can only purchase homes from other non-Bermudians. Additionally, Bermudians can only sell homes to other Bermudians. Bermudians can buy from either Bermudians or non-Bermudians. The goal over time in separating the two pools of housing is that non-Bermudian home ownership will decrease.

Best Prospects/Services

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The best prospects currently are in fractional ownership properties (standard hotel structures and condominium complexes), hotel development/management, educational facilities both in the private and public sector, and brokerage of luxury and executive properties.

Opportunities

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The prices of renting and purchasing real estate in Bermuda remain high due to limited supplies, although the demand is down. Rental property prices in the middle to upper markets have dropped somewhat as availability has increased. However, rent in the lower market remains steady. The opportunities in this sector are numerous but are closely monitored by the government due to the lack of developable land.

Resources

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Bermuda Land Development Company
P.O. Box DD 221
St. David's, DD BX Bermuda
Tel:(441) 293-5712 / Fax: (441) 293-5714
Web Site: www.blcdc.com

The Construction Association of Bermuda
P.O. Box HM 238
Hamilton, HM AX
Tel: (441) 292-0633 / Fax: (441) 292-0564
Website: www.constructionbermuda.com

Ministry of Public Works: www.gov.bm

3rd Floor General Post Office Building
56 Church Street, Hamilton HM 12, Phone: (441) 297-7699 / Fax: (441) 295-0170

III. Financial Intermediation

Overview

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	2007	2008	2009
Total Market Size ¹	2, 952	2, 907	2,781
Total Local Production ² (BDA\$)	1,122,661,970	1,230,728,837	929,885,929
Total Exports	n/a	n/a	n/a
Total Imports (est, BDA\$)	74,741,567	81,093,068	n/a
Imports from the U.S. (est, BDA\$)	60,382,972	60,081,313	n/a

¹ Number of filled jobs

² Calculated at current market prices

³ Not available

Bermuda's financial intermediaries - investment funds, trusts, and pension fund administration, collective investment schemes, hedge funds, and banking - are highly respected and usually perform well in the global and local markets. However, the decline in output produced in the international business sector impacted negatively on the financial intermediation sector which dropped by 27.5% in 2009. Smaller bank deposits, lackluster returns on investments and reduced profits resulted in a tough economic year for the local banking industry.

Best Prospects/Services

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The best prospects in the financial intermediation/ management area are all the sectors listed above as well as in the management area.

Opportunities

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This sector reflects the output produced by the local international business sector which remains strong.

Resources

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Bermuda Monetary Authority: www.bma.bm

Business Bermuda: www.businessbermuda.org

Ministry of Finance www.gov.bm

Registrar of Companies: www.roc.gov.bm

IV. Business Services

Overview

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	2007	2008	2009
Total Market Size ¹	4, 187	4, 326	4,197
Total Local Production ² (BDA\$)	692,229,765	753,381,321	728,815,500
Total Exports	n/a	n/a	n/a
Total Imports (est, BDA\$)	29,524,381.9	29,376,885.3	n/a
Imports from the U.S. (est, BDA\$)	21,984,246.0	21,874,418.1	n/a

¹ Number of filled jobs

² Calculated at current market prices

³ Not available

The business services sector provides support to the international businesses in Bermuda. Due to the decline in output produced in the international business sector output in the business services sector slipped by 3% from 2008.

Best Prospects/Services

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This sector includes services such as accounting, legal, management, engineering, architectural and computer services.

Opportunities

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Since business services are closely linked to international business in Bermuda, this sector is expected to continue to remain relatively stable.

Resources

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Bermuda Association of Professional Engineers: www.bape.bm

Bermuda Bar Association: www.bermudabar.org

Bermuda Monetary Authority: www.bma.bm

Bermuda Business Directory: www.netlinkbermuda.com/doingbus.htm

Business Bermuda: www.businessbermuda.org

Certified General Accountants Association of Bermuda: ph: (441) 295-1393

Fax: (441) 239-4011

Institute of Bermuda Architects: www.iba.bm

Institute of Chartered Accountants of Bermuda: www.icab.bm

V. Wholesale, Retail Trade & Repair Services

Overview

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	2007	2008	2009
Total Market Size ¹	4,754	4,766	4,752
Total Local Production ² (BDA\$)	610,005,097	625,912,998	606,604,466
Total Exports	n/a	n/a	n/a
Total Imports (est, BDA\$)	79,834,888	79,436,052	n/a
Imports from the U.S. (est, BDA\$)	59,446,114	59,149,136	n/a

¹ Number of filled jobs

² Calculated at current market prices

³ Not available

The vast majority of products purchased by consumers in Bermuda are imported. The retail trade sector is heavily dependent on resident and visitor spending and is closely correlated to the global economy as a whole. Value added in this sector fell 3.2% in 2009 marking the first such decline since 2005. Repair services however seem to operate on a local need.

Best Prospects/Services

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Wholesale distributors are known for providing retail stores and restaurants with high quality merchandise from both sides of the Atlantic.

Opportunities

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Bermuda must import the majority of goods for public consumption. Opportunities abound to import a wide variety of goods needed: food, clothing, grocery items, restaurant supplies, automobile and motorcycle parts, hardware goods, household appliances and pharmaceuticals, to name a few.

Resources

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Bermuda Chamber of Commerce: www.bermudacommerce.com

Bermuda Yellow Pages: www.bermudayp.com

Registrar of Companies: www.roc.gov.bm

VI. Education, Health & Social Services

Overview

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	2007	2008	2009
Total Market Size ¹	3, 251	3, 279	3,624
Total Local Production ² (BDA\$)	495,491,773	549,722,346	574,897,097
Total Exports	n/a	n/a	n/a
Total Imports (est, BDA\$)	58,103,308	57,813,038	n/a
Imports from the U.S. (est, BDA\$)	43,577,481	43,359,778	n/a

¹ Number of filled jobs

² Calculated at current market prices

³ Not available

This sector was lead by an increased demand for both private and public health services. The sector covers activities in the public and private educational institutions, private health and social agencies.

Health: Bermuda's health care system has a public and a private sector. The Ministry of Health is responsible for health matters in Bermuda. The Ministry is mandated to promote and protect the health and well-being of the island's residents and is charged with assuring the provision of health care services, setting standards, and providing coordination within the health care system. The health care system is financed through a variety of mechanisms. Health services are either paid through an insurer, by a government agency, or by consumers. There is no universal, publicly funded health insurance, although hospitalization insurance is mandatory for all employed or self-employed persons. Both employers and employees contribute an equal share of insurance premiums.

Education: Education is free in public schools and compulsory up to age 16 years. All education in Bermuda, whether at a Bermuda government funded/taxpayer-supported school (a public school) or private school, is administered and controlled by the Bermuda Government's Ministry of Education.

Social rehabilitation/services: Social services in Bermuda fall under the jurisdiction of the Ministry of Youth, Families, Sports and Community Development and are provided by Child and Family Services (provides day care services, care and protection services for children, residential and counseling services for adolescents), and Financial Assistance (assisting recipients in moving from financial dependence to economic independence via training, employment and supportive services). Court Services, falls under the jurisdiction of the Ministry of Justice which provides enhanced programs, services and resources through effective case management, referrals, supervision, monitoring, community partnering, and treatment regimes.

Best Products/Services

Bermuda employs a number of professionals in the fields of education, health care and social services; however it still recruits expatriates from the U.S., Canada, U.K, and other countries to fill various vacancies.

Opportunities

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Supplies and equipment in the health care field must be imported from overseas.

Resources

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Ministry of Youth, Families
Sports & Community Development
2nd Floor F.B. Perry Building
40 Church St.
Hamilton HM 12
Tel: (441) 294-9146
Website: www.gov.bm

Ministry of Education
Dundonald Place, 14 Dundonald Street
Hamilton, HM 09
P.O. Box HM 1185
Hamilton, HM EX
Tel: (441) 278-3300
Fax: (441) 278-3348
Website: www.gov.bm

Ministry of Health
Continental Building
25 Church Street
Hamilton, HM 12
P.O. Box HM 380
Hamilton, HM BX
Tel: (441) 278-4900
Fax: (441) 292-2622
Website: www.gov.bm

Ministry of Justice
Milner Place
32 Victoria Street
Hamilton HM 12
(441) 292-2463
www.gov.bm

VII. Public Administration

Overview

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	2007	2008	2009
Total Market Size ¹	4, 113	4, 223	4,318
Total Local Production ² (BDA\$)	457,486,387	511,861,069	523,972,863
Total Exports	n/a	n/a	n/a
Total Imports (est, BDA\$)	166,306,199	165,475,374	n/a
Imports from the U.S. (est, BDA\$)	123,833,798	123,215,155	n/a

¹ Number of filled jobs

² Calculated at current market prices

³ Not available

The Bermuda Government is Bermuda's largest single employer, spender and revenue earner. 47 paid legislators represent an estimated 38,500 registered voters, a ratio of legislators to voters more than twelve times higher than the average equivalent in virtually any other country. In excess of 13 percent of the entire workforce is working directly or indirectly for the GOB. In 2009, the Bermuda Government workforce - excluding the Government-owned quangos (quasi NGO) - exceeded 5,815 - in less than 21 square miles. In February 2010, the Royal Gazette reported that the GOB spent approximately 30 million on 130 consultants in 2008/09 between 3 ministries.

Best Products/Services

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Tenders for bid, such as construction projects, and Government consultants/advisors, although the latter might be closely scrutinized.

Opportunities

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Although work permit issues restrict who may work directly for the Government of Bermuda, the GOB hires consultants and advisors for various projects in a multitude of sectors. There are also opportunities for investors to apply for tenders to bid. These are posted in the Bermuda Sun (the Official Gazette).

Resources

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Bermuda Sun www.bermudasun.bm
 Government of Bermuda www.gov.bm
 Royal Gazette www.royalgazette.com

VIII. Construction, Mining & Quarrying

Overview

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	2007	2008	2009
Total Market Size ¹	3, 544	3, 649	3,488
Total Local Production ² (BDA\$)	629,666,165	732,612,002	612,436,619
Total Exports	n/a	n/a	n/a
Total Imports (est, BDA\$)	91,079,690	90,624,678	n/a
Imports from the U.S. (est, BDA\$)	67,819,143	67,480,335	n/a

¹ Number of filled jobs

² Calculated at current market prices

³ Not available

Bermuda's construction industry has slowed considerably since 2009. The value of new construction projects started in 2009 totaled \$195.8 million, which was 38% below 2008 levels. Hotel developments, commercial properties, and large scale housing projects have diminished across the island resulting in many third country national construction workers being laid off. Although there is some local limestone quarrying in Bermuda used primarily for roofing, it does not factor greatly into the GDP. Mining, either land based or offshore, is currently non-existent.

Best Prospects/Services

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Best prospects in the construction sector lie in the development of hotels, affordable housing, educational facilities (private and public sector), and mixed residential/commercial properties. U.S. businesses can export construction materials directly into Bermuda without needing to go through a wholesaler. Businesses should contact local construction firms or the Bermuda Construction Association for any opportunities.

Opportunities

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The Government does provide stimulus to this sector with projects such as the new King Edward Memorial Hospital, national swim complex and affordable housing complexes. Currently the Tynes Bay Waste Treatment Facility expansion is on hold.

Resources

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Bermuda Land Development Company
P.O. Box DD 221
St. David's, DD BX Bermuda
Tel: (441) 293-5712
Fax: (441) 293-5714
Web Site: <http://www.blfdc.com>

Bermuda Construction Association
P.O. Box M 328
Hamilton, HM AX
Tel: (441) 292-0633
Fax: (441) 292-0564
Website: www.constructionbermuda.com

IX. Transport & Communications

Overview

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	2007	2008	2009
Total Market Size ¹	2, 756	2, 602	2,471
Total Local Production ² (BDA\$)	529,346,465	519,034,274	498,415,028
Total Exports	n/a	n/a	n/a
Total Imports (est, BDA\$)	77,154,442	76,768,997	n/a
Imports from the U.S. (est, BDA\$)	57,450,219	57,163,212	n/a

¹ Number of filled jobs

² Calculated at current market prices

³ Not available

Transportation: The Ministry of Transportation is responsible for the administration of the Departments of Civil Aviation, Airport Operations, Marine & Ports Services, Maritime Administration, Transport Control Department and the Public Transportation Board. The transportation sector was hit hard by the increased cost of fuel yet tried to maintain reasonable rates to retain customers. The Bermuda aircraft registry remains steady with more than 500 aircraft currently on its registry. The aircraft are registered by foreign nationals but are not allowed to operate in Bermuda in the transportation of residents or visitors. Most are new, sophisticated and technically advanced corporate jets, owned by very high net worth individuals.

(Tele) communications: The Department of Telecommunications oversaw the introduction of competition to Bermuda's telecommunications industry, making this one of the world's first small countries to break the stranglehold of monopolies on long distance and local telecommunications. As a result of the government's action, the cost of long-distance calls has been reduced. Bermuda's internal telephone system is 100% digital, with fiber optic trunk lines. The overseas links are fiber optic cables, and there is considerable redundancy built into the system to negate the effect of faults. Postal services fall under the jurisdiction of the GOB, while most well known courier services are already represented here (DHL, Federal Express, UPS, IBC, ZipX).

Best Products/Services

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Although Bermuda is relatively small in size, transportation and communication services are crucial due to its physical isolation. Products and services required are: aircraft, buses, ferries, motor vehicles, postal and courier services, and telecommunication equipment.

Opportunities

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Projects open to investors in the transportation sector are mostly sales of equipment, vehicles, and ferries. The communications sector is very competitive and open for bidding.

Resources

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Ministry of the Environment, Planning & Infrastructure Strategy
(Department of Telecommunications)

F.B. Perry Building
2nd Floor, 40 Church Street
Hamilton, HM 12
Tel : (441) 297-7590 / Fax (441) 292-2349
www.gov.bm

Ministry of Transportation

Global House
43 Church Street
Hamilton HM 12
Ph: (441) 295-3130 / Fax: (441) 295-1013
www.gov.bm

Department of Communication & Information

Global House
43 Church Street
Hamilton HM 12
Ph: (441) 292-5998 / Fax: (441) 295-5267
www.gov.bm

X. Hotels and Restaurants

Overview

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	2007	2008	2009
Total Market Size ¹	4, 810	4, 869	4,674
Total Local Production ² (BDA\$)	565,312,730	565,381,730	465,752,465
Total Exports	n/a	n/a	n/a
Total Imports (est, BDA\$)	341,228,169	339,523,476	n/a
Imports from the U.S. (est, BDA\$)	254,083,012	252,813,676	n/a

¹ Number of filled jobs

² Calculated at current market prices

³ Not available

Hotels: Hotel occupancy rates averaged increased 3%, averaging out to 54% for the year up from 51.5 % in 2009. When combined with the increased cost of business, hotels experienced a \$64.6 million fall in value added from 2008. Major hotels experienced the highest rate of occupancy in 2009 at 54.8%, smaller hotels at 48.2% and cottage colonies at 37.6%. However, fueled by a productive cruise season, total visitor arrivals to Bermuda in 2009 were up by nearly 1% for the year. American air passengers make up nearly three-quarters of all tourists visiting Bermuda.

Restaurants: Bermuda's population usually enjoys eating out year round, although the general economic downturn impacted negatively on the operational activity of restaurants and bars as sales fell 9% and experienced a \$21.5 million loss in output during 2009. The United States is the island's leading trading partner, accounting for approximately 75% of all food imports.

Best Prospects/Services

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Best prospects currently lie in the development/construction of hotels, resorts and restaurants; provision of construction and hotel equipment and materials; and the export of food and restaurant equipment to establishments.

Opportunities

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Currently there are several large hotel/resort projects proposed but due to the current economic situation they have yet to move forward.

Resources

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Bermuda Chamber of Commerce: www.bermudacommerce.com

Bermuda Department of Tourism: www.bermudatourism.com/index.aspx

Bermuda Hotel Association: www.experiencebermuda.com

XI. Smaller Sectors In Brief

I. Other Community, Social & personal services

Overview

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Other community, social and personal services contribute to approximately 2.1 % of the total GDP. These services include:

- Sewage and refuse disposal; sanitation and similar activities
- Activities of membership organizations (i.e. fundraising)
- Recreational, cultural and sporting activities (i.e. PGA golf tournament, Bermuda Musical Festival, Bermuda Festival of the Arts, recreational water activities)
- Private households with employed persons (i.e. nannies, private nurses, gardeners, maids etc.)
- Other service activities

Sewage/refuse and cultural/sporting activities usually fall under the administration of the Bermuda Government. Other investments in this sector would require a tender to bid, work permit, or other documentation.

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Government of Bermuda: www.gov.bm

Listing of organizations: www.bermuda-online.org/businessorgs.htm

II. Electricity, Gas & Water Supply

Overview

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Electricity: The majority of electricity in Bermuda is produced by BELCO (Bermuda Electric Light Company Limited) from imported oil and is very expensive compared to U.S., Canada, United Kingdom and Europe. BELCO is a government-legislated monopoly and is a local commercial joint stock company of which a majority is owned by Bermudian shareholders. The Tynes Bay Waste Treatment facility provides some electricity to the island by incinerating local garbage and converting this product into electricity which it sells back to BELCO. In 2009/2010, the Government of Bermuda reduced, in some cases to zero, the customs tariff duty on certain renewable energy/energy efficient technologies brought into Bermuda and the use of solar energy is slowly growing. Currently, solar, wave and wind technologies are being looked into as potential alternative sources of energy in Bermuda. The GOB continues to develop “green” energy policies and incentives for investors to promote “green” technology on the island.

Gas: The only two retailers allowed to offer gasoline and oil in Bermuda are U.S.A.-owned ExxonMobil (trading in Bermuda as Esso) and the British-Dutch Shell Oil Company. There is no competition between Esso and Shell. The Bermuda Government sets the price per liter of petroleum products.

There are two local companies that provide Bermuda with household gas (propane only): Bermuda Gas, which purchases its propane from Shell, and Sunshine Gas. Bermuda Gas (Belco Holdings) is publicly owned and investors can purchase stock through the Bermuda Stock Exchange (BSX), however some stipulations still apply in terms of the 60/40 ownership rule. Bermuda Bulk Gases and Pure Air Gases supply medical and industrial gas, which is purchased directly from the United States.

Water: Bermuda has a very unique water supply system, where much of the water is collected on roofs and stored in tanks under the buildings. To supplement rain water, consumers can purchase water from truckers. Water truckers buy it from one of the Bermuda Government reservoirs or Bermuda Government-owned sea water distillation or reverse osmosis plants. Imported bottled water is very much in demand. It comes from - alphabetically - the Azores, Belgium, Canada, France, Iceland, Italy, United Kingdom and the U.S.A. In 2009, stores imported approximately \$3.0 million worth of bottled water with approximately 1/2 coming from the U.S.

Resources

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Bermuda Gas: www.bermudagas.bm

Bermuda water dealers: www.bermudayp.com

Bermuda Stock Exchange: www.bsx.com

Ministry of Transport, Ministry of Public Works, Department of Energy: www.gov.bm

III. Manufacturing

Overview

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Manufacturing in Bermuda makes up a small portion of the GDP. Goods are locally produced, but often use raw materials imported from overseas. Exporting goods needed to supply this sector may be of interest to U.S. business people. The dollar amount of exported products is not mentioned in the 2009 statistics for Bermuda.

Products produced include:

- food and beverage products (i.e. Barritts beverages, Goslings rum, Gombey Pepper Jam)
- textiles and upholstery (i.e. residential, commercial, auto, marine)
- carpentry and wood products
- publishing & printing
- paints (i.e. Bermuda Paint Co. only)
- perfumes (i.e. Bermuda Perfumery only)
- metal work (ornamental and decorative)
- dairy farming – (Dunkley's Dairy only)
- jewelry design

The carpentry, wood, jewelry, and clothing products produced in Bermuda would be considered a 'cottage industry' (home based vs. factory based) by industry standards.

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Bermuda Yellow Pages: www.bermudayp.com
Chamber of Commerce: www.bermudacommerce.com

IV. Agriculture, Forestry and Fishing

Overview

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A tiny quantity of agriculture, forestry, and fishing activities occurs locally in Bermuda. While there is not an opportunity to invest directly in this sector, many products must be imported onto the island. Landscaping is the largest component within the agriculture, forestry and fishing industry, with nearly 600 people (almost one percent of the population) employed as gardeners in 2009.

Agriculture: Agriculture does not play a significant role in Bermuda's economy. Only a very small area of land is under cultivation. Food supplies are mostly imported from the U.S. and Canada, and dairy products and goods from a variety of countries including the U.S., Canada, United Kingdom, Republic of Ireland and New Zealand. However, Bermudian farmers do provide eggs, bananas, grapefruit, and oranges, plus other fruits and vegetables, and milk. When certain locally grown fruits and vegetables are in season (and premium priced), temporary embargoes are placed on the importation of competing produce from abroad to allow the farmers to make a decent livelihood. There is also some cultivation of flowers for the local market. Many indoor and outdoor plants are imported into Bermuda for resale by the local nurseries; however, tight restrictions are mandated by the Department of Environmental Protection to control/prevent the importation of harmful pests and diseases.

Forestry: There is little forestry in Bermuda. Any cultivation of trees is closely regulated by the Ministry of the Environment under the 1986 Bermuda National Parks Act and the 1988 Bermuda National Parks Regulations. Most wood and lumber products are imported from the U.S. and Canada (i.e. Christmas trees).

Fisheries: Bermuda's fisheries' contribution to the GDP is made up of what local fishermen sell to the public, local restaurants, grocery stores; and international fishing tournaments. Fish and seafood are also imported for consumer consumption through local wholesalers. For more information on fishing restrictions and how to obtain fishing licenses please contact the Department of Environmental Protection in the Ministry of the Environment, Planning and Infrastructure Strategy at www.gov.bm.

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Ministry of the Environment, Planning & Infrastructure Strategy: www.gov.bm
Ministry of Public Works: www.gov.bm
Department of Environmental Protection: www.gov.bm

Chapter 5: Trade Regulations, Customs and Standards

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- [Trade Barriers](#)
- [Import Requirements and Documentation](#)
- [U.S. Export Controls](#)
- [Temporary Entry](#)
- [Labeling and Marking Requirements](#)
- [Prohibited and Restricted Imports](#)
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Import Tariffs

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Bermuda has adopted the International Harmonized System 2007 as the basis for its Customs Tariff which consists of a list of special codes for every type of imported product; it provides Customs Officers the rate of customs or import duty on the item. The Simplified Customs Tariff (SCT) is included within the main Customs Tariff document and applies to some imported goods and helps to simplify the declarations process. H.M. Customs – Bermuda is responsible for the collection of import tariffs, which make up approximately 25% of the Bermuda Government's revenue. Customs officers work throughout Bermuda at the official ports of Hamilton, St. George, Oil Docks, Bermuda International Airport, and Ireland Island, also known as Dockyard, carrying out various tasks related to the enforcement of Bermuda's laws.

The Department's main office is located in Hamilton where officers are involved in processing Bermuda Customs Declarations for arriving air and ocean freight and control the movement of passengers and cargo. Bermuda Customs also has a number of specialist teams who work jointly with the Bermuda Police Service in combating the cross-border movement of illicit drugs, contraband, and the proceeds of crime.

Bermuda has adopted the WTO Valuation rules (GATT) as the basis for valuing imported goods for duty purposes. Customs duty is normally calculated on an ad valorem basis, generally on the transaction value of imported goods. The most common rate is 22.25%, although most food items have a lower rate of 5%. Customs duty relief is available for materials used in local manufacturing. Certain 'luxury' items such as boats and cars, incur duty at much higher rates. The most common rate for accompanied personal goods of persons arriving in Bermuda by air or sea is currently 25% of the transaction value. Each resident receives a \$100 'duty free' baggage allowance on each trip abroad. Visitors are entitled to a \$30.00 gift allowance once every 31 days. There are also allowances available to visitors and residents on alcohol and tobacco- every passenger may claim 1 liter of wine, 1 liter of spirits, 200 cigarettes, 50 cigars, ½ kg of tobacco duty free per arrival. In 2010, GOB reduced the import duty on energy efficient goods and goods for use in harnessing power from renewable energy resources.

Trade Barriers

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There are currently no specific trade barriers between the United States and Bermuda.

Import Requirements and Documentation

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All articles being imported or exported are subject to inspection by customs and/or the relevant statutory authority (e.g. the Police or other government departments).

Every traveler arriving in Bermuda must complete a Customs Traveller Declaration form. Returning residents must declare all goods and are allowed up to \$100 BDA duty free allowance. Visitors must also declare all goods, and are entitled to a \$30 duty free allowance every 30 days. Duty is payable on any imported goods not covered by a duty free allowance.

Travelers must declare the value of imported goods in Bermuda dollars. Exchange rate information for currencies other than the U.S.D. is available from HM Customs. For visitors, the U.S. dollar may be used to purchase goods and services and is at par with the Bermuda dollar.

The Customs Traveller Declaration is not intended for use to declare goods for resale, commercial samples, or goods bought on commission or as an accommodation for any other person. Travelers importing such goods should ask a customs officer for a Bermuda Commercial Declaration Form (BCD).

All animals arriving in Bermuda must be accompanied by an Import Permit issued in advance by the Department of Environmental Protection - www.gov.bm.

U.S. Export Controls

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The U.S. Departments of State, Commerce, Homeland Security, Treasury, Defense, and Energy each play a critical role in export control and nonproliferation activities both within the United States and outside its borders. The U.S. Export Administration Regulations (www.gpo.gov/bis/ear/ear_data.html) provides important information to exporters.

Temporary Entry

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Some goods may be imported on a temporary basis without the payment of customs duty. Goods imported for short periods of time (e.g. tools of trade) must have a monetary security (customs deposit) placed with customs prior to being released by customs. This security/deposit amount can be recovered in full, less the wharfage fee, currently 1.01% for airport arrivals and 1.11% for Hamilton dock arrivals, by proper adjustment of the deposit with customs. The adjustment and refund timeframe is 30 working days. Some restrictions apply and proper export procedures MUST be followed to obtain a refund of the deposit. Any goods which remain in Bermuda are subject to import duty at the appropriate rate. Where goods are sold or otherwise disposed of without authorization from the Collector of Customs, they become liable to forfeiture and the importer is liable for a monetary penalty of up to \$12,000 BDA.

Labeling and Marking Requirements

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Bermuda follows the same labeling and marking requirements as the U.S. and the U.K. The foreign food labels must be applied prior to import into Bermuda. The Public Health Act makes provisions for the regulation and enforcement of food labeling legislation.

Bermuda has no food labeling legislation for locally produced or manufactured goods. The Department of Health and the Department of Consumer Affairs are in the process of documenting legislation for locally produced products. To date local producers have been operating under a voluntary agreement of understanding by putting the minimum information on the labels such as:

- Name of product
- Name of manufacturer or distributor
- Address and contact number of manufacturer or distributor
- List of all ingredients in descending order of quantity
- Additives- natural or artificial
- Net quantity of the food (by weight if solid, by volume if liquid)

No person shall import into Bermuda any food:

- a) which has been manufactured or prepared under unsanitary conditions; or
- b) which has been adulterated; or
- c) which is not permitted to be sold, or whose sale is restricted in the country from which it is exported.

Prohibited and Restricted Imports

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HM Customs lists the following items as prohibited or restricted from being imported or exported from Bermuda:

- Animals – live, prohibited, endangered species
- Arms, ammunitions, explosives – armaments and weapons of war, explosive substances and fireworks, firearms, weapons
- Building sand, crushed rock, gravel, peat and synthetic potting media
- Controlled chemicals
- Foodstuffs – embargoed produce, fish, lobster, meat, milk
- Fumigating substances – restricted to licensed fumigators
- Gaming machines
- Historic articles (relating to Bermuda) – this is an export restriction
- Lottery advertisements and material – foreign lotteries are banned
- Motorcycles
- Motor vehicles
- Obscene publications
- Organotin or tributyltin anti-fouling paint
- Petroleum – restriction on storage only
- Plants, plant material, fruits and vegetables (living or dead, including seeds)
- Pesticides
- Prescription drugs
- Prohibited publications
- Seditious publications

- Soil
- VHF radios, radar and CB radios – license required to operate

Permission to import or export these items must be sought from the appropriate Ministry. i.e. soil – Ministry of Environment, Planning & Infrastructure. www.gov.bm

Customs Regulations and Contact Information

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For information on customs regulations please review the sections on Import Tariffs and Import Requirements and Documentation.

For more information please contact:

H.M. CUSTOMS

P.O. Box 2084

Custom House

40 Front Street

Hamilton HM HX

Bermuda

Telephone: (441) 295-4816

Fax: (441) 295-5392

Email: customs@gov.bm

Webpage: www.gov.bm

Standards

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Overview

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Although there are no official trade standards organizations in Bermuda at this time, the Department of Consumer Affairs currently oversees product standards. Standards are based upon the country of origins standards (i.e. U.K., U.S., Canada) and the U.S. Consumer Products Safety Commission (CPSC) regulations. Existing standards can be found on-line on the Bermuda Laws website www.bermudalaws.bm under the Consumer Protection Act 1999 and the Sales of Goods Act 1978. The Consumer Affairs office in Bermuda can answer any questions about standards in Bermuda. www.ca.gov.bm .

Standards Organizations

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For any question regarding standards in Bermuda please contact the Consumer Affairs office.

Consumer Affairs

2nd Floor, Ingham & Wilkinson Building

129 Front Street

Hamilton, HM 12

Bermuda

Phone: (441) 297-7627

Fax: (441) 295-6892 Website: www.ca.gov.bm

National Institute of Standards and Technology (NIST) Notify U.S. Service

Bermuda, as an overseas territory of the U.K., is not a member of the WTO. Member countries of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to report to the WTO all proposed technical regulations that could affect trade with other Member countries. Notify U.S. is a free, web-based e-mail subscription service that offers an opportunity to review and comment on proposed foreign technical regulations that can affect your access to international markets. Register online at Internet URL: <http://www.nist.gov/notifyus/>

Trade Agreements

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The WTO (World Trade Organization) Agreement does not apply to Bermuda as it is a British Overseas Territory. Bermuda has adopted the 2007 International Harmonized System 2007 as the basis for its Customs Tariff and the WTO Valuation rules (GATT) as the basis for the valuation of imported goods for duty purposes. Bermuda has been a member of the World Customs Organization since 1990. [Bermuda is, however, an associate member of Caricom (Caribbean Community).]

Web Resources

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Bermuda Laws Online: www.bermudalaws.bm

Consumer Affairs: www.ca.gov.bm

Importing animals into Bermuda: Department of Environmental Protection phone: (441) 236-4201 or e-mail: animals@gov.bm or website: www.gov.bm

U.S. Export Administration Regulations: (www.gpo.gov/bis/ear/ear_data.html)

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Chapter 6: Investment Climate

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Overview of Foreign Investment Climate

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Bermuda is a small group of islands, totaling approximately 21 square miles in size. This fact is never far from the conscious thought of the people who live on the islands. Bermudians are particularly sensitive to the concepts of retaining the land for the citizens of Bermuda, ensuring that Bermudians have preference with regards to employment, and that the assets of Bermuda benefit Bermudians.

Bermuda, an Overseas Territory of the United Kingdom, is a sophisticated and international entity. It is sophisticated in that its regulatory and legal systems adhere to high ethical and current standards and have their history grounded in UK law. Since 1684, the Crown has appointed a Governor who is responsible for external affairs, defense, and internal security. In other matters, he or she acts on the advice of the cabinet. Bermuda has its own written constitution, giving its elected cabinet government almost complete self-determination in conducting local affairs and Bermuda enacts its own legislation.

Bermuda is a major industry center for the world insurance and reinsurance market. With a Bermudian population of approximately 50,000 and an expatriate presence of roughly 15,000, Bermuda can be somewhat insular. This manifests itself in all facets of life: social, political and business. Most Bermudians are either related, know one another or at a minimum know someone who knows another.

The Government of Bermuda (GOB) welcomes foreign direct investment and continually seeks to develop innovative new financial services and products that manage risk and

facilitate the efficient flow of capital. Incorporating a company in Bermuda is a relatively straightforward, well regulated and efficient process.

Bermuda has a stable economy, democratic government, low personal and corporate taxes, close proximity to the United States with extensive air and communication networks, a good pool of skilled professionals, and its dollar is pegged to the U.S. dollar.

According to the Department of Statistics, the top five investment sectors in Bermuda are international business, financial intermediation, real estate and rental activities, business activities, and wholesale, retail trade and repair services. In 2010, 15,078 international companies were registered on the island, a decline of 314 companies or 2.0% less than the total at the end of 2009. In total, 743 new exempted companies were incorporated in 2010 compared to 711 in 2009 – representing an increase of 4.3%. The worldwide economic slump has slowed the pace of new companies coming to Bermuda.

The Companies Act 1981 and subsequent Company Amendment Acts predominantly affect foreign investment through acquisitions, mergers, takeovers, greenfield investments and the incorporation of companies.

Foreign investors should be aware of the 60/40 rule when doing business in Bermuda. To be classified as a “local company,” where one is able to conduct business with the local population, a company must meet the three requirements of the 60/40 rule whereby Bermudians: 1) are the beneficial owners of at least 60 percent of the shares in the company, 2) exercise at least 60 percent of the total voting rights in the company, and 3) make up at least 60 percent of the directors of the company.

Many insurance and reinsurance companies opt to become exempt companies. An exempt company is one that is incorporated by non-Bermudians and domiciled in Bermuda but is exempt from the 60/40 rule. Exempt companies may be 100% owned by non-Bermudians. The term “exempt” has nothing to do with the concept of taxation, only ownership. The tax system for both local and exempt companies is the same. Nor does the terminology imply that the companies are subject to any less supervision, regulatory oversight, or fiscal rules than are local companies. In general, exempt companies are precluded from doing business with other companies in Bermuda and may not own real property in Bermuda (with a few exceptions created by individual acts of the legislature). However, exempt companies may deal with other locally-based exempt companies without restriction and may buy their locally-needed necessities or services from local companies. Examples are the accounting, banking, legal, management and office supply services the exempt companies buy locally.

Overseas and resident investors may form partnerships under the Investment Business Act 2003. An overseas partnership is one that is governed by non-Bermudian law. Exempt partnerships and overseas partnerships must maintain an office and place of business in Bermuda and must appoint and maintain resident representatives on the island. These companies may also have places of business in Bermuda, as well as any other jurisdictions they desire.

The ownership distinction between local and exempt companies may be starting to narrow. Companies with ownership of more than 40 percent by non-Bermudians wishing to carry on business in Bermuda may apply on a case-by-case basis to the Ministry of Finance for a license pursuant to the exemption provisions under 114B of the

Companies Act. Many hotels and telecommunications companies fall into this category. In recent years, the Ministry of Finance removed the 60/40 ownership restrictions as they apply to three of the island's four banks. A factor contributing to the decision to grant those waivers may have been Bermuda's desire to be in compliance with Organization for Economic Cooperation and Development (OECD) guidelines that seek to eliminate separate regulatory regimes for local and international companies. There is some indication that the insurance industry and financial services sector may also enjoy some liberalization in this regard in the future.

Bermuda scrutinizes who it will permit to engage in business in its country, and the vetting process undertaken in incorporating a business is straightforward, well regulated and efficient. The Bermuda Monetary Authority (BMA) is the integrated regulator of the financial services sector in Bermuda and screens all potential foreign investments. Depending on the type of business being established, the Ministry of Finance, Registrar of Companies and/or the Tax Commissioner's Office may also become involved in the process. Because Bermuda seeks to distance itself from offshore jurisdictions that are considered tax or money laundering havens, the BMA has a list of criteria that companies must meet. At a minimum, the BMA requires: a copy of the company's most recent financial statements, a detailed business plan, the Memorandum and Articles of Association, equivalent documentation for non-incorporated bodies, copies of client agreements used or intended to be used for the business, personal questionnaires completed by all proposed institutional and/or individual controllers of the entity, a description of the group structure, an up-to-date chart for licensed institutions forming part of wider groups and a check for the application fee. By maintaining this standard, the BMA acts as the regulator for company incorporation. In October 2009, the BMA launched an automated e-filing and e-approval system for corporate registrations. The system enhances the existing process by improving the speed of processing applications, while maintaining the integrity of its application review procedures. Company incorporation may take as little as four weeks.

The BMA provides continuing supervision and regulation of all investment providers, which are required to submit regularly financial documentation and other information about their business. If this criterion has not been met or if there has been a failure to comply, then the BMA has the right to restrict or revoke the company's license. The BMA will notify the company, which then must initiate corrective action with the BMA within a period of 14 days. Under the Investment Business Act, the BMA may take several disciplinary actions: public censure, issuance of warning/ discontinuance notices, and, if required, winding up or dissolution of the company.

An investment provider that is aggrieved by a decision of the BMA may appeal the decision to a tribunal constituted in accordance with the Investment Business Act 2003, section 34. Bermuda's legal system, which has been in force since 1612, is based on English common law, and principles of equity as well as English statute law and the judicial system uphold the sanctity of contracts. Three courts preside in Bermuda: the Magistrates Courts, the Supreme Court and the Court of Appeal. The court of last resort in Bermuda's legal system is the Privy Council in London.

Generally, there is no discrimination against foreign investors at the time of the initial investment or after the investment is made. Bermuda does not have many privatization programs; however, foreign investors are generally not treated differently than local investors in nationalized projects. Interested parties are able to become involved once

the project has been put up for tender in the Bermuda Sun (Official Gazette) where all relevant information is given. The Ministry of Public Works places its contract tendering system on its homepage for potential bidders to view. In 2009, the Bermuda Hospitals Board announced that it would adhere to Public-Private Partnership (PPP) Standards during the bidding process for redeveloping Bermuda's hospital.

Most franchises are generally not welcome in Bermuda; therefore, the GOB must give investors special permission to establish a franchise on the island. Franchise hotels are, however, an exception to this rule.

The outlook for the international business sector and financial services sectors remains strong. Although there has been some concern about the impact that proposed U.S. tax laws could have on Bermuda, for now this market remains open to potential investors.

Conversion and Transfer Policies

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The U.S. dollar is used and accepted in Bermuda side-by-side with the Bermuda dollar, which trades at par with the U.S. dollar. Both currencies are freely interchangeable and transferable without restriction; however, the BMA administers the Exchange Control Act 1972 (and regulations made there under) that states that no capital or exchange controls apply to non-residents or to the various forms of offshore entities (exempt or permit companies or partnerships), which are free to import and export funds in all currencies with a \$50,000 transfer limit. The BMA reviews all transfers on a case-by-case basis. No taxes apply to such transfers, and there is no withholding tax on interest, dividend or royalty payments. In practice, government consent is not required for Bermudians to hold foreign currency and assets. The regulations ensure the maintenance of local ownership and make sure that people coming in from other countries have been vetted and found credible and not at variance with world standards governing financial flows. In 2010, Bermuda passed the Foreign Currency Purchase Tax Amendment Act, legislation that doubled the foreign currency purchase tax from 0.5% to 1.0%. Businesses will now have to pay more tax on goods bought overseas and imported into Bermuda.

The BMA performs inspections prior to granting specific exchange control permission for the issue and transfer of registered securities in Bermudian companies to persons deemed non-resident for exchange control purposes. Additionally, the BMA must approve the issuance and transfer of securities of local and exempt companies unless listed on a stock exchange.

In December 2009, Bermuda passed The Proceeds of Crime (Anti-Money Laundering and Anti-Terrorist Financing) Amendment Regulations 2009 authorizing the BMA to oversee wire transfers. The regulations came into effect on January 13, 2010. The legislation requires financial institutions to verify the accuracy and completeness of the information on the payer/originator before transferring funds, require financial institutions to retain for a period of five years complete records on the payor/originator of the fund transfer, require financial institutions receiving wire transfers to maintain effective procedures to detect whether complete information on the payor/originator is received with the wire transfer and specify how the receiving institution should treat transfers with missing or incomplete information.

Generally, there are no major delays for remitting investment returns unless the entity needs approval from the BMA, which usually takes less than 60 days.

In March 2009, Bermuda updated the Revenue Act 1898 to strengthen the requirements relating to cross border transportation of currency and monetary instruments. The threshold for reporting is \$10,000. Mandatory declaration forms are used for all incoming passengers (regardless of point of embarkation) and for outgoing passengers to the U.S. For outgoing passengers to Canada and the U.K. there is a disclosure system in place.

Expropriation and Compensation

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Generally, there is no history or allowance for expropriation without just compensation in Bermuda, nor have there been any expropriatory acts towards U.S. investors in Bermuda. Expropriation is regulated by the Housing Loan Insurance (Mortgage) Regulations 1984 and the Municipalities Act 1923.

Dispute Settlement

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The Bermuda Monetary Authority is the primary entity involved in handling investment disputes in Bermuda. In relation to the large amount of investment business in Bermuda, dispute resolution is seldom required.

As an Overseas Territory of the United Kingdom, Bermuda's courts and legal system are based on the English legal system and are effective at enforcing property and contractual rights. The rules of practice and procedure are very similar to those of England and there is no government/authority interference in the court system. Bermuda has a lower court, Magistrates Court, and an upper court, the Supreme Court both of which could be involved in dispute settlement. There is an appellate court, the Court of Appeal, which is in session only at certain times of the year. There is also a procedure for appeals to the Privy Council of England and Wales. In addition, Bermuda has arbitration legislation, which may be invoked in certain circumstances.

With respect to international disputes, Bermuda enacted the Bermuda International Conciliation and Arbitration Act in 1993. In doing so, it adopted an internationally recognized arbitration code, the UN Commission on International Trade Law (UNCITRAL) model law of arbitration. The United Kingdom extended the 1958 UN Convention on the Recognition and Enforcement of Foreign Arbitral Awards ("The New York Convention") to Bermuda in 1979, and Bermuda became a party in 1980. The result is that arbitration awards from other countries including the United States are readily enforceable in Bermuda, and vice versa. The Convention is attached as Schedule 3 to the 1993 Arbitration Act. Bermuda has not entered any reservations regarding its ratification of the New York Convention. The United Kingdom has also ratified and extended to Bermuda the Washington Convention on the Settlement of Investment Disputes between States and Nationals of other States (1965) ("ICSID Convention"), although Bermuda is not a party to any bilateral or multilateral investment treaties.

It is the current unwritten policy of the Ministry of Economy, Trade and Industry that arbitrators and foreign counsel travelling to Bermuda for the purposes of arbitration do not need work permits. The Department of Immigration does require advance notice of the presence of such individuals in the jurisdiction for the purpose of the arbitration.

Commercial arbitration in Bermuda has been directly linked with the growth of international companies, in particular insurance and reinsurance companies. Arbitration clauses can be found in many insurance and reinsurance contracts. Often, these contracts name Bermuda as the arbitral seat, although they sometimes provide for arbitration in other locations, including in London under New York substantive law (the so-called “Bermuda form”). Providing for arbitration in Bermuda pursuant to Bermudian substantive and procedural law is becoming increasingly popular in lieu of “Bermuda form” arbitration clauses.

Bermuda has a bankruptcy law – the Bankruptcy Act 1989. The Supreme Court (a first instance court of unlimited jurisdiction) administers the winding up of companies. In Bermuda, the Companies Act 1981 and the Companies (Winding Up) Rules 1982 govern the winding-up of companies. Foreign money judgments can be enforced under Bermudian law either under statute or common law, depending upon the country in which the original judgment was obtained. Under the Judgments Reciprocal Enforcement Act 1958 (JRE), Bermudian courts will recognize and enforce foreign money judgments as if they had been originally obtained in Bermuda. The JRE follows the same procedure as the Foreign Judgments (Reciprocal Enforcement) Act (1933) of the United Kingdom. A foreign creditor may apply for the bankruptcy of an individual or for the winding-up of a company provided the creditor follows the procedures set out in the Bankruptcy Act 1989 and the Companies Act 1981, respectively.

Performance Requirements and Incentives

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There are no grants or incentives available to foreign or domestic investors interested in investing in Bermuda, except related to tourism and certain energy efficient goods and technologies. The Hotel Concession Act (1991) may provide full or partial relief from, or deferral of customs duty for, materials used in hotel renovations, and/or tax on land, occupancy, and payroll and/or lease requirements. Special development orders (SDO) may be granted on a case-by-case basis. The expanded version of the Temporary Customs Duty Relief Bill (2002) extends similar relief for restaurant renovations. In 2010, the GOB removed the import duty on many energy efficient goods and goods for use in harnessing power from renewable energy resources.

Bermuda’s low taxation incentives are applicable to Bermudian and non-Bermudian businesses alike. There is no income tax, profits tax, withholding tax, capital gains tax, capital transfer tax, estate duty or inheritance tax, VAT or sales tax in Bermuda, although there is duty on almost all goods imported into Bermuda. Annual government fees are imposed on businesses, and there is a payroll tax that both employers and employees pay, which was increased in 2010 from 14% to 16%.

The 60/40 rule can be seen as both a requirement and an incentive to do business in Bermuda. As previously stated, local companies (those that can conduct business with other local businesses in Bermuda) must adhere to the three requirements of the 60/40 rule whereby Bermudians 1) are the beneficial owners of at least 60 percent of the shares in the company, 2) exercise at least 60 percent of the total voting rights in the company, and 3) make up at least 60 percent of the directors of the company. Hence, most international companies opt to become exempt companies, thereby able to claim 100% ownership of their companies, maintain an offshore domicile and conduct business globally except with local Bermudian companies.

The BMA usually imposes minimum capital and regulatory requirements for exempt companies. These are found under the Statement of Principles of the agreement that is drawn up between the BMA and the investor. The Statement of Principles defines which assets the BMA accepts as liquid and applies a standard requirement for liquid assets to be at least equivalent to the total of three months' expenditure, other than in the case of licensees who act neither as principal nor agent where only one month's expenditure must be maintained in the form of liquid assets.

The GOB requires investors to consider employing Bermudian workers where at all possible. To support this objective, Bermuda Immigration implemented two rules. The first rule states that companies must hire an equally qualified Bermudian or qualified spouse of a Bermudian before hiring a qualified foreign national. The second one pertains to a six year work permit rule under the Employment Act 2000, which states that foreign workers may work in Bermuda for up to six years unless their employers can demonstrate that they are "key employees," whereupon they may be permitted to work in Bermuda for up to nine years. These rules ensure that foreign nationals do not remain on the island for extended periods of time with the possibility of becoming permanent residents. The GOB's objectives are to encourage the training and eventual hiring of locals to fill senior management positions.

The Bermuda Customs Department is not aware of any discriminatory or preferential import or export policies affecting foreign investors, although the Bermuda Customs Tariff contains a number of preferential duty reliefs for certain local commercial activities (e.g. goods for the poultry and dairy industry). Investors do not have to purchase goods from local suppliers or export a certain percentage of output.

Because of Bermuda's small size, the GOB does not normally solicit investment in infrastructure.

Right to Private Ownership and Establishment

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Commercial property ownership is a function of classification under the amended Companies Act pursuant to Section 114(b), where local companies are authorized to own property. Exempt companies, for the most part, may not own property, although they may lease commercial land for up to 50 years and residential property for their employees for up to 21 years. According to the Hotel Concession Act section 4 (h) "that notwithstanding the provisions of section 78 of the Bermuda Immigration Act 1956 and paragraph 12 of the First Schedule to the Companies Act 1981, a company may lease a hotel or residential unit for a period not exceeding 131 years with an option to renew for a similar period."

The residential housing market has historically been characterized by a shortage of affordable housing. Conscious of this shortage, the GOB enacted a law that states that non-Bermudians may only purchase one residential home from other non-Bermudians, and Bermudians may only sell to other Bermudians. Bermudians can purchase homes from anyone they wish. The goal over time in separating the two pools of housing is to decrease expatriate home ownership. Homes that can be sold to expatriates must have a minimum annual rental value (ARV) of \$153,000 (\$12,750 per month), thus further restricting expatriate purchases. The same policy applies to the expatriate purchase of condominiums, which must have a minimum ARV of \$32,400 (\$2700 per month). The ARV is not only the basis for taxation but also the basis for setting the threshold of value

at which foreigners may purchase. As a practical matter, this limit protects approximately 95% of the island's homes from foreign purchase. In general, single family dwellings with price tags of less than \$5.5 million may be sold to Bermudians only, not foreign nationals. The Bermuda Immigration and Protection (Land Holding Charges) Regulations 2009, enacted in December 2009, mandate that non-Bermudians must now pay a heavy 25% upfront purchase tax on homes and an 18% tax for condominiums. The GOB has relatively few monopolies, among which are trash collection and ferry services. The government's postal service is in competition with private mail services; public education competes with private education; and the public bus service competes with taxis, local mini-bus services, and multiple-passenger airport buses. Competition among telecommunications companies is keen.

Protection of Property Rights

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The Acquisition of Land Act (1970), the Development and Planning Act (1974), and the Registry General protect and facilitate the acquisition and disposition of all property rights, such as land, buildings, and mortgages. Bermuda also has a land tax office and land valuations office. A system of land registration in Bermuda is planned but has not yet taken effect. Without this registration system, land owners must retain a Bermudian lawyer to research the history of the property and insure that a third party does not have a claim. Every time a piece of real estate in Bermuda changes hands it is recorded in a deed of conveyance or a mortgage.

Bermuda protects property rights through the Mortgage Registration Act 1786. The Book of Mortgages at the Registrar General's Office has details of all conveyances where mortgages are involved and all re-conveyances satisfying the mortgage. Bermuda banks are willing to lend approved buyers up to 80 percent of the appraised value of a house. With an average mortgage of 20 years, persons who are loaned \$400,000 for a \$500,000 house will pay a variable rate from 6.25% plus fees. A household would need to earn at least \$7,000 a month to qualify. Organizations that provide mortgages include local banks, Bermuda Savings & Loan, some local (Bermudian) insurance companies and some law firms' trust departments. Some of these organizations will lend to non-Bermudians. Terms range from 5-20 years.

There is adequate protection for intellectual property, patents, copyrights, trademarks and trade secrets. As an Overseas Territory of the United Kingdom, Bermuda is subject to the same treaties to which the UK is a party, including those concerning intellectual property rights. The island cannot enter into treaties separate and apart unless the UK expressly authorizes it to do so. The GOB adheres to two international agreements, the Copyright and Designs Act 2004 and the Berne Convention. Two acts regulate the rights and registration of intellectual property: the Trademarks Act 1974 and the Patents and Designs Act 1930. The GOB has taken steps to implement the WTO TRIPS agreement; however, it has yet to sign the World Intellectual Property Organization (WIPO) internet treaties.

Transparency of Regulatory System

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Bermuda's legal, regulatory and accounting systems adhere to high ethical and current transparency standards. The legal and regulatory systems are grounded in UK law, while the accounting systems and auditing standards typically follow Canadian Generally Accepted Accounting Principles (GAAP). A Bermudian company may choose to follow

the GAAP of any other jurisdiction, subject to full disclosure of its accounts. Bermuda is also a member of regulatory standard-setting bodies for banking (BASEL), insurance (International Association Insurance Supervisors -IAIS) and investment business (Financial Services Authority –FSA). Bermuda is not considered an offshore financial centre as there is no distinction in how it regulates businesses operating in the local economy and those operating internationally from within Bermuda. The BMA continues to apply differentiated requirements involving lighter regulation when institutional and sophisticated investors are involved, with greater reliance on transparency and disclosure.

The Bermuda Monetary Authority continually strives to improve transparency in the regulatory regime and permits no unlicensed or unregistered entities to operate in the financial services sector. The BMA is the sole regulatory body for financial services and is responsible for the licensing, supervision, and regulation of financial institutions, including those conducting deposit-taking, insurance, investment, and trust business in Bermuda. There are separate regulatory acts that apply to each sector (e.g. trusts, deposit taking, investment business etc.). The GOB posts new laws and regulations in the Bermuda Sun (Official Gazette) for public comment.

The BMA regulates collective investment schemes (CISs), and fund administrators are regulated persons for the purposes of the Proceeds of Crime Act (POCA). To strengthen regulations, CISs, including hedge funds, are subject to the Investment Funds Act (IFA), which came into effect in January 2007. The IFA is the legal framework for regulating investment funds, which includes, in addition to mutual funds and trust units, other business vehicles that pool and manage investment monies.

The amended Investment Business Act (2003) enhances the regulatory powers of the BMA, granting the BMA stronger intervention powers and clarifying provisions, such as the BMA's ability to cooperate with foreign bodies. Other provisions include measures to strengthen criminal and regulatory penalties. The Investment Business Act also brought the Bermuda Stock Exchange (BSX) under the regulation of the BMA.

In 2008, Bermuda passed the Proceeds of Crime Regulations (Supervision and Enforcement) Act (2008), which designated the BMA as the supervisory body for securing compliance with the regulations by regulated entities. The BMA has recently increased its resources, including adding more staff, to handle its responsibilities.

In March 2009, the BMA issued Guidance Notes for AML/ATF Regulated Financial Institutions on Anti-money Laundering and Anti-terrorist Financing, outlining and interpreting the legal and regulatory framework, indicating good industry practices, and assisting institutions to design and implement systems and controls to limit AML/ATF risks to institutions. This was followed up by an AML/ATF market survey, which was designed to ensure that licensed entities are in compliance with the Proceeds of Crime Regulations.

Bermuda is a member of the Egmont Group of Financial Intelligence Units, in which information sharing is implicit. The BMA Amendment (No. 3) Act (2004) clarifies the power of the BMA to cooperate with other overseas authorities. Other laws also authorize the sharing of information with overseas regulators: the Banks and Deposit Companies Act (1999), the Trusts (Regulation of Trust Business) Act (2001) and the Investment Act (2003).

The GOB's policies facilitate the free flow of financial resources to support the flow of resources in the product and factor markets. Bermuda has the third largest insurance market in the world, thus must stay on top of the latest insurance product innovations. Bermuda also has a commercially sensible regulatory regime, an international stock exchange, an established financial and legal services sector and a geographical position between the U.S. and European markets, all which make it a prime jurisdiction where the insurance world and capital markets converge. Institutional credit lines are normally arranged through U.S. or UK institutions. The Banks and Deposit Companies Act (1999) implements the Basel Committee's Core Principles for Effective Banking Supervision. Bermuda banks are compliant with the Basel II Accord. Bermuda's currency, the Bermuda dollar, is fixed or pegged 1:1 to the U.S. dollar. The Bermuda Monetary Authority (BMA), which has limited central bank powers, oversees Bermuda's currency. The BMA also facilitates portfolio investment but does not determine interest rates, which are set by the market and usually follow the FED (Federal Reserve) rates. Liquidity and solvency are important concerns for Bermuda's four banks as there is no monetary policy, no lender of last resort, no deposit insurance (although one is currently being developed per 2010 BMA business plan), and no implied guaranty.

Having its economy so intertwined with the U.S. has heavily influenced local capital restriction policies, driving these towards an open flow of capital. Bermuda does not have developed capital markets, as it is virtually part of the U.S. and other overseas markets. Credit is allocated on market terms and foreign investors are able to get credit on the local and international market. The private sector has access to a variety of credit instruments through the local banks. Many companies, particularly the large ones, maintain external banking relationships. Since Bermuda does not have a central bank and does not conduct a controlling monetary policy, it has no need to intervene in the markets.

Bermuda's banks are comparatively highly capitalized and hold significantly high quantities of liquid U.S. dollar assets on their balance sheets. Approximately two-thirds of their aggregate balance sheet consists of inter-bank placements or holdings of high quality marketable securities. Total assets for the two largest banks in Bermuda for 2009 were: Bank of Butterfield, \$9.6 billion and HSBC Bank of Bermuda, \$10.7 billion. Loans and advances account for less than 40 percent of total assets. The banks are required to meet a minimum capital ratio of 10 percent at the consolidated level but, in practice, the aggregate ratio exceeded 20 percent in 2009. In other matters, the banks follow the Bank of England model. They are required to maintain separately capitalized subsidiaries in order to conduct their trust business. Noteworthy in 2009 was the placement of the country's largest ever initial public offer (IPO) with Butterfield Bank raising \$200 million largely supported by Bermuda-based investors. Then in March 2010, Butterfield Bank received \$550 million of new capital from foreign investors, the Carlyle Group and Canadian Imperial Bank of Commerce (CIBC). This deal was completed before shareholders were notified or able to vote on this transaction. The injections of extra capital are to enable the bank to de-risk its balance sheets and work toward a quick return to profitability.

The U.S. Securities and Exchange Commission recognized the Bermuda Stock Exchange (BSX) as a "Designated Offshore Securities Market" in October 1996. Three

years later the BSX became a full member of the International Federation of Stock Exchanges. In 2005, the UK Financial Services Authority granted the BSX Designated Investment Exchange status. The BMA provides oversight of the BSX and its trading activity. The BSX introduced an electronic clearing, settlement and registration system designated as the Bermuda Securities Depository (BSD), which is also under the supervision of the BMA. The BSD was designed to facilitate more efficient trade settlement for BSX-listed securities by allowing book entry settlement rather than paper-based settlement. Some examples of companies listed on the BSX include: ACE Limited, Argus Group Holdings Limited, Bermuda Commercial Bank, Bank of Butterfield, HSBC Corporate Money Funds, Lines Overseas Management and Orbis.

Competition from State Owned Enterprises (SOEs)

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Bermudian state-owned enterprises (SOEs) are active in the public transportation sector (buses and ferries), the healthcare system, electrical utility (BELCO), and the post office. The rest of the economy is in the hands of private enterprise. Public enterprise generally has easier access to market, credit, licensing and other business operations than private enterprises do in Bermuda and fall under the Bermuda Industrial Union.

These state-owned enterprises are required to provide financial information as necessary to the department heads, who then submit the financial information annually to the Auditor General. Governance of the SOEs are in a pyramid structure whereby a politically-appointed Minister heads the department, followed by a Permanent Secretary, the heads of each department, then the support staff. Generally, no boards of directors are affiliated with Bermuda SOEs; however, some departments may have advisory boards.

Corporate Social Responsibility (CSR)

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There is a general awareness of corporate social responsibility among both producers and consumers. There are many local and international companies domiciled in Bermuda that practice corporate social responsibility (CSR). Many firms become involved in philanthropic endeavors such as donating, volunteering, and fundraising for local and international causes. Many companies also have environmental programs in place that work on reducing their carbon dioxide emissions and building “green” office spaces and buildings.

Businesses may apply to the Minister of Economy, Trade and Industry for designation as a “Good Corporate Citizen.” This program identifies companies of good standing in Bermuda that support (via training, scholarships) and employ a fair number of Bermudians. If a company meets the criteria, the Minister may grant pending work permit applications permission-in-principle and fast-track them through the work permit process.

Political Violence

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There have been no recent incidents of political violence in Bermuda.

Corruption[Return to top](#)

Bermuda has laws, regulations and penalties to combat corruption effectively and enforces them impartially. The Bermuda Criminal Code (1907) and the Proceeds of Crime Act (1997) make provisions for punishing corrupt practices in the area of investments, particularly for the offences of misleading statements and practices, market manipulation and insider dealing. The Parliamentary Election Act (1978) addresses giving bribes to (or accepting bribes from) a government official; the penalty under this act is \$1,000 or up to two years imprisonment or both. The Parliament Act of (1957) provides for a five-year imprisonment and/or up to \$84,000 in fines for the bribery of a member of the House of Legislature.

Most recently in 2010, several 2007/08 reports by both the current and former auditors general were published that found evidence of massive mismanagement of government funds and recommended that police investigate four cases of overspending and/or lack of oversight and poor internal controls. As a result of the Auditor General's report, the Ministry of Finance has asked the Bermuda police to investigate further. The Minister of Finance stated that "The Government is moving already to further strengthen tendering and procurement practices, including ensuring that there is the appropriately provided expertise to ensure proper scoping and design of capital projects to reduce subsequent change orders that are often the cause of cost overruns".

Keen to rise above any perceived impropriety associated with offshore centers, Bermuda continues to update its regulatory framework to meet international standards, including those of the International Monetary Fund (IMF) and those espoused by the Financial Action Task Force (FATF) and the Organization for Economic Cooperation and Development (OECD).

Corruption, including bribery, raises the costs and risks of doing business. Corruption has a corrosive impact on both market opportunities overseas for U.S. companies and the broader business climate. It also deters international investment, stifles economic growth and development, distorts prices, and undermines the rule of law.

It is important for U.S. companies, irrespective of their size, to assess the business climate in the relevant market in which they will be operating or investing, and to have an effective compliance program or measures to prevent and detect corruption, including foreign bribery. U.S. individuals and firms operating or investing in foreign markets should take the time to become familiar with the relevant anticorruption laws of both the foreign country and the United States in order to properly comply with them, and where appropriate, they should seek the advice of legal counsel.

The U.S. Government seeks to level the global playing field for U.S. businesses by encouraging other countries to take steps to criminalize their own companies' acts of corruption, including bribery of foreign public officials, by requiring them to uphold their obligations under relevant international conventions. A U.S. firm that believes a competitor is seeking to use bribery of a foreign public official to secure a contract should bring this to the attention of appropriate U.S. agencies, as noted below.

U.S. Foreign Corrupt Practices Act: In 1977, the United States enacted the Foreign Corrupt Practices Act (FCPA), which makes it unlawful for a U.S. person, and certain foreign issuers of securities, to make a corrupt payment to foreign public officials for the

purpose of obtaining or retaining business for or with, or directing business to, any person. The FCPA also applies to foreign firms and persons who take any act in furtherance of such a corrupt payment while in the United States. For more detailed information on the FCPA, see the FCPA Lay-Person's Guide at:

<http://www.justice.gov/criminal/fraud/>

Other Instruments: It is U.S. Government policy to promote good governance, including host country implementation and enforcement of anti-corruption laws and policies pursuant to their obligations under international agreements. Since enactment of the FCPA, the United States has been instrumental to the expansion of the international framework to fight corruption. Several significant components of this framework are the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (OECD Antibribery Convention), the United Nations Convention against Corruption (UN Convention), the Inter-American Convention against Corruption (OAS Convention), the Council of Europe Criminal and Civil Law Conventions, and a growing list of U.S. free trade agreements. This country is party to the Bermuda Criminal Code (1907) and the Proceeds of Crime Act (1997), but generally all countries prohibit the bribery and solicitation of their public officials.

OECD Antibribery Convention: The OECD Antibribery Convention entered into force in February 1999. As of December 2009, there are 38 parties to the Convention including the United States (see <http://www.oecd.org/dataoecd/59/13/40272933.pdf>). Major exporters China, India, and Russia are not parties, although the U.S. Government strongly endorses their eventual accession to the Convention. The Convention obligates the Parties to criminalize bribery of foreign public officials in the conduct of international business. The United States meets its international obligations under the OECD Antibribery Convention through the U.S. FCPA.

UN Convention: The UN Anticorruption Convention entered into force on December 14, 2005, and there are 143 parties to it as of December 2009 (see <http://www.unodc.org/unodc/en/treaties/CAC/signatories.html>). The UN Convention is the first global comprehensive international anticorruption agreement. The UN Convention requires countries to establish criminal and other offences to cover a wide range of acts of corruption. The UN Convention goes beyond previous anticorruption instruments, covering a broad range of issues ranging from basic forms of corruption such as bribery and solicitation, embezzlement, trading in influence to the concealment and laundering of the proceeds of corruption. The Convention contains transnational business bribery provisions that are functionally similar to those in the OECD Antibribery Convention and contains provisions on private sector auditing and books and records requirements. Other provisions address matters such as prevention, international cooperation, and asset recovery. The *Bermuda International Conciliation and Arbitration Act 1993* ("*Bermuda Arbitration Act*") is modeled on the United Nations "UNCITRAL Model Law on International Commercial Arbitration".

OAS Convention: In 1996, the Member States of the Organization of American States (OAS) adopted the first international anticorruption legal instrument, the Inter-American Convention against Corruption (OAS Convention), which entered into force in March 1997. The OAS Convention, among other things, establishes a set of preventive measures against corruption, provides for the criminalization of certain acts of corruption, including transnational bribery and illicit enrichment, and contains a series of provisions to strengthen the cooperation between its States Parties in areas such as

mutual legal assistance and technical cooperation. As of December 2009, the OAS Convention has 33 parties (see <http://www.oas.org/juridico/english/Sigs/b-58.html>).

Council of Europe Criminal Law and Civil Law Conventions: Many European countries are parties to either the Council of Europe (CoE) Criminal Law Convention on Corruption, the Civil Law Convention, or both. The Criminal Law Convention requires criminalization of a wide range of national and transnational conduct, including bribery, money-laundering, and account offenses. It also incorporates provisions on liability of legal persons and witness protection. The Civil Law Convention includes provisions on compensation for damage relating to corrupt acts, whistleblower protection, and validity of contracts, inter alia. The Group of States against Corruption (GRECO) was established in 1999 by the CoE to monitor compliance with these and related anti-corruption standards. Currently, GRECO comprises 46 member States (45 European countries and the United States). As of December 2009, the Criminal Law Convention has 42 parties and the Civil Law Convention has 34 (see www.coe.int/greco.)

Free Trade Agreements: While it is U.S. Government policy to include anticorruption provisions in free trade agreements (FTAs) that it negotiates with its trading partners, the anticorruption provisions have evolved over time. The most recent FTAs negotiated now require trading partners to criminalize “active bribery” of public officials (offering bribes to any public official must be made a criminal offense, both domestically and transnationally) as well as domestic “passive bribery” (solicitation of a bribe by a domestic official). All U.S. FTAs may be found at the U.S. Trade Representative Website: <http://www.ustr.gov/trade-agreements/free-trade-agreements>.

Local Laws: U.S. firms should familiarize themselves with local anticorruption laws, and, where appropriate, seek legal counsel. While the U.S. Department of Commerce cannot provide legal advice on local laws, the Department’s U.S. and Foreign Commercial Service can provide assistance with navigating the host country’s legal system and obtaining a list of local legal counsel.

Assistance for U.S. Businesses: The U.S. Department of Commerce offers several services to aid U.S. businesses seeking to address business-related corruption issues. For example, the U.S. and Foreign Commercial Service can provide services that may assist U.S. companies in conducting their due diligence as part of the company’s overarching compliance program when choosing business partners or agents overseas. The U.S. Foreign and Commercial Service can be reached directly through its offices in every major U.S. and foreign city, or through its Website at www.trade.gov/cs.

The Departments of Commerce and State provide worldwide support for qualified U.S. companies bidding on foreign government contracts through the Commerce Department’s Advocacy Center and State’s Office of Commercial and Business Affairs. Problems, including alleged corruption by foreign governments or competitors, encountered by U.S. companies in seeking such foreign business opportunities can be brought to the attention of appropriate U.S. government officials, including local embassy personnel and through the Department of Commerce Trade Compliance Center “Report A Trade Barrier” Website at tcc.export.gov/Report_a_Barrier/index.asp.

Guidance on the U.S. FCPA: The Department of Justice’s (DOJ) FCPA Opinion Procedure enables U.S. firms and individuals to request a statement of the Justice Department’s present enforcement intentions under the anti-bribery provisions of the

FCPA regarding any proposed business conduct. The details of the opinion procedure are available on DOJ's Fraud Section Website at www.justice.gov/criminal/fraud/fcpa. Although the Department of Commerce has no enforcement role with respect to the FCPA, it supplies general guidance to U.S. exporters who have questions about the FCPA and about international developments concerning the FCPA. For further information, see the Office of the Chief Counsel for International Counsel, U.S. Department of Commerce, Website, at http://www.ogc.doc.gov/trans_anti_bribery.html. More general information on the FCPA is available at the Websites listed below.

Exporters and investors should be aware that generally all countries prohibit the bribery of their public officials, and prohibit their officials from soliciting bribes under domestic laws. Most countries are required to criminalize such bribery and other acts of corruption by virtue of being parties to various international conventions discussed above.

Anti-Corruption Resources

Some useful resources for individuals and companies regarding combating corruption in global markets include the following:

- Information about the U.S. Foreign Corrupt Practices Act (FCPA), including a "Lay-Person's Guide to the FCPA" is available at the U.S. Department of Justice's Website at: <http://www.justice.gov/criminal/fraud/fcpa>.
- Information about the OECD Antibribery Convention including links to national implementing legislation and country monitoring reports is available at: http://www.oecd.org/departement/0,3355,en_2649_34859_1_1_1_1_1,00.html. See also new Antibribery Recommendation and Good Practice Guidance Annex for companies: <http://www.oecd.org/dataoecd/11/40/44176910.pdf>
- General information about anticorruption initiatives, such as the OECD Convention and the FCPA, including translations of the statute into several languages, is available at the Department of Commerce Office of the Chief Counsel for International Commerce Website: http://www.ogc.doc.gov/trans_anti_bribery.html.
- Transparency International (TI) publishes an annual Corruption Perceptions Index (CPI). The CPI measures the perceived level of public-sector corruption in 180 countries and territories around the world. The CPI is available at: http://www.transparency.org/policy_research/surveys_indices/cpi/2009. TI also publishes an annual *Global Corruption Report* which provides a systematic evaluation of the state of corruption around the world. It includes an in-depth analysis of a focal theme, a series of country reports that document major corruption related events and developments from all continents and an overview of the latest research findings on anti-corruption diagnostics and tools. See <http://www.transparency.org/publications/gcr>.
- The World Bank Institute publishes Worldwide Governance Indicators (WGI). These indicators assess six dimensions of governance in 212 countries, including Voice and Accountability, Political Stability and Absence of Violence, Government Effectiveness, Regulatory Quality, Rule of Law and Control of Corruption. See

http://info.worldbank.org/governance/wgi/sc_country.asp. The World Bank Business Environment and Enterprise Performance Surveys may also be of interest and are available at: <http://go.worldbank.org/RQQXYJ6210>.

- The World Economic Forum publishes the *Global Enabling Trade Report*, which presents the rankings of the Enabling Trade Index, and includes an assessment of the transparency of border administration (focused on bribe payments and corruption) and a separate segment on corruption and the regulatory environment. See <http://www.weforum.org/en/initiatives/gcp/GlobalEnablingTradeReport/index.htm>.
- Additional country information related to corruption can be found in the U.S. State Department's annual *Human Rights Report* available at <http://www.state.gov/g/drl/rls/hrrpt/>.
- Global Integrity, a nonprofit organization, publishes its annual *Global Integrity Report*, which provides indicators for 92 countries with respect to governance and anti-corruption. The report highlights the strengths and weaknesses of national level anti-corruption systems. The report is available at: <http://report.globalintegrity.org/>.

Bilateral Investment Agreements

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There is no bilateral investment treaty between Bermuda and the United States.

Bermuda has a bilateral taxation treaty with the U.S. signed on 11 July 1986 entitled "Convention between the Government of the United Kingdom of Great Britain and Northern Ireland (on Behalf of the Government of Bermuda) and the Government of the United States of America Relating to the Taxation of Insurance Enterprises and Mutual Assistance in Tax Matters." Under the U.S. - Bermuda Tax Convention Act, the United States agrees to waive for eligible Bermudian insurance companies any income and excise taxes on insurance premium income derived from the United States. An "eligible" company is defined as one a) whose "predominant business activity is the issuing of insurance, reinsurance, or annuity contracts and the investing of insurance reserves and other capital incident to the carrying on of the insurance business," and b) that does not operate as a permanent establishment in the U.S.

Bermuda has been added to the category "A" list of signatories to the IOSCO MMoU (International Organization of Securities Commissions Multi-lateral Memorandum of Understanding), which provides for mutual co-operation and the exchange of information among securities regulators. In June 2009, the BMA was approved as a signatory to the new Multi-lateral Memorandum of Understanding (MMoU) established by the International Association of Insurance Supervisors (IAIS). The IAIS developed the MMoU to establish a formal basis for cooperation and information exchange between signatory regulators who supervise insurers with international, or cross border operations.

OPIC and Other Investment Insurance Programs

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Bermuda is an Overseas Territory of the UK and is not a member of OPIC or any other investment insurance programs.

Investors in Bermuda do not enjoy the same kinds of protections as provided by other jurisdictions such as the U.S. and should exercise their own “due diligence.” There is no deposit protection for owners of mutual funds or trusts, nor is there any central fund to reimburse investors. The BMA does, however, maintain as public information a register of all licensed investment service providers. Moreover, investment managers must be licensed pursuant to the Investment Business Act of 1998. Prior to licensing, the investment service must provide proof of adequate professional indemnity insurance. In 2006, the GOB passed the Investment Funds Act, which clearly outlines how public funds are regulated and defines the framework for non-public, institutionalized funds.

Labor

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Historically, a large part of the international business, hotel and hospitality, and construction workforce has come from overseas as there has been a lack of skilled qualified labor available in the island’s small population. This fact has become a political issue among Bermudians, the Bermuda Government and the business community seeking qualified skilled personnel. There have been some instances where a company has been forced to hire a Bermudian apprentice in lieu of a qualified foreign national. Regardless of this fact, Bermuda usually enjoys a comparatively low unemployment rate; it was 4.5% in 2010, up from previous years when it was as low as 2.1%.

The Bermuda Government requires investors to consider employing Bermudian workers where at all possible. To support this objective, the Bermuda Department of Immigration implemented two rules. The first rule states that companies must hire an equally qualified Bermudian or qualified spouse of a Bermudian before hiring a qualified foreign national. The second rule states that foreign workers may work in Bermuda for up to six years unless their employers can demonstrate that they are “key employees,” whereupon they may be permitted to work in Bermuda for up to nine years. These rules ensure that foreign nationals do not remain on the island for extended periods of time with the possibility of becoming permanent residents. The GOB’s objectives are to encourage the training and eventual hiring of locals to fill senior management positions. Thus, while limited work permits are issued to foreigners, there is a constant need on the part of corporations to prove that qualified Bermudians are unavailable to perform the job.

Although Bermuda continues to have labor disputes (covered under the Labour Disputes Act (1992)), the number of disputes has decreased in recent years due in part to the passage of fair labor laws favored by most Bermudians. The government-related labor force is highly unionized; labor relations can be adversarial and at times contentious, particularly in the public service sector and the hotel industry.

Foreign-Trade Zones/Free Ports

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Bermuda has no free port or duty-free import zones.

Foreign Direct Investment Statistics

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There are few details available regarding foreign direct investment in Bermuda. In general, ownership in the Bermuda insurance sector is geographically diverse, but U.S. companies own approximately 60% of the active commercial insurers. Bermudian-owned and European-owned insurers represent approximately 20% and 15% of the market, respectively. Around one in three commercial insurers are publicly-listed companies, of which two-thirds were listed on U.S. exchanges. The insurance sector accounted for approximately 10% of the total employment of 40,213 in Bermuda in 2008. The growth in the insurance sector helped boost the market's total assets, which grew 7% in 2008. The combined assets of Bermuda's commercial and captive insurers were \$472.96 billion at year-end 2008 compared with \$442.24 billion a year earlier.

Web Resources

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Bermuda Chamber of Commerce: <http://www.bermudacommerce.com>
Bermuda Hospitals Board: www.bermudahospitals.bm
Bermuda Insurance Market: www.bermuda-insurance.org
Bermuda Laws On-line www.bermudalaws.bm
Bermuda Monetary Authority www.bma.bm
Bermuda On-line: <http://bermuda-online.org/>
Bermuda Stock Exchange: www.bsx.com
Business Bermuda - www.businessbermuda.org
Department of Statistics: www.statistics.gov.bm
Government of Bermuda: www.gov.bm
HSBC Bank of Bermuda: www.hsbc.bm
Registrar of Companies: www.roc.gov.bm
The Royal Gazette: www.royalgazette.com

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Chapter 7: Trade and Project Financing

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- [How Does the Banking System Operate](#)
- [Foreign-Exchange Controls](#)
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How Do I Get Paid (Methods of Payment)?

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Generally, Bermuda companies will pay by check, bank draft, standing order, local interbank transfers or international money transfers (wire payments or cables) for payment of goods and services. There is no central clearing house yet, but common Automated Clearing House (ACH) standards are in use.

Drafts are checks issued on behalf of a client and are used to make payment overseas in instances where checks drawn on a local account are not acceptable. Standing Orders are used if you tend to request checks, drafts, money transfers or account transfers for the same amount on a regular basis. International Money Transfers (IMTs) are often referred to as wire payments or cables using the SWIFT network. They provide the means for receipt and transfer of funds internationally. Drafts are drawn on funds held at correspondent accounts so they clear through the country in which that particular currency is domiciled. Manager's Checks are used to make payments locally rather than being drawn on overseas correspondent banks.

Settlement of payments is achieved through a network of correspondent banks and can, therefore, be made in any major currency and to nearly any bank in the world. Typically, employees of local firms are paid in BDA, whereas some exempt firms pay in USD.

How Does the Banking System Operate?

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Bermuda has a strong, well developed banking system due to the large international business sector domiciled in Bermuda. There are four banks licensed to operate in Bermuda. There is one global bank (Bank of Bermuda/member of HSBC group), one regional bank (Butterfield Bank), and 2 local banks (Capital G and Bermuda Commercial Bank) available for financial services, products and advice.

They offer a wide range of commercial banking facilities including comprehensive investment, trust, financial management services and direct access to a variety of currency alternatives. The English common law rule of confidentiality prevails on all accounts. Accounts can be maintained in most foreign currencies. Bermuda's banking sector is closely monitored by the International Monetary Fund (IMF), international risk rating agencies and the Bermuda Monetary Authority (BMA). The BMA is the integrated regulator of the financial services sector in Bermuda, including monitoring anti-money laundering, which is deemed crucial to the ongoing financial reputation of the island.

Many banking transactions are done electronically and a majority of the population use

Internet banking. Internet banking has become a common channel through which Bermudians perform cash transfers and pay for services.

Foreign-Exchange Controls

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Exempted businesses and non-resident individuals may trade and maintain bank accounts in any currency, remitting or repatriating their funds without exchange controls. However, Bermuda does have a Foreign Currency Purchase Tax (FCPT) of 1.0% per transaction on the purchase of all non-local currencies including the US Dollar. This includes all purchases of foreign currencies for travel and business purposes and all telegraphic (wire) transfers of monies from Bermuda to individuals and businesses abroad.

In March 2009, Bermuda updated the Revenue Act 1898 to strengthen the requirements relating to cross border transportation of currency and monetary instruments. The threshold for reporting is \$10,000. Mandatory declaration forms are used for all incoming passengers (regardless of point of embarkation) and for outgoing passenger to the U.S. For outgoing passengers to Canada and the U.K. there is a disclosure system in place.

U.S. Banks and Local Correspondent Banks

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There are no U.S. banks located in Bermuda. Although the Bank of New York is on the island, this branch is an investment bank only. Although there are no correspondent banks in Bermuda, all Bermudian banks have correspondent relationships with major U.S. banks.

Project Financing

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The Bermudian government expects potential investors to have project financing in place as part of the business plan for proposed projects in Bermuda. There are no national financial entities in Bermuda to assist with foreign project financing.

Web Resources

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Bank of Bermuda: www.hsbc.bm

Bermuda Commercial Bank: www.bermuda-bcb.com

Butterfield Bank: www.bm.butterfieldgroup.com

Capital G Limited: www.capital-g.com

OPIC: www.opic.gov

U.S. Trade and Development Agency: www.tda.gov/

Export-Import Bank of the United States: <http://www.exim.gov>

Country Limitation Schedule: http://www.exim.gov/tools/country/country_limits.html

SBA's Office of International Trade: <http://www.sba.gov/oit/>

USDA Commodity Credit Corporation: <http://www.fsa.usda.gov/cc/default.htm>

U.S. Agency for International Development: <http://www.usaid.gov>

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Chapter 8: Business Travel

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Business Customs

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Given the proximity of Bermuda to the United States, there is an extensive knowledge of and parallels to American business culture. Bermudians value good manners and personal courtesy very highly. Bermudians usually shake hands upon meeting and sometimes exchange business cards. Still, there are some cultural differences. A greeting of “Good morning,” “Good afternoon,” or “Good evening” will get you off on the right foot. Unlike Americans, Bermudians appreciate being addressed by their family name (i.e. Mr. Smith or Mrs. Brown). Conversations generally move to a first name basis a bit more slowly than in the United States. Although island life can be slower and more relaxed than the mainland, business visitors should be on time for meetings and dressed appropriately since the international business sector tends to be formal and efficient. Business dress can be a bit more formal than in large U.S. cities; many companies subscribe to “smart casual” dress, but this is dependant on the company policy.

Bermuda is the one of the few places in the world where there is an unwritten national dress for men. Bermudians and professional businessmen wear Bermuda shorts for business attire and cocktail parties predominantly during the summer months. The shorts are worn three inches above the knee, accompanied by Bermuda (knee-length) socks, a white or colored button down short/long sleeved shirt, a tie, and a single or double breasted navy blue blazer, sport coat, or linen jacket. The most appropriate shoes are loafers with tassels in black or brown, depending on the color of the shorts.

Travel Advisory

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The U.S. Department of State's Consular Information Program advises Americans traveling and residing abroad through Consular Information Sheets, Public Announcements, and Travel Warnings. Consular Information Sheets exist for all countries and include information on entry and exit requirements, currency regulations, health conditions, safety and security, crime, political disturbances, and the addresses of the U.S. embassies and consulates abroad. Public Announcements are issued to disseminate information quickly about terrorist threats and other relatively short-term conditions overseas that pose significant risks to the security of American travelers. Travel Warnings are issued when the State Department recommends that Americans avoid travel to a certain country because the situation is dangerous or unstable.

Americans can register on-line with the local U.S. Embassy or Consulate in the country which they are visiting or residing in to make their presence and whereabouts known in case of an emergency, a disaster overseas, or require assistance in an evacuation if that were to become necessary.

Please refer to the <http://travel.state.gov> website for all current travel advisories for Bermuda and other countries and to register online for overseas travel.

Visa Requirements

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For visitors: Currently a visa is not required for U.S. citizens to enter Bermuda as visitors; however, a valid U.S. passport is required. Visitors must also present round trip tickets to Bermuda Immigration on arrival. The maximum amount of unrestricted time that visitors are allowed to stay in Bermuda is 21 days. However, visitors can extend their stays for 3 months or for shorter periods as considered appropriate by the Bermuda Immigration.

For potential residents (employment)

If you are coming to work in Bermuda, you will require a work permit, which must be secured before arrival on the island. Failure to comply with this requirement could result in being denied entry into the country. The responsibility for securing work permits rests with the prospective employer.

Immigration policy requires that qualified and interested Bermudians be given the first opportunity to fill job vacancies via advertised career ads. If no qualified and interested Bermudians or spouses of Bermudians are available, then the employer may apply for a permit to employ a non-Bermudian unless the position is in a closed category. In policy guidelines effective April 1, 2001, the Minister of Labour, Home Affairs and Public Safety directed that work permits issued after April 1, 2001, would in most cases not be renewable after a period of 6 years had elapsed. In certain cases the period may be extended by a further period of 3 years for those designated as “key” employees. The government is currently examining its work permit legislation.

The prospective employer must make the initial work permit application in writing, addressed to the Chief of Immigration Officer at the Department of Immigration. An immigration questionnaire form, a copy of the job advertisement and the required fee, must accompany the application.

If a U.S. business person is coming to Bermuda on business, the U.S. Consulate strongly recommends the company/individual contact Bermuda Immigration to see if a work permit is required. Bermuda Immigration and Bermuda Customs are very strict and some travelers without correct/sufficient documentation have been sent back to their country of origin.

If you are planning a trip or are moving to Bermuda and need more information on Bermuda Immigration or Customs requirements, you may contact:
Bermuda Immigration (441) 295-5151 or www.immigration.gov.bm.

Every official U.S. Government visitor to Bermuda must obtain a country clearance through the U.S. Consulate at least 72 hours in advance. For more information please contact the U.S. Consulate in Bermuda at <http://hamilton.usconsulate.gov>.

U.S. companies that require travel of foreign businesspersons to the United States should be advised that security opinions and rulings/findings are handled via an interagency process. Visa applicants should go to the following links:

State Department Visa Website: travel.state.gov/visa/index.html

United States Visas.gov: www.unitedstatesvisas.gov

Telecommunications

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E-Commerce: Bermuda has established itself as a leading E-Commerce jurisdiction; it was one of the first countries in the world to pass legislation that establishes legal principles for the conduct of eCommerce and the processing of electronic transactions.

Telecommunications: Bermuda has a competitive telecommunications market due to the efforts of the Ministry of the Environment, Planning & Infrastructure Strategy. Bermuda is one of the world's first small countries to break the stranglehold of monopolies on long distance and local telecommunications, which reduced the cost of long-distance calls. Bermuda's internal telephone system is 100% digital, with fiber optic trunk lines. The overseas links are fiber optic cables, and there is growing redundancy built into the system to negate the effect of faults. Although communications in Bermuda are state of the art, with multiple satellite, ocean cable, and fiber-optic cable facilities in place, severe winds and storms can bring local communications down for periods ranging from hours to weeks.

Telephone and fax service extends throughout the island. Long distance service is rapid and efficient, with direct dialing to the U.S. and most of the world. Calls from the U.S. are not international and only require 1 + 441 (area code) to place an incoming long distance call. Rental rates for phone lines and local service costs are comparable to those in the U.S. With the advent of competition, direct dial calls to the U.S. range from \$.09 - .19 BDA per minute, depending on the payment package selected. Many international brands of telephone and fax sets are available for purchase on the island for home and business use, and a wide range of cellular phone equipment and services are available. There are seven Internet services companies providing dial-up and DSL service on the island (five consumer, two business). Prices are considerably higher than in the United States and the Caribbean. For example, DSL service runs about \$99 BDA per month.

The Emergency Broadcast Station - FM 100.1

The Emergency Broadcast Station (EBS) is a Government Disaster Preparedness Facility used by the Emergency Measures Organization (EMO). In the event of an emergency, the Department of Communication and Information (DCI) and Police Media Relations (PMR), as directed by the EMO, will disseminate emergency information to the public via the EBS on a continuous basis. The station is located at COMOPS (Combined Operations), Police Operations Centre, Prospect Devonshire. The Department of Telecommunications, which is responsible for the maintenance of the station, carries out prerecorded weekly testing of the station.

Transportation

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Airlines

There are several commercial airlines that fly between Bermuda and the U.S., Canada, and the U.K. daily although during the winter months there are reduced flight schedules. The Bermuda International airport changed its name to the L.F. Wade International Airport in 2007 and is located at the Civil Air Terminal in St. David's approximately 10 miles from the capital, Hamilton. Please go to www.bermudaairport.aero/default.aspx to view flight information and schedules.

Automobiles

Driving on the island is on the left, British-style, and the maximum speed limit is 15 mph in Hamilton and 21 mph on the rest of the island. Under Bermudian law, non-residents are not allowed to own, rent, or drive four-wheeled vehicles. Non-residents must rely on taxis, buses or rental scooters.

Buses/Ferries

There is a regular, island-wide public bus and ferry service, and daily and weekly and monthly passes are available at the Central Bus Terminal, or Visitors' Service Bureau or Ferry Terminal in Hamilton. The buses and ferries are generally inexpensive, accommodating, clean and efficient. Schedules can be found in the phone book or at www.bermudabuses.com and at www.seaexpress.bm

Scooters

Rental motor scooter are readily available, and the required helmet is provided. However, visitors should carefully consider whether it is worth the risk to ride a scooter. Motor scooters provide the greatest road peril in Bermuda. Those unfamiliar with driving on the left are likely to find the roundabouts and regulations for yielding at junctions confusing and dangerous. In addition, vehicles often stop on the side of the road, blocking one lane of traffic. Main roads, while generally in good condition, are extremely narrow and tend to be bordered by heavy vegetation or low stone walls. Travelers who rent scooters should be aware that scooter accidents involving visitors are common, and they can sometimes involve serious injuries or fatalities.

Taxis

Taxis are readily available for use across the island, although local rates are somewhat pricey by US standards. The best access is via hotel taxi stands.

Language

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The official language of Bermuda is English, but Portuguese is widely spoken among the sizeable Portuguese community.

Health

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Local doctors and dentists meet international standards. Many are trained in the U.S., Canada or England and are licensed and accredited. All physicians in the yellow pages of the Bermuda telephone directory are licensed by the Bermuda Government and speak English. No special vaccinations are required for travel to Bermuda.

Please note: The Department of State strongly urges Americans to consult with their medical insurance company prior to traveling abroad to confirm whether their policy coverage applies overseas and if it will cover emergency expenses such as a medical evacuation. Some U.S. medical insurance plans do not cover health costs incurred outside the United States unless supplemental coverage is purchased. Further, U.S. Medicare and Medicaid programs do not provide payment for medical services outside the United States. However, many travel agents and private companies offer insurance plans that will cover health care expenses incurred overseas, including emergency services such as medical evacuations. If applicable, you will generally have pay to at the time of service with either cash or credit card and then submit the receipt to your insurance company for reimbursement.

There are two main hospitals in Bermuda. The King Edward VII Memorial Hospital, just east of Hamilton, is a relatively well-equipped and modern general medical and surgical hospital with about 300 beds. All customary services are available at the King Edward, including an emergency and outpatient department. There is also a psychiatric hospital called the Mid Atlantic Wellness Institute. The Lamb-Foggo Urgent Care Centre is an emergency medical clinic located in the northeast end of the island. The two main hospitals are accredited under a Canadian system.

King Edward VII Memorial Hospital
7 Point Finger Road
Paget, DV 04
Phone: (441) 236-2345

Mid Atlantic Wellness Institute
P.O. Box DV 501
Devonshire DV BX
Phone: (441) 236-3770

Lamb-Foggo Urgent Care Centre
1 Hall St. South Side
St. Davids DD 03
Phone: (441) 298-7700

Prescription Drugs

U.S. prescriptions are not honored in Bermuda. It will be necessary to visit a Bermuda doctor and have a new prescription written if you need to have it filled here. Most common medications are available locally, upon presentation of a prescription from a Bermuda doctor. If you are taking prescription medication, you must inform Bermuda customs officials at the point of entry. Medicines must be in labeled containers, and travelers should carry a copy of the written prescription and a letter from the physician or pharmacist confirming the reason the medicine is prescribed.

Emergency Numbers: Police, Fire and Ambulance 911

The emergency phone number for the Police, Fire and Ambulance service is **911**. The phone number for the King Edward VII Memorial Hospital is **(441) 236-2345**.

More information on vaccinations and other health precautions, such as safe food and water precautions and insect bite protection, may be obtained from the Center for Disease Control and Prevention's (CDC) hotline for international travelers at 1-877-FYI-TRIP (1-877-394-8747) or through their website at: www.cdc.gov

For information about outbreaks of infectious diseases abroad, consult the website of the World Health Organization (WHO) at: www.who.int/en

For information about hurricanes in Bermuda, consult the Bermuda weather website at: www.weather.bm or the U.S. National Hurricane Centre at: www.nhc.noaa.gov.

Local Time, Business Hours, and Holidays

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Time Difference

Bermuda is on Atlantic Standard Time (AST). The time difference between New York City and Bermuda is one (1) hour. When it is 12:00 noon in New York City, it is 1:00 pm in Bermuda. London is four (4) hours ahead of Hamilton; therefore, when it is 12:00 noon in Bermuda, it is 4:00 pm in London.

Business hours

The regular business work week in Bermuda is from Monday to Friday from 9 to 5 p.m. however many retail and grocery stores are open on Saturdays as well. Banks are open from 9:30 a.m. to 3:00 p.m. Monday to Thursday and from 9:30 a.m. to 4:00 p.m. on Friday. Some grocery stores are open on Sundays from 1 to 5 p.m. During tourist season, some retail stores in Hamilton will stay open on Wednesdays until 9 p.m.

U.S. and Bermuda Official Holidays 2011

NOTE: (O)=OBSERVED, A=AMERICAN, B=BERMUDA

Holiday/Event	Date	Country
2011 New Year's Day (O)	Friday, December 31	A
2011 New Year's Day (O)	Monday, January 3	B
Martin Luther King Jr. Birthday (O)	Monday, January 17	A
Washington's Birthday	Monday, February 21	A
Good Friday	Friday, April 22	B
Bermuda Day	Tuesday, May 24	B
Memorial Day	Monday, May 30	A
National Hero's Day	Monday, June 20	B
Independence Day	Monday, July 4	A
Emancipation Day	Thursday, July 28	B
Somer's Day	Friday, July 29	B
Labor Day	Monday, September 5	B/A
Columbus Day (O)	Monday, October 10	A
Remembrance/Veterans Day	Thursday, November 11	B/A
Thanksgiving Day	Thursday, November 24	A
Christmas Day/Boxing Day (O)	Monday, December 26	B/A
Christmas Day (O)	Tuesday, December 27	B
2012 New Year's Day (O)	Monday, January 2	B/A

Temporary Entry of Materials and Personal Belongings

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Some goods may be imported on a temporary basis without the payment of customs duty. Goods imported for short periods of time (e.g. tools of trade) must have a monetary security (customs deposit) placed with customs prior to being released by customs. This

security/deposit amount can be recovered in full, less wharfage fee, currently 1.01% for airport arrivals and 1.11% for Hamilton dock arrivals, by proper adjustment of the deposit with customs. The adjustment and refund timeframe is 30 working days. Some restrictions apply and proper export procedures MUST be followed to obtain a refund of the deposit. Any goods which remain in Bermuda are subject to import duty at the appropriate rate. Where goods are sold or otherwise disposed of without authorization from the Collector of Customs, they become liable to forfeiture and the importer is liable for a monetary penalty of up to \$12,000 BDA.

Persons moving to Bermuda with their personal possessions MUST pay duty and landing tax on the declared or customs assessed value of their goods. To avoid lengthy inspections by customs, the importer may make a written declaration of the contents and estimated fair values of their goods for duty purposes. If the declared value is accepted by customs, no inspection will be necessary. Customs may decide to carry out an inspection. If they deem inspection necessary, the shipment must have a customs deposit (bond) filed prior to release from the airport or pier. Shipments due to be inspected CANNOT be opened without the presence or permission of a customs official.

For more information on Bermuda Customs and Online Tariffs visit their web site at www.customs.gov.bm or call (441) 295-4816.

Web Resources

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American Consulate in Bermuda website: <http://hamilton.usconsulate.gov>

Bermuda Customs website: www.customs.gov.bm

Bermuda Ferry Schedule: www.seaexpress.bm

Bermuda Hospitals Board: www.bermudahospitals.bm

Bermuda Immigration: www.immigration.gov.bm

Bermuda Public Transit information: www.bermudabuses.com

Bermuda Weather: www.weather.bm

Centre for Disease Control: www.cdc.gov

Government of Bermuda: www.gov.bm

National Hurricane Centre website: www.nhc.noaa.gov

Travel.state.gov: <http://travel.state.gov>

World Health Organization: www.who.int/en

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Chapter 9: Contacts, Market Research, and Trade Events

- [Contacts](#)
- [Market Research](#)
- [Trade Events](#)

Contacts

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Business travelers to Bermuda may contact any of the following organizations or government departments for more information about how to do business in Bermuda:

- **Association of Bermuda Insurers & Reinsurers** Website: www.abir.bm
Bradley L. Kading
President and Executive Director
1301 Pennsylvania Avenue, N.W.
Suite 900
Washington, DC 20004-1701
Tel: 202-783-2434
Fax: 202-638-0936
Leila Maderios
Senior VP & Corporate Secretary
XL House, 1 Bermudiana Road
Hamilton, HM 08
Bermuda
Tel: (441) 294-7221
Fax: (441) 296-4207
- **Association of Bermuda International Companies**
P.O. Box HM 655
Hamilton HM CX
Bermuda
Tel: 441 295-8932
Fax: 441 292-5779
Website: www.abic.bm
- **Bermuda Bar Association**
White Hall
#1 Park Road, Hamilton HM 09
P.O. Box HM 125
Hamilton HM AX
Bermuda
Tel: (441) 295-4540
Website: www.bermudabar.org E-mail: bdabar@ibl.bm
- **Bermuda Chamber of Commerce**
1 Point Pleasant Road
Hamilton, HM 11
Bermuda
Tel: (441) 295-4201
Fax: (441) 292-5779
Website: www.bermudacommerce.com
- **Bermuda Employers Council**
4 Park Road
Hamilton, HM 11
Bermuda
Tel: (441) 295-5070

Fax: (441) 295-1966
Website: www.bec.bm

- **Bermuda Insurance Market** Website: www.bermuda-insurance.org
- **Bermuda Monetary Authority (BMA)**
BMA House, 43 Victoria Street
Hamilton, HM 12
Bermuda
Tel: (441) 295-5278
Fax: (441) 292-7471
Website: www.bma.bm
- **Business Bermuda**
The Windsor Place
22 Queen Street
Hamilton, HM 12
Bermuda
Tel: (441) 292-0632
Fax: (441) 292-1797
Website: www.businessbermuda.org
- **Institute of Chartered Accountants of Bermuda**
Boyle Building, 2nd Floor
31 Queen Street
Hamilton, Bermuda HM 11
Bermuda
Phone: +1 (441) 292-7479
Fax: +1 (441) 295-3121
Web site: www.icab.bm Email: info@icab.bm
- **Ministry of Finance**
Government Administration Building
30 Parliament Street
Hamilton, HM 12
Bermuda
Tel: (441) 295-5151
Fax: (441) 295-5727
Website: www.gov.bm
- **Registrar of Companies**
Government Administration Building
30 Parliament Street
Hamilton, HM 12
Bermuda
Tel: (441) 294-9244
Fax: (441) 292-6640
Website: www.roc.gov.bm
- **U.S. Consulate General – Bermuda**

“Crown Hill”
16 Middle Road
Devonshire DV 03
Bermuda
Tel: (441) 295-1342
Fax: (441) 295-1592
Website: <http://hamilton.usconsulate.gov>

Market Research

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There are several research firms in Bermuda that can assist you with market research: www.Research.bm, Total Marketing - www.totalgroup.bm, and several ad agencies: AAC Saatchi & Saatchi - www.aac.bm; Aardvark Communications - www.aardvark.bm; Advantage Ltd. - www.advantage.bm; Emedia Bermuda Ltd. - www.emedia.bm; Mind Maps Ltd. - www.mindmaps.bm; RBK Advertising & Design - www.rbk.bm.

To view other market research reports produced by the U.S. Commercial Service please go to the following website: <http://www.export.gov/marketresearch.html> and click on Country and Industry Market Reports.

Please note that these reports are only available to U.S. citizens and U.S. companies. Registration to the site is required, but free of charge.

Trade Events

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Please find the following listing of some of the trade events in Bermuda for 2011:

- Coldwell Banker Home Show – February
- 12th annual Caribbean Tourism Organization (CTO) Sustainable Tourism Conference (STC 12) - April.
- OECD Global Forum on Transparency and Exchange of Information for Tax Purposes – May
- Southern U.S. Trade Association - 2011 Bermuda Outbound Mission - April
- Butterfield & Vallis – Food Show - May
- 2nd Annual Capital G Private Wealth Conference - May
- Annual Global Hedgefund Summit – May
- Society for Trust and Estate Practitioners Caribbean Conference – May
- Bermuda Captive Conference - June
- Insurance Day Summit Bermuda - June
- International Women’s Summit – September
- International Reinsurance Congress – October
- Annual Conference for Bermuda Reinsurers - November
- International College and University Fair hosted by the Bermuda College - December

Please click on the link below for information on upcoming trade events in the U.S. www.export.gov/tradeevents.html

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Chapter 10: Guide to Our Services

The President's National Export Initiative aims to double exports over five years by marshaling Federal agencies to **prepare U.S. companies to export successfully, connect them with trade opportunities and support them once they do have exporting opportunities.**

The U.S. Commercial Service offers customized solutions to help U.S. exporters, particularly small and medium sized businesses, successfully expand exports to new markets. Our global network of trade specialists will work one-on-one with you through every step of the exporting process, helping you to:

- Target the best markets with our world-class research
- Promote your products and services to qualified buyers
- Meet the best distributors and agents for your products and services
- Overcome potential challenges or trade barriers
- Gain access to the full range of U.S. government trade promotion agencies and their services, including export training and potential trade financing sources

To learn more about the Federal Government's trade promotion resources for new and experienced exporters, please click on the following link: www.export.gov

For more information on the services the U.S. Commercial Service offers to U.S. exporters, please click on the following link: (Insert link to Products and Services section of local buyusa.gov website here.)

U.S. exporters seeking general export information/assistance or country-specific commercial information can also contact the **U.S. Department of Commerce's Trade Information Center** at **(800) USA-TRAD(E)**.

We value your feedback on the format and contents of this report. Please send your comments and recommendations to: Market_Research_Feedback@trade.gov

To the best of our knowledge, the information contained in this report is accurate as of the date published. However, **The Department of Commerce** does not take responsibility for actions readers may take based on the information contained herein. Readers should always conduct their own due diligence before entering into business ventures or other commercial arrangements. **The Department of Commerce** can assist companies in these endeavors.

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