



Doing Business in Bermuda:

2016 Country Commercial Guide for U.S. Companies

INTERNATIONAL COPYRIGHT, U.S. & FOREIGN COMMERCIAL SERVICE AND U.S. DEPARTMENT OF STATE, 2016. ALL RIGHTS RESERVED OUTSIDE OF THE UNITED STATES.

Table of Contents

<i>Doing Business in Country</i>	4
Market Overview	4
Market Challenges.....	5
Market Opportunities.....	5
Market Entry Strategy	6
<i>Political and Economic Environment</i>	6
Political Environment	6
Using an Agent to Sell US Products and Services.....	6
Establishing an Office	6
Franchising	7
Direct Marketing	7
Joint Ventures/Licensing	7
Selling to the Government.....	8
Distribution & Sales Channels.....	8
Express Delivery	8
Selling Factors & Techniques	9
eCommerce	9
Trade Promotion & Advertising	9
Pricing	10
Sales Service/Customer Support.....	10
Protecting Intellectual Property.....	10
Due Diligence	12
Local Professional Services	12

Principle Business Associations.....	12
Limitations on Selling US Products and Services.....	13
Web Resources.....	13
<i>Trade Regulations, Customs, & Standards</i>	13
Import Tariffs	13
Trade Barriers.....	14
Import Requirements & Documentation.....	14
U.S. Export Controls	15
Temporary Entry	15
Labeling/Marking Requirements	15
Prohibited & Restricted Imports	17
Customs Regulations	18
Trade Standards	18
Trade Agreements.....	20
Licensing Requirements for Professional Services.....	20
Web Resources.....	21
<i>Investment Climate Statement</i>	21
Executive Summary	21
Openness to and Restriction on Foreign Investment.....	23
Conversion and Transfer Policies	26
Expropriation and Compensation	27
Dispute Settlement.....	27
Performance Requirements and Incentives	28
Right to Private Ownership and Establishment.....	29
Protection of Property Rights	30
Transparency of Regulatory System.....	31
Efficient Capital Markets and Portfolio Investment.....	32
Competition from State Owned Enterprises	34
Corporate Social Responsibility	34
Political Violence	36
Corruption.....	36
Bilateral Investment Agreements	41
OPIC and Other Investment Insurance Programs	42
Labor.....	42
Foreign-Trade Zones/Free Ports	43

Foreign Direct Investment Statistics	43
Trade & Project Financing.....	45
Methods of Payment.....	45
Banking Systems	45
Foreign Exchange Controls.....	46
US Banks & Local Correspondent Banks.....	46
Project Financing.....	46
Web Resources.....	46
Business Travel	47
Business Customs	47
Travel Advisory.....	47
Visa Requirements	48
Currency.....	49
Telecommunications/Electric	49
Transportation	50
Language.....	51
Health	51
Local Time, Business Hours and Holidays.....	53
Temporary Entry of Materials or Personal Belongings	53
Web Resources.....	54
Leading Sectors for US Exports & Investments.....	55
International Business.....	55
Real Estate and Rental	56
Financial Intermediation	57
Business Activities	57
Travel and Tourism.....	58
Education, Health & Social Work	59
Wholesale & Retail Trade, Motor Vehicles & Repair Services	61
Construction.....	61
Transport and Communications.....	62
Agricultural, Fishing & Quarrying Sector.....	63

Doing Business in Country

Market Overview

Discusses key economic indicators and trade statistics, which countries are dominant in the market, the U.S. market share, the political situation if relevant, the top reasons why U.S. companies should consider exporting to this country, and other issues that affect trade, e.g., terrorism, currency devaluations, trade agreements.

English-speaking Bermuda is a twenty-one-square-mile island isolated in the Atlantic Ocean, seven hundred miles away from its nearest neighbor, North Carolina. The close proximity of Bermuda to the United States makes the United States a primary trading partner. With few natural resources, other than its appeal as a vacation destination, Bermuda imports almost everything; 71% (\$683.8 million) of the island's imports derived from the U.S. in 2014, the latest date for which statistics are available. In addition, Bermuda's tourism industry relies on U.S. visitors - 463,048 or approximately 90% of all cruise, air, and yacht passengers in 2015. An estimated eight thousand U.S. citizens also live in Bermuda. The Department of Statistics estimates that Bermuda's overall population Bermuda's mid-year population was 64,129 in 2010 and projects a decrease to 61,566 by 2020, a decline of 4%, due to the departure of expatriates during the recession and a negative growth rate.

Bermuda's economy relies on foreign direct investment (FDI), primarily international business (IB) – insurance and reinsurance – along with general financial services. Tourism also brings in foreign exchange, but to a much lesser degree. IB is Bermuda's economic foundation, contributing directly 27.1% of total GDP in 2014 - compared to tourism's contribution of approximately 5%.

Bermuda is slowly coming out of more than six straight years of economic recession. The GOB expects overall GDP in 2015 to have increased by 1.5-2.5%. Bermuda's real GDP increased for the fourth consecutive quarter in Q3 2015, a 4.4% increase over the same period in 2014 after adjusting for inflation of 1.8%. In 2014, the last full year for which data was available, GDP was at USD 5.7 billion, or USD 4.6 billion after adjusting for inflation, down 0.4 percent from 2013. The primary driver was a \$53 million gain in the surplus on trade in goods and services, primarily from household consumption, which increased 3.8%. However, job losses and business closures continue to affect the overall economy. In February 2016, the GOB reported that it borrowed USD 150 million in FY 2015-16 to cover fiscal shortfalls and announced that it expects to borrow another USD 110 million this year; in addition to the USD 800 million it borrowed in 2013 to cover deficits for 2014-16 period. By March 31, 2017, the GOB estimates that gross public debt will stand at USD 2.444 billion.

In February 2016, Moody's reported that the GOB "remains on track to meet its fiscal consolidation goals, a credit positive...The Government's success in reducing the budget deficit reflects its increased efforts to maintain fiscal discipline and a moderate economic rebound that too hold in 2015 following a six-year recession." Moody's also noted that the international business sector has resumed growth, which, with infrastructure investment, will create new jobs and grow wages and payroll tax receipts. Moody's downgraded Bermuda's macro profile from "moderate+" to "moderate" in April, 2016 which reflects "a balance of Bermuda's very high institutional strength and a limited susceptibility to event risk, against the challenges of a small economy with limited diversification and poor growth of recent years."

Reinsurance is the island's primary economic driver. Fitch Ratings' January 2016 report, "Bermuda 2016 Market Update," gave a stable rating outlook on global reinsurance, including in Bermuda. However, Fitch expected prices to continue to fall in 2016 while investment yields will remain close to historic lows. Fitch noted that the European Commission awarded Bermuda full equivalency with Solvency II, which was formally implemented on Jan. 1, 2016, "enhancing Bermuda's global competitiveness."

In May 2015, Fitch reaffirmed Bermuda's A+ rating with a stable outlook. It said Bermuda's ratings are supported by its "high income, consistent current account surpluses and strong net external creditor position," along with its sophisticated legal system, strong regulatory framework, simple tax regime, proximity to the U.S., and skilled human

capital which, it said, will allow Bermuda to continue to compete as a domicile for re/insurance and financial services companies.

Market Challenges

Learn about barriers to market entry and local requirements, i.e., things to be aware of when entering the market for this country.

Among Bermuda's market challenges are its physical isolation (in the Atlantic Ocean 700 miles east of North Carolina), high import duties, high cost of living, limited land for development, and work permit requirements for expatriates.

Market Opportunities

Overview of best prospect sectors, major infrastructure projects, significant government procurements and business opportunities.

Bermuda's advantages include a relatively stable, democratic government; low personal and corporate taxes; a pool of skilled professionals; and extensive air and communication networks – especially for business travel. Its currency, the Bermuda dollar, is pegged one-to-one to the U.S. dollar.

As a UK Overseas Territory, Bermuda's legal system is grounded in UK law. Its legal, regulatory, and accounting systems generally adhere to high ethical and transparency standards. It effectively and impartially enforces its laws to combat money laundering. The local banks offer full international banking, investment, and fiduciary services. Major international accounting firms are well represented in Bermuda. Local law firms have extensive experience in the incorporation and administration of local and foreign undertakings. Bermuda law recognizes and enforces secured interests in property, both movable and real. The GOB's policies facilitate the free flow of financial resources in the product and factor markets, and the U.S. Securities and Exchange Commission recognizes the Bermuda Stock Exchange (BSX) as a "Designated Offshore Securities Market." There have been no recent incidents of political violence in Bermuda, although several strikes and non-violent, labor-related marches on Parliament occurred during 2015 and 2016. In March 2016, the People's Campaign for Equality, Jobs and Justice - a coalition of labor unions and religious organizations formed in May 2014 to represent those suffering from the recession – called for an island-wide withdrawal of labor on March 11, which impacted public transportation and garbage removal that day and halfway through the following week, as a show of solidarity against the proposed Bermuda Immigration and Protection Act 2016. The proposed law would grant status and permanent residency to current non-Bermudian residents who have lived in Bermuda for at least 20 or 15 years, respectively. The Government withdrew the proposed legislation in the face of the protests and will attempt to address the less controversial parts of the proposal in a piecemeal fashion and with more consultation with the opposition and public.

In July, 2012, the GOB eased foreign ownership restrictions by allowing companies listed on the BSX to apply for a license to seek foreign investment over and above the forty percent maximum foreign ownership. Previously, foreign investors interested in doing business in Bermuda had to adhere to the 60/40 rule whereby Bermudians own at least sixty percent of the shares, exercise at least sixty percent of the total voting rights, and make up at least sixty percent of the directors of a company.

The Bermuda Business Development Agency operates a concierge service to facilitate and expedite international company formation. The Bermuda Tourism Authority has formed a tourism investment division to support investors interested in doing business in Bermuda.

In early 2014, the GOB announced plans to privatize, mutualize (a form of privatization in which employees are shareholders), and/or outsource non-core government functions, but has done little to implement those plans. So far, it has signed an exclusive agreement with the semi-public Canadian Commercial Corporation to build a new USD 200 million airport terminal pursuant to a public-private partnership to be financed by future airport revenues.

Market Entry Strategy

Generalizes on the best strategy to enter the market, e.g., visiting the country; importance of relationships to finding a good partner; use of agents.

Companies seeking to enter the Bermuda market should adhere to Bermuda's strict rules about conducting business on the island. To best enter the market, one should conduct market research to find potential niches, develop a sound marketing plan, visit potential partners, or distributors, in Bermuda (forging relationships is key to finding a good partner), and use a local wholesaler/distributor for help with pricing, promotion, inventory, distribution, and financial support. Good after-sales support is important.

Political and Economic Environment

Political Environment

For background information on the political and economic environment of the country, 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>

Using an Agent to Sell US Products and Services

Includes typical use of agents and distributors and how to find a good partner, e.g., whether use of an agent or distributor is legally required.

The most efficient and generally effective means for U.S. exporters to conduct business in Bermuda is through a wholesale distributor, of which there are more than thirty on the island. Wholesalers distribute groceries (fresh, frozen, and dry), health and beauty products, pharmaceuticals, food service supplies and equipment, and other products.

To find a partner to assist with shipping needs, contact Bermuda Consumer Affairs at www.ca.gov.bm, the Bermuda Chamber of Commerce at www.bermudacommerce.com or visit the Bermuda Yellow pages at www.bermudayp.com. Note: U.S. businesses can export construction materials directly to Bermuda without going through a wholesaler. For information, potential exporters should contact local construction firms or the Construction Association of Bermuda (www.constructionbermuda.com).

A salesperson's permit is an alternative to engaging a wholesale distributor. Non-Bermudians may not sell or promote products on behalf of an overseas agent or business until the Department of Immigration grants permission to do so. The Chamber of Commerce screens each application for a salesperson's permit to determine if a product is already represented by a Bermudian company and whether the permit will threaten that company's interests. If that is the case, the Chamber will not submit the application for a salesperson's permit to Immigration. If a product is unavailable locally, the Chamber selects Bermudian companies that might have an interest in the product and sets up appointments for the visiting salesperson. Sales representatives are permitted entry on a case-by-case basis. There are two classes of permits: a) a sole agent's permit for those who are sponsored by a local agent, and b) a sole agent's permit for those who are without a local agent.

For more information on the salesperson's permit, please contact the Bermuda Chamber of Commerce at <https://www.bermudachamber.bm>. Please note that the Department of Immigration closely monitors travel into Bermuda for the purpose of business and requires that proper documentation (i.e. work permit, salesperson's permit) be issued prior to entry into Bermuda.

Establishing an Office

Includes steps involved in establishing a local office.

The process of establishing an office in Bermuda may involve several government entities depending on the size and type of business. The Bermuda Monetary Authority (BMA) (www.bma.bm) vets all prospective companies. The Registrar of Companies (www.roc.gov.bm) issues certificates of incorporation. Companies wishing to carry on a restricted business activity (see Schedule 9 under the Companies Act 1981) must seek the approval of the Ministry of Economic Development and/or the Ministry of Finance. In October, 2009, the BMA launched an automated e-filing and e-approval system for corporate registrations. The system improved the speed of processing applications. Currently, company incorporation may take as little as four weeks. The Bermuda Business Development Agency operates a concierge service to facilitate and expedite international company formation.

For incorporation, the BMA requires at a minimum:

- a detailed business plan;
- a copy of a company's most recent financial statements;
- 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 legal business/group structure;
- an up-to-date chart for licensed institutions forming part of wider groups;
- register the business name;
- payment for a business license.

Once the government approves a business plan, businesses should contact a local attorney, and/or local accounting firm for further assistance.

Franchising

Discusses opportunities for U.S. franchisers and legal requirements in the market.

The GOB generally prohibits the establishment of foreign franchises, with the exception of franchise hotels. However, the Companies Act 1981 authorizes the Minister of Economic Development to grant investors special permission to establish a franchise on the island. Current exemptions include Marks and Spencer, Avon, and Kentucky Fried Chicken. In addition, several local companies sell American franchise products, including Body Shop and Gap products.

Direct Marketing

Discusses the state of direct marketing and what channels are available for companies to use direct

Direct telephone marketing and door-to-door sales are rare in Bermuda. The local newspaper sometimes carries grocery/retail flyers. Bermudians shop online, both locally and internationally, though duty attaches to the latter.

Joint Ventures/Licensing

Discusses the legal requirements/options for joint venture/licensing in this market

Overseas and resident investors may form partnerships under the Partnership Act 1902. Partnerships are either local or exempted. A local partnership is composed of Bermudian partners only and is permitted to conduct business locally and abroad. If one or more of the partners is not Bermudian, then the partnership is considered "exempt", and may only conduct business outside Bermuda from a principal place of business within Bermuda.

An overseas partnership formed outside Bermuda may, through the BMA, apply to the Minister of Economic Development for a permit to operate in Bermuda, or outside Bermuda from a place of business in Bermuda. Issuance is entirely at the discretion of the Minister, and will be for such duration and subject to such terms and conditions as the Minister imposes. These partnerships must appoint and maintain a resident representative on the island. Local law or

accounting firms may provide assistance. See www.bermudayp.com for listings or ask the Bermuda Business Development Agency at www.bermudabda.com for advice.

In Bermuda, partnerships are somewhat less regulated regarding their structure and operation than companies. For example, partnerships do not require a Board of Directors and there are no requirements for statutory meetings or minutes of meetings.

The Bermuda Monetary Authority (www.bma.bm) vets all prospective companies. The Registrar of Companies (www.roc.gov.bm) issues certificates of incorporation. In some cases, companies may need to seek approval from the Ministry of Economic Development (www.gov.bm). For example, if a company, local or exempt, wishes to engage in a restricted business practice, such as the provision of professional services such as accounting or health care, the company needs ministerial consent.

Selling to the Government

Discusses the legal requirements for selling to the host government, including whether the government has agreed to abide by the WTO Government Procurement Agreement or is a party to a government procurement chapter in a U.S. FTA. Specifies areas where there are opportunities.

FYI: Cleared Stock language may be added to this section by the Office of Digital Initiatives

There are opportunities for foreign companies to do business with the GOB; however, the GOB prefers to acquire goods and/or services first from local vendors/companies. If the goods or services are unavailable locally, the GOB advertises tenders for bid in the Official Gazette section of the Royal Gazette and on the GOB website at:

http://rentcommission.gov.bm/portal/server.pt?open=512&objID=945&&activetab=TabCTRL_DropDownTabsGovernment1&mode=2&in_hi_userid=2&cached=true

Legal requirements for selling to the government are covered by general legal principles. Recent opportunities include the development of a human resource model, channel widening study, and the removal of asbestos at a former Naval Annex.

Distribution & Sales Channels

Discusses the distribution network within the country from how products enter to final destination, including reliability and condition of distribution mechanisms, major distribution centers, ports, etc.

U.S. exporters may use Bermudian wholesalers/distributors to import and distribute goods intended for sale in Bermuda. Bermuda Customs inspects all goods arriving in Bermuda, regardless of the port of entry. The main distribution center/port is in the capital, Hamilton, where most goods arrive by container ship. Some items, particularly perishable/specialty/courier items, arrive by air at the L.F. Wade International Airport. Petroleum arrives via oil tanker to the Ferry Reach oil docks in St. George's. Special construction materials may arrive directly at the docks in St. George's town.

Express Delivery

Discusses the prevalence and reliability of express delivery firms within the country, time from large U.S. cities, and relevant customs procedures, including de minimis amounts.

Courier service is available in Bermuda. However, delivery to/from the United States is usually second day rather than the next day. Many couriers provide comprehensive customs brokerage and other customs services.

Bermuda Forwarders Ltd. (www.bermudaforwarders.com)

Bermuda Worldwide Shipping – BOSS Ltd. (www.bdashipping.bm)

BEST Shipping (www.best.bm)

DHL (<http://www.dhl.com/bm/en.html>)

Fed Ex (<http://www.fedex.com/bm>)

Gorham's Express Order Centre (www.gorhams-ltd.com)

International Bonded Couriers (www.ibt.com)

Mailboxes Unlimited Ltd. (www.mailboxesunlimited.com)

Selling Factors & Techniques

Identifies common practices to be aware of when selling in this market, e.g., whether all sales material need to be in the local language.

At the retail sales level, Bermudians expect good after-sales service, which has become increasingly important as local retailers compete with international and online shopping. Networking with friends or family about products is also common. Most local wholesalers employ their own salespersons, buyers, and customer service representatives. In some instances, they use on-line ordering sites. Some wholesalers host trade promotions and other events for potential investors. An example is the annual Butterfield and Vallis Food Show. Packaging requirements in Bermuda are the same as in the U.S. and UK.

eCommerce

Describes how widely e-Commerce is used, the primary sectors that sell through e-commerce, and how much product/service in each sector is sold through e-commerce versus brick-and-mortar retail. Includes what a company needs to know to take advantage of e-commerce in the local market and, reputable, prominent B2B websites.

Bermuda is comparable to the U.S. in terms of electronic sophistication. The GOB welcomes and pursues emergent e-commerce technology.

The Regulatory Authority Act 2011 established an independent and accountable Regulatory Authority to protect the rights of consumers, encourage the deployment of innovative and affordable services, promote sustainable competition, foster investment, promote Bermudian ownership and employment, and enhance Bermuda's position in the global market. It also allowed the bundling of services for the first time. The Electronic Transactions Act 1999 recognized not only the importance of e-Business but also the need to establish a proper legal framework within which to conduct it. For more information on these acts, visit Bermuda Laws online (www.bermudalaws.bm) or call the Department of Telecommunications at: (441) 292-4595.

Telecommunications: Bermuda has a well-developed telecommunications network and transportation facilities that link the island directly with North and South America, the Caribbean, and Europe. Three international cables link the U.S. to Bermuda with diverse bandwidth routes through fiber optic and satellite networks, quality hosting facilities with maximum security and full redundancy, and sophisticated telephone, fax, and satellite services. Bermuda has seven Internet Service Providers and several web design companies, computer hardware and software vendors, and certified internet payment solutions companies. Although communications in Bermuda are generally state of the art, average internet speed tends to be slower than in the United States, and severe winds and storms can bring local communications down for periods ranging from hours to weeks. Prices are generally higher compared to the U.S. and to other island nations.

Trade Promotion & Advertising

Includes web links to local trade fair or show authorities and local newspapers, trade publications, radio/TV/cable information.

There are opportunities for trade promotion in Bermuda. Advertising is common via the media or through professional advertising agencies. The local newspaper is the Royal Gazette (www.royalgazette.com). Bernews provides news online at www.bernews.com. Businesses also advertise on local radio (ZBM/ZFB; VSB (www.vsbbermuda.com); HOTT

107.5 (www.hot1075bermuda.com), as well as in local magazines like Bottomline (www.royalgazette.com). For more information, contact the Bermuda Chamber of Commerce at: www.bermudacommerce.com.

Pricing

Discusses pricing formula and other fees, value-added tax (VAT), etc.

Job losses, company closures, and a declining population as a result of the continuing recession make pricing very important to Bermudians. Some grocery stores offer five percent price discounts on Wednesdays. Prices in Bermuda reflect the costs of importing nearly all goods and products, and this contributes significantly to the high cost of living. According to 2011 figures released by the World Bank's International Comparison Program on April 29, 2014, Bermuda ranked third, after Switzerland and Norway, among the most expensive economies in which to live. In setting prices, vendors should consider shipping costs, customs duties/wharfage, competition, overhead costs and any wholesaler charges. There is no sales tax or VAT in Bermuda.

Sales Service/Customer Support

Describes what is customary in the market for sales and customer support.

The quality and level of sales, service, and customer support in Bermuda are improving as the result of competition from online shopping, and the interest of those in retail sales to keep their jobs. To attract customers back to brick-and-mortar shopping, in May, 2014, one retailer opened a Gap section in its store in Hamilton and advertises that its prices are the same as U.S. prices.

Local wholesale agents/distributors are knowledgeable about the market and can provide sales, marketing, warehousing and customer support to local consumers, which enables better penetration of the market. U.S. exporters should be prepared to provide customer and after-sales support.

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

Protecting Intellectual Property

Provides advice on IPR protection, including information on the registration of patents and trademarks.

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 may be protected differently in Bermuda than in the United States. Third, rights must be registered and enforced in Bermuda under local laws. For example, 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 in accordance with international agreements.

Granting patents registrations are generally is based on a first-to-file [or first-to-invent, depending on the country basis. Similarly, registering trademarks is based on a first-to-file [or first-to-use, depending on the country], so you should consider how to obtain patent and trademark protection before introducing your products or services to the Bermuda market. It is vital that companies understand that intellectual property is primarily a private right and that the U.S. government 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. Commercial Service can provide a list of local lawyers upon request or see the Consulate's website at <http://hamilton.usconsulate.gov/uploads/images/IArYD95iFDV3mD7eqH9sww/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 responsibility of a rights holder to promptly pursue its case.

It is always advisable to conduct due diligence on potential partners. 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 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 visit www.STOPfakes.gov.

For more information about registering trademarks and patents (both in the U.S. as well as in foreign countries), contact the U.S. Patent and Trademark Office (USPTO) at: **1-800-786-9199**, or visit <http://www.uspto.gov/>.

For more information about registering for copyright protection in the United States, contact the U.S. Copyright Office at: **1-202-707-5959**, or visit <http://www.copyright.gov/>.

For more information about how to evaluate, protect, and enforce intellectual property rights and how these rights may be important for businesses, please visit the “Resources” section of the STOPfakes website at <http://www.stopfakes.gov/resources>.

For information on obtaining and enforcing intellectual property rights and market-specific IP Toolkits visit: www.stopfakes.gov/businesss-tools/country-ipr-toolkits. The toolkits contain detailed information on protecting and enforcing IP in specific markets and also contain contact information for local IPR offices abroad and U.S. government officials available to assist SMEs.

The U.S. Department of Commerce has positioned IP attachés in key markets around the world. You can get contact information below for the IP attaché who covers the following countries:

Mexico, Central America and the Caribbean

Todd.Reves@trade.gov

Due Diligence

Provides advice on how to perform due diligence and in what areas it is necessary for a U.S. company. Includes information on the U.S. Commercial Service International Company Profile service.

While there is no local equivalent of a Dunn and Bradstreet in Bermuda, international and local accounting and law firms are able to check the bona fides of banks, agents, or customers. The Registrar of Companies (www.roc.gov.bm) and the Bermuda Chamber of Commerce (www.bermudacommerce.com) may also be able to help. Please note that the U.S. Commercial Service does not provide information about Bermuda in its International Company Profile.

Local Professional Services

Provides references to local service providers and other professional associations.

A wide range of professional services is available in Bermuda, including accounting, legal, information technology and real estate. See www.netlinkbermuda.com. Local wholesalers are available to help with sales. The Bermuda Bar Association’s current list of attorneys is at www.bermudabar.org.

Principle Business Associations

Provides references to the principal business associations, indicating which accept U.S. companies. Describes the primary roles of those associations and to what extent they influence government actions.

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

Association of Bermuda International Companies: www.abic.bm

Bermuda Bar Association: www.bermudabar.org

Bermuda Business Development Agency: <http://bermudabda.com/>

Bermuda Chamber of Commerce: www.bermudachamber.bm

Bermuda Government: www.gov.bm

Bermuda Monetary Authority: www.bma.bm

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

Bermuda Economic Development Corporation: www.bedc.bm

Bermuda Yellow Pages: www.bermudayp.com

Bernews: www.bernews.com

Construction Association: <http://constructionassociationofbermuda.com/index.aspx>

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

Limitations on Selling US Products and Services

Provides information on any manufacturing sectors or services where only citizens or a sub-set of the population in that country are allowed to own or sell.

Bermuda itself has little to no manufacturing. That which exists is very small scale (e.g. Horton's rum cakes, etc.). The U.S. accounts for roughly 80% of Bermuda's imports.

Web Resources

Includes websites relevant to selling US products and services in this country, highlighting resources for small- and medium-sized enterprises.

The best way to sell U.S. products in Bermuda is through wholesale distributors, a list of which can be found in the Bermuda Yellow Pages: <http://www.bermudayp.com/search/all/1/wholesale%20distributor>.

Trade Regulations, Customs, & Standards

Import Tariffs

Includes information on average tariff rates and types that U.S. firms should be aware of when exporting to the market.

Bermuda's Customs Department collects import duty, which makes up approximately twenty percent of the GOB's revenue. Bermuda uses the Harmonized Commodity Description and Coding System 2012, as the basis for its customs tariff. The Customs Department's main office is in Hamilton, where officers process Bermuda customs declarations for arriving air and ocean freight and control the movement of passengers and cargo. The Customs Department works with the Bermuda Police Service in combating the cross-border movement of illicit drugs, contraband, and the proceeds of crime. Customs officers are located at the official ports of Hamilton, St. George, L.F. Wade International Airport, and Dockyard.

Bermuda has adopted the World Trade Organizations' valuation rules (GATT) 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 five to fifteen percent. Certain goods, such as medicines, corrective spectacles, and reading materials, have a 0.0% rate. Vehicles principally designed for the transport of passengers are normally dutiable at the rate of 75% on the first \$10,000 and 150% on the value in excess of \$10,000 (vehicles with ten or more seats and hybrid vehicles are at 33.5%). Vehicles principally designed for the transport of goods are normally dutiable at 33.5%. The duty on motorcycles is 33.5%. Some sectors qualify for tax

relief. To check whether any items are subject to tax duty relief, see the relevant sections of the following:

http://www.customs.gov.bm/portal/server.pt/gateway/PTARGS_0_2_10793_256_1438_43/http%3B/pt_publisher.gov.bm%3B7087/publishedcontent/publish/ministry_of .

The duty rate for most accompanied personal goods of persons arriving in Bermuda by air or sea is currently 25% of the transaction value. Visitors are entitled to a \$50.00 allowance each visit. Visitors and residents may claim one liter of wine, one liter of spirits, 200 cigarettes, 50 cigars, and ½ kg of tobacco duty-free per arrival. Alcohol and tobacco imported in excess of the duty-free allowance are subject to duty of \$2.89 per liter of wine, \$10.63 per liter of spirits, \$44.00 per carton of 200 cigarettes, and 33.5% for cigars and tobacco. While solar rebates were discontinued in 2014, most solar/green goods are not subject to duty.

The airport has a dual-channel, red/green system for arriving passengers. Travelers having no more than their duty-free allowances, no prohibited or restricted goods, and no more than \$10,000 (or equivalent) in cash or negotiable instruments may choose the green channel. Those with goods that exceed their duty-free allowances, goods for business use, prohibited or restricted goods, or more than \$10,000 (or equivalent) in cash or negotiable instruments must use the red channel. See “Travelers” at www.customs.gov.bm for more information.

Trade Barriers

Includes the barriers (tariff and non-tariff) that U.S. companies face when exporting to this country.

No formal trade barriers exist between the U.S. and Bermuda. However, when certain locally grown fruits and vegetables are in season (and premium priced), temporary embargoes are placed on the importation of competing produce to favor local farmers. There is also a prohibition on the importation of fresh cow’s milk.

Import Requirements & Documentation

Includes import documentation and other requirements for both the U.S. exporter and foreign importer.

Bermuda Customs inspects all items being imported or exported. Other government agencies, such as the Bermuda Police Service, are involved in cases of restricted or prohibited imports/exports.

Importers bringing into Bermuda goods for resale, commercial samples, or goods bought on commission must complete a Bermuda Customs Declaration form (BCD). All travelers arriving in Bermuda must complete a Customs Traveler Declaration (CTD).

The value of goods being declared should be expressed in Bermuda dollars. The Bermuda dollar is pegged 1:1 to the U.S. dollar. Exchange rate information for currencies other than the U.S. dollar is available on the Bermuda Customs Department website at:

http://www.customs.gov.bm/portal/server.pt/gateway/PTARGS_0_2_10793_256_1438_43/http%3B/pt_publisher.gov.bm%3B7087/publishedcontent/publish/ministry_of_finance/hm_customs/customs_exchange_rates/gadget.html.

The U.S. dollar may be used to purchase goods and services in Bermuda.

All animals arriving in Bermuda must be accompanied by an Import Permit issued in advance by the Department of Environmental Protection. See:

http://www.gov.bm/portal/server.pt?open=512&objID=926&&PageID=235505&mode=2&in_hi_userid=2&cached=true

U.S. Export Controls

Includes the U.S. government export controls that companies need to abide by when exporting to this country.

A list that consolidates eleven export screening lists of the Departments of Commerce, State and the Treasury into a single search as an aid to industry in conducting electronic screens of potential parties to regulated transactions is available here: <http://developer.trade.gov/consolidated-screening-list.html>.

Temporary Entry

Discusses requirements for products entering the country/economy temporarily, including information on warranty and non-warranty items entering the country/economy for repair.

Some goods imported on a temporary basis may be exempt from customs duty. See the 6th Schedule of the Bermuda Customs Tariff (www.customs.gov.bm) for qualifying goods. Some restrictions apply, and proper export procedures must be followed in order to obtain a refund of the financial security. Goods imported for short periods of time (e.g., tools of trade) must have a monetary security placed with Customs prior to being released. Any goods that remain in Bermuda are subject to import duty at the appropriate rate. If the goods are sold or otherwise disposed of without authorization from the Collector of Customs, the goods are liable to forfeiture, and the importer is liable for a monetary penalty of up to \$12,000.

Goods re-entering Bermuda may be imported exempt from duty providing HMS Customs is satisfied that they have not undergone any changes and ownership remains the same. Goods re-imported after repairs or replacements are subject to duty on the cost of those repairs or replacement. However, goods re-imported that are warranty repairs or replacements are exempt from duty with proof of warranty.

Those relocating to Bermuda with their used personal possessions may qualify for a Transfer of Residence Allowance, which applies to first-time Bermuda residents and former residents returning after living abroad for more than one year. The exemption applies to goods older than six months that arrive within 90 days before or after arrival. An itemized list with depreciated values must be supplied for used goods. Goods purchased within six months of arriving in Bermuda must be duty-paid with invoices submitted. Customs reserves the right to inspect all incoming shipments. For exceptions and additional information, refer to "Public Notice #28, Duty Free Allowance: Transfer of Residence," which is available at:

http://www.gov.bm/portal/server.pt/gateway/PTARGS_0_0_5663_0_0_43/http://ptpublisher.gov.bm;7087/publishedcontent/publish/ministry_of_finance/hm_customs/dept_hm_customs_public_notices/articles/public_notice_28_transfer_of_residence_allowance_published_march_20_2012_0.pdf?qid=27628357&rank=1

Labeling/Marking Requirements

Overview of the different labeling and marking requirements, including any restrictive advertising or labeling practices and where to get more information.

Overview of the different labeling and marking requirements, including any restrictive advertising or labeling practices and where to get more information.

Bermuda follows the same labeling and marking requirements as the U.S. and the UK. The Public Health Act regulates and enforces food labeling legislation. The merchandise itself must bear a mark of origin (e.g. "Made in the U.S.A.") whenever English wording appears that could possibly be considered misleading as to the true origin or the goods.

Foreign food labels must be applied prior to import into Bermuda. The U.S. Department of Agriculture (USDA) requires that food product labels indicate:

- The descriptive name of the product;
- The list of ingredients, including food additives in descending order by weight;
- The name, address and telephone number of the manufacturer or distributor;
- Net weight or volume in metric units; and
- Any instructions for storage and use when applicable.

In addition, the USDA may require the following in a new market:

- Product expiration date;
- Percentages of major product ingredients;
- Special food additive codes; and
- Nutrition information based on the destination country's regulations

Bermuda food labeling legislation and regulations apply to fish taken from the Exclusive Economic Zone and to milk and dairy products. It is an offense for food to be falsely labeled. As of 2015, the Department of Health and the Department of Consumer Affairs were drafting labeling legislation for locally produced products. To date, local producers have been operating under a voluntary agreement to provide the following minimum information on the labels:

- Name of food;
- Name of manufacturer or distributor;
- E-mail address, address or contact number of the manufacturer or packer;
- List of all ingredients in descending order of quantity;
- An appropriate date marking;
- List of natural and artificial additives;
- Net quantity of the food (by weight if solid, by volume if liquid); and
- Appropriate storage information.

In addition, the Public Health (Food) Regulations 1950 prohibit the importation of any food that:

- is intended but is unfit for human consumption;

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

For more information please contact the Bermuda Department of Health (www.health.gov.bm) and the Department of Consumer Affairs (www.ca.gov.bm).

Prohibited & Restricted Imports

Includes a list of goods that are prohibited from being exported to the country or are otherwise restricted.

- 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;
- Gambling 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; and
- VHF radios, radar and CB radios – license required to operate.

To import or export these items, importers and exporters must seek permission from the appropriate Ministry (for example, soil – Ministry of Health, Seniors and Environment) at www.gov.bm.

Customs Regulations

Includes customs regulations and contact information for this country's customs office.

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

Website: www.gov.bm

Customs regulations may be found in the sections on Import Tariffs and Import Requirements and Documentation.

Trade Standards

Describes the country's standards landscape, identifies the national standards and accreditation bodies, and lists the main national testing organization(s) and conformity assessment bodies.

Overview

HMS Customs inspects all goods arriving in Bermuda. Standards are based upon the country of origins standards (i.e., U.S. UK, and Canada) and the U.S. Consumer Products Safety Commission (CPSC) regulations. Existing standards can be found online at www.bermudalaws.bm under the Consumer Protection Act 1999 and the Sales of Goods Act 1978. The Department of Consumer Affairs oversees product standards in Bermuda; see www.ca.gov.bm for information about standards and conformity assessments in Bermuda. Safety standards fall under Bermuda's Consumer Protection Act. Products must be able to be sold in the U.S., UK or Canada before being sold in Bermuda.

Trade Standards

For information regarding standards in Bermuda, contact the Consumer Affairs office. There is no plan at this time to develop an annual plan of standards.

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

Bermuda, as an overseas territory of the U.K., is not a member of the World Trade Organization (WTO).

NIST Notify U.S. Service

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/>

Publication of technical regulations: See www.bermudalaws.bm for regulations, searching for the appropriate legislation (i.e. food regulations under the Health Act, vehicle regulations under the Motor Car Act).

Conformity Assessment

Bermuda has the same standards as the U.S., UK, and Canada. The National Center for Standards and Certification Information (NCSCI) at the National Institute of Standards and Technology (NIST) in the U.S. Department of Commerce provides information on U.S. and foreign standards, technical regulations, and conformity assessment procedures for non-agricultural products. NCSCI staff responds to requests for information by identifying relevant standards and regulations, and by referral to the appropriate standards-developers or private-sector organizations. Under copyright restrictions, NCSCI cannot provide copies of standards, but NCSCI does provide sources for accessing standards.

Product Certification

Bermuda is guided by the same product safety certification standards as the U.S., Japan, U.K., and Canada. A product sold in Bermuda should have the international symbol indicating that it has been tested to the legal required standard of the fore mentioned countries. The Bermuda Department of Health clears pharmaceutical certifications and tobacco licensing. There are no mutual recognition agreements (MRAs) between Bermuda and any U.S. conformity assessment organizations at this time.

Bermuda follows the same product safety certification standards as the U.S., UK, and Canada but has no legislation in place to enforce product certification. The Ministry of Health and Environment controls the sale of cigarettes, tobacco, and tobacco products, including the registration of tobacco wholesalers and requirements for health warnings on packets and containers. The Ministry also controls the importation, sale, and dispensing of medicinal drugs and poisons. There are no mutual recognition agreements (MRAs) between Bermuda and any U.S. conformity assessment organizations at this time.

Accreditation

No official accreditation bodies exist in Bermuda. Many products and services utilize U.S., UK, or Canadian accreditation bodies. The Bermuda Monetary Authority vets all financial institutions wishing to do business with Bermuda. The Chief Medical Officer at the Bermuda Department of Health keeps a register of clinical laboratories accredited in the U.S., UK, and Canada.

Publication of technical regulations

See www.bermulaws.bm for regulations, searching for the appropriate legislation (i.e. food regulations under the Health Act, vehicle regulations under the Motor Car Act).

Contact Information

Bermuda Department of 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

Trade Agreements

Describes bilateral and multilateral trade agreements that this country is party to, including with the United States. Includes websites and other resources where U.S. companies can get more information on how to take advantage of these agreements.

No bilateral investment treaty, or free trade agreement,, exists between the U.S. and Bermuda. Bermuda, as an overseas territory of the U.K., is not itself a member of the World Trade Organization (WTO). Bermuda adopted the 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 and is an associate member of CARICOM (Caribbean Community).

Licensing Requirements for Professional Services

Includes license requirements for key professional services that are open to U.S. service providers. Health care professionals must demonstrate that they are competent to practice in order to be registered to deliver healthcare. Professionals must also re-register and meet continuing education requirements. Registration involves three distinct processes: credential review and vetting; maintenance of re-credentialing; and surveillance and supervision of the profession. See <http://www.bhec.bm/for-professionals/licensing> and <http://bnc.bm/faq.html> and

http://www.bermudahospitals.bm/bhb/careers/pdf/Physician-APPLICATION-REGISTRATION_BMC.pdf

The Bermuda Bar Association is the governing body for the legal profession in Bermuda, responsible for both the regulation and discipline of members of the legal profession in Bermuda. Through an elected Bar Council, the Bar Association is responsible for matters pertaining to admission to practice law in the jurisdiction and rules of conduct for its members. The Bar Association receives, investigates and adjudicates complaints about its members. See <http://bermudabar.org/>.

Chartered Professional Accountants Bermuda establishes minimum requirements for chartered accountants, including a university degree with specific business course credits and work experience. Chartered accountant (CA) candidates will continually receive assessments throughout their development - in university programs, in professional education programs and on the job. All CA candidates must sit the profession's Uniform Evaluation. See <http://www.icab.bm/CAProfession/BecomeCA.aspx>.

Bermuda Laws Online: www.bermudalaws.bm

Bureau of Industry and Security/DOC Regulations: www.access.gpo.gov/bis/

Bermuda Department of Consumer Affairs: www.ca.gov.bm

Bermuda Department of Environmental Health: www.gov.bm

Bermuda Department of Environmental Protection: www.gov.bm

Bermuda Department of Health: www.health.gov.bm

Web Resources

Includes any websites pertaining to trade regulations, customs, and standards in this country.

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

http://www.tcd.gov.bm/portal/server.pt?open=512&objID=256&&PageID=1443&mode=2&in_hi_userid=2&cached=true.

Investment Climate Statement

Executive Summary

This information is derived from the State Department's Office of Investment Affairs' 2015 Investment Climate Statement. Any questions on the ICS can be directed to EB-ICS-DL@state.gov.

Bermuda is a British Island territory located in the North Atlantic Ocean. The government of Bermuda (GOB) welcomes foreign direct investment (FDI). Bermuda's economy is almost wholly dependent on FDI in the insurance, reinsurance, and financial services sectors – with a small contribution from the tourist sector. In 2014, the latest date for which data is available, these international businesses contributed the most to total GDP at 27.1 percent, compared to tourism's roughly 5 percent.

Bermuda is slowly coming out of more than six straight years of economic recession. Bermuda's real gross domestic product increased for the fourth consecutive quarter in Q3 2015, a 4.4% increase over the same period in 2014 after

adjusting for inflation of 1.8%. The primary driver was a \$53 million gain in the surplus on trade in goods and services, primarily from household consumption, which increased 3.8%. However, job losses and business closures continue to affect the overall economy.

Bermuda's investment climate presents a series of advantages for potential investors. These include:

- a stable, democratic government;
- low personal and corporate taxes;
- a pool of skilled professionals;
- proximity to the United States, and extensive air and communication networks;
- a stable currency, the Bermuda dollar (BMD), pegged at par to the USD.

As a British Overseas Territory, Bermuda's legal system is grounded in UK common law. Its legal, regulatory and accounting systems adhere to high ethical and transparency standards. It generally effectively and impartially enforces its laws to combat corruption and money laundering. There is no government interference in the court system that could affect foreign investors.

Bermuda law recognizes and enforces secured interests in real property. The GOB's policies facilitate the free flow of financial resources in the product and factor markets, and the U.S. Securities and Exchange Commission recognizes the Bermuda Stock Exchange (BSX) as a Designated Offshore Securities Market. There is a general awareness of responsible business conduct among both producers and consumers.

Table 1

Measure	Year	Index or Rank	Website Address
TI Corruption Perceptions index	2014	n/a	transparency.org/cpi2014/results
World Bank's Doing Business Report "Ease of Doing Business"	2015	n/a	doingbusiness.org/rankings
Global Innovation Index	2015	n/a	globalinnovationindex.org/content/page/data-analysis
U.S. FDI in partner country (\$M USD, stock positions)	2014	273,792	BEA
World Bank GNI per capita	2013	106,140	data.worldbank.org/indicator/NY.GNP.PCAP.CD

Openness to and Restriction on Foreign Investment

This information is derived from the State Department's Office of Investment Affairs' 2015 Investment Climate Statement. Any questions on the ICS can be directed to EB-ICS-DL@state.gov.

Attitude toward Foreign Direct Investment

Bermuda's investment climate welcomes foreign direct investment (FDI).

The Bermuda Business Development Agency (BDA) is an independent, public-private partnership funded by both the Bermuda government and the private sector. The agency is governed by a Board of Directors comprised of senior industry professionals representing the diversity of Bermuda's financial services sector. The BDA carries out pro-active, targeted marketing and business development strategies to stimulate growth in the Bermuda economy and create and maintain jobs. (<http://bda.bm/overview/>)

The BDA acts as a partner for existing Bermuda-based companies and also assists entities that are considering establishing operations in Bermuda. It connects prospective companies with industry partners and relevant representatives in the Bermuda Monetary Authority (BMA) and the Bermuda Government's Business Development Unit, making formal introductions, trouble-shooting and following up with clients to simplify the process.

The BDA has segmented its business development efforts into four distinct pillars, or industry areas, of focus: Risk (insurance, reinsurance, captives, and insurance linked securities), Asset Management, Trust & Private Client, and International Commerce (technology, international markets, etc.). These are key sectors of the Bermuda marketplace, or areas for potential growth, and the BDA has separate business development managers, strategies and goals for each.

The BDA's Concierge Service provides a one-stop-shop for businesses considering relocating or starting up operations in Bermuda. The Concierge team is the primary point of contact to connect clients with industry professionals, Government and regulatory officials, and service providers such as realtors, law firms, auditors and relocation experts. Their goal is to help get business off the ground quickly and make doing business in Bermuda beneficial and straightforward.

The GOB has not implemented its plans to privatize, mutualize (a form of privatization in which employees are shareholders), and/or outsource non-core government functions. In November 2014 the GOB signed an exclusive agreement with the semi-public Canadian Commercial Corporation to build a new USD 200 million airport terminal pursuant to a public-private partnership to be financed from future airport revenues.

Other Investment Policy Reviews

Bermuda is a World Trade Organization (WTO) member through the United Kingdom. Bermuda has not conducted an investment policy review through the OECD, WTO, or UNCTAD in the last five years.

Laws/Regulations on Foreign Direct Investment

The Minister of Economic Development has broad discretion to approve privatization applications under the Companies Act 1981. The Ministry of Finance treats foreign and local investors equally when privatization opportunities arise. There is no government interference in the court system that could affect foreign investors.

An informal March 2014 study conducted by the U.S. Consulate showed that nearly 60 percent of government contracts granted in 2013 went to U.S. firms, worth almost USD 18 million. The Department of Project Management and Procurement publishes public tenders on its website:

http://www.gov.bm/portal/server.pt?open=512&objID=945&&PageID=235506&mode=2&in_hi_userid=2&cached=true and in the Royal Gazette, a local newspaper that also serves to publish the Government's official notices.

Another useful website is that of the Bermuda Monetary Authority (BMA) at www.bma.bm. The BMA regulates the financial services sector in Bermuda, providing rigorous vetting, supervision, and inspection of all financial institutions

operating in or from within Bermuda. It also assists other authorities in Bermuda to detect and prevent financial crime and develops risk-based financial regulations that it applies to the supervision of Bermuda's banks, trust companies, investment businesses, and insurance companies. The Companies Act 1981 as amended is the principal statute governing the formation and operation of Bermuda companies and foreign investment.

Most international business (IB) companies are classified as exempt, a term that addresses ownership, not taxation. Bermuda's tax system applies equally to local and exempt companies. An exempt company may be 100 percent owned by non-Bermudians. For information about local companies, see below. Being exempt does not relieve exempt companies of the supervisory, regulatory, or fiscal rules governing local, non-exempt companies (more about non-exempt companies below).

An exempt company may not do business within the local economy, except to the extent that it is so authorized by its constitutional documents and has been granted a license by the Minister of Finance, who decides if the granting of such a license is in the best interest of Bermuda. Certain activities are expressly excluded from the requirement for a license, including doing business with other exempted undertakings; dealing in securities of exempted undertakings, local companies or partnerships; carrying on business as manager or agent for, or consultant or advisor to, any exempted company or permit company which is affiliated (whether or not incorporated in Bermuda) with the exempted company or an exempted partnership in which the exempted company is a partner or, in the case of mutual funds, selling or distributing their shares in Bermuda. An exempt company may buy its locally-needed supplies or services from local companies, such as accounting, banking, legal, management and office supply services.

An exempt company is exempt from the ownership regulations – otherwise known as the 60/40 Rule – governing local, non-exempt companies, which are permitted to do business within the local economy. To be classified as a local or non-exempt company, Bermudians must be beneficial owners of at least 60 percent of the shares in the company; exercise at least 60 percent of the total voting rights in the company; and make up at least 60 percent of the directors of the company.

In July 2012, in an effort to ease foreign ownership restrictions and boost the economy, Bermuda amended the Companies Act to allow companies listed on the BSX to apply for a license to seek foreign investment over and above the 40 percent maximum foreign ownership. Previously, foreign investors interested in doing business in Bermuda had to adhere to the 60/40 Rule. Many hotels and telecommunications companies fall into this category, as do Bermuda's four banks.

Compliance with Organization for Economic Cooperation and Development (OECD) guidelines that seek to eliminate separate regulatory regimes for local and international companies may have been a factor contributing to the decision to ease ownership restrictions. Some local businesses support relaxing the 60/40 rule to encourage FDI, increase liquidity in the local market, and boost the economy, while others oppose it out of concern that they might not be able to compete on a level playing field with majority foreign-owned businesses. There is no move afoot to change the current regime.

Overseas and resident investors may form partnerships under the Partnership Act 1902, which may be local or exempted and general or limited. A local partnership is composed of Bermudian partners only and is permitted to conduct business locally and abroad. If one or more of the partners is not Bermudian, the partnership is considered an exempted partnership and may only conduct business outside Bermuda from a principal place of business within Bermuda. An overseas partnership formed outside Bermuda may, through the BMA, apply to the Minister of Finance for a permit to operate in Bermuda or outside Bermuda from a place of business in Bermuda. These partnerships must appoint and maintain a resident representative on the island.

Bermuda strives to be innovative with new financial services and products. For example, in an effort to make Bermuda more competitive in the hedge fund management arena, the Investment Fund Amendment Act 2013 exempts certain hedge funds from authorization and supervision requirements, provides two new classes of exempt funds, and grandfathers currently-exempt funds. Exempt class A funds, which must be regulated by a recognized authority or have

at least USD 1000 million in assets under management, are eligible for expedited registration. To encourage improvements in telecommunication, the Customs Tariff Amendment (No 2) Act 2013 gives full customs duty relief on the importation of goods, apparatus, and machinery imported by holders of integrated communications operating licenses to be used to build or maintain telecommunications network infrastructure.

Bermuda generally prohibits the establishment of foreign franchises, with the exception of franchise hotels. The Companies Act gives the Ministry of Economic Development the authority to grant investors special permission to establish a franchise on the island.

As an overseas UK territory, Bermuda does not receive separate mention in many third-party data information sources, such as the World Bank or Transparency International. Because it is not a member of the Organization for Economic Cooperation and Development (OECD), International Monetary Fund (IMF) or World Bank, it does not participate in any of those organizations' routine reviews. Bermuda is part of the OECD's Global Forum on Transparency and Exchange of Information for Tax Purposes (see <http://www.oecd.org/tax/transparency>), so it is reviewed under this initiative. Neither the World Trade Organization nor the UN Committee on Trade and Development has reviewed Bermuda's investment policy.

Business Registration

The Investment Business Act 2003 is the statutory basis for regulating investment business in Bermuda. The act provides for a licensing regime for any person or entity (unless otherwise exempted or excluded) engaging in investment business, as defined by the act, either in or from Bermuda.

The Registrar of Companies (ROC) is a Bermuda government department falling under the Ministry of Economic Development. It has day to day responsibility of the administration of companies, company name reservation, company fees, insolvency and real estate. <https://www.roc.gov.bm/roc/rocweb.nsf/roc?OpenFrameSet>.

Foreign companies may not use the online registration system; the services of a local corporate service provider must be retained in order to set up a company in Bermuda. At a minimum, a company must typically register with the Registrar of Companies, the Tax Commissioner, the Social Insurance Department, and the Bermuda Monetary Authority if it is a regulated company. The Registrar of Companies usually takes 24 from the date of consent from the BMA for a typical incorporation. Time needs to be taken into account for the corporate service provider's vetting and the Know Your Customer process. There is no provision allowing simplified business creation without a notary.

Under the Bermuda Economic Development Corporation (BEDC) Act 1980, a "small business" is defined as a Bermudian-owned and owner-operated business enterprise having an annual gross payroll not exceeding USD 500,000 or having annual sales revenues of less than one million dollars. A "medium sized business" is a Bermudian-owned and owner-operated business enterprise with at least three of the following attributes: gross annual revenues \$1 million-\$5 million; annual payroll \$500,000-\$2.5 million; a minimum of 11 and a maximum of 50 employees; in operation for a minimum of 10 years; and net assets of less than \$2.5 million.

The BEDC grants loans or other forms of financial assistance to support establishing, carrying on or expanding small businesses, medium-sized businesses and entities within economic empowerment zones (EEZs). It also provides technical advice or assistance to persons who are seeking or who are granted financial assistance; operates and manage markets; oversees and manages the development and implementation of economic empowerment zones; and maintains a register of small businesses, medium-sized business and EEZ business entities.

The BEDC's financial products include loan guarantees up to 50% of a loan up to a maximum of \$200,000; micro loans guarantees of 100% of a small loan up to \$7,500; bank preferential rates and terms for business formation and relocation into the Northeast Hamilton Economic Empowerment Zone (EEZ) payroll tax concessions in all three EEZs for nine tax periods; EEZ customs duty deferment up to five years for businesses and residences that undertake capital projects or purchases in the three EEZs; a 100% guaranteed letter of credit to allow duty payment on retail goods to be deferred for three months on each importation up to a credit limit of \$10,000; and graduates of the BEDC's mobilization

loan program have preferential rates up to one year backed by a 100% guarantee from BEDC. While these benefits are only available to Bermudian-owned and owner-operated businesses, local businesses that meet the requirements of the 60/40 Rule (60% Bermudian-owned and 40% foreign ownership) may take advantage of BEDC's financial products. All can use its advisory services.

Industrial Promotion

The GOB seeks foreign direct investment (FDI) primarily for the development of tourism and local business.

Bermuda has no economic citizenship program. However, in part to recognize the contributions of key IB executives to past job creation and in part to encourage new job creators to come to Bermuda, in 2013 the GOB liberalized the Incentives for Job Makers Act 2011 to offer a form of permanent residency to those who create jobs for Bermudians and to give them residential property purchase rights unavailable to other non-residents. Likewise, in the spring of 2014 Parliament passed the Companies Amendment Act 2014 allowing individuals and local and exempt companies to buy commercial and residential properties under defined circumstances.

In March 2015, Parliament passed the Bermuda Immigration and Protection Amendment Act 2015 to encourage hotel development and boost the property market. The legislation lowered the price of properties available to non-Bermudians and non-PRC (Permanent Residents Certificate) holders, allowing them to purchase homes with an Annual Rental Value [ARV] of USD 153,000 or higher (from USD 177,000) and condominiums with a minimum ARV of USD 32,400 or higher and to own a total of two properties. Houses with a qualifying ARV start at around USD 3.5 million and condominiums at around USD 550,000. Buyers of fractional units and other tourist accommodation will be able to stay in those units as long as they like but will still be subject to immigration control in that they will be required to seek residential certificates from the Department of Immigration. The legislation also removes parish restrictions on acreage held by non-Bermudians but retains the island-wide cap of 2,500 acres.

Conversion and Transfer Policies

This information is derived from the State Department's Office of Investment Affairs' 2015 Investment Climate Statement. Any questions on the ICS can be directed to EB-ICS-DL@state.gov.

Foreign Exchange

The USD currency is widely used and accepted in Bermuda. It is par to the Bermuda dollar. In Bermuda, both currencies are freely interchangeable and transferable without any restrictions.

The BMA issues Bermuda's national currency and manages exchange control transactions. It administers the Exchange Control Act 1972 that states that no capital or exchange controls apply to non-residents or to the various forms of offshore entities, which are free to import and export funds in all currencies.

The Exchange Control Regulations 1973 and the Companies Act 1981 regulate the issue, transfer, redemption, and repurchase of securities. For exchange control purposes, the BMA must give prior approval for issues to and transfers of securities in Bermuda companies involving non-residents, except where general permission has been granted pursuant to the Notice to the Public of June 2005.

The 2009 Proceeds of Crime (Anti-Money Laundering and Anti-Terrorist Financing) Amendment gave the BMA the authority to oversee all money transactions involving wire transfers. The act requires financial institutions to verify the accuracy and completeness of the information on the payer before authorizing the transfer of funds. The institution must also retain all the records pertaining to the transaction for a period of no less than five years. In 2013, amendments created an obligation to report suspicious money transactions which could possibly be linked to money laundering or to monies being used to fund terrorism. It established a civil proceeding before the Supreme Court for the purpose of recovering money obtained through unlawful conduct.

In 2009, Bermuda updated the 1898 Revenue Act to strengthen the requirements related to cross-border transporting of currency and negotiable instruments. The threshold was set at USD 10,000, after a financial transaction surpasses that amount; the financial institution is automatically required to report the transaction. Passengers arriving to Bermuda (regardless of point of embarkation) must complete mandatory declaration form. This mandatory disclosure system applies to all outgoing passengers traveling to the U.S., Canada, and the UK.

The 2010 Foreign Currency Purchase Tax Amendment Act is applied to the purchase of all non-local currencies, including the USD. In 2010, the foreign currency purchase tax doubled from 0.5 percent to 1 percent per transaction.

Bermuda is a member of the Caribbean Financial Action Task Force (CFATF), an organization of states and territories of the Caribbean basin which have agreed to implement common counter-measures against money laundering and it is listed under the 2014 International Narcotics Control Strategy Report (INCSR) as being a monitored country.

There are no restrictions or limitations placed on foreign investors in converting, transferring, or repatriating funds associated with an investment.

Remittance Policies

Reference the previous section.

Expropriation and Compensation

This information is derived from the State Department's Office of Investment Affairs' 2015 Investment Climate Statement. Any questions on the ICS can be directed to EB-ICS-DL@state.gov.

The Housing Loan Insurance (Mortgage) Regulations 1984 and the Municipalities Act 1923 regulate anything dealing with expropriations. In Bermuda there is no history of expropriation without proper compensation. There are no expropriatory acts against foreign investors in Bermuda.

Dispute Settlement

This information is derived from the State Department's Office of Investment Affairs' 2015 Investment Climate Statement. Any questions on the ICS can be directed to EB-ICS-DL@state.gov.

Legal System, Specialized Courts, Judicial Independence, Judgments of Foreign Courts

Bermuda's legal system is based on English statutory and common law and principles of equity. The system is generally effective at enforcing property, commercial and contractual rights.

There is no government interference in the court system. Three courts preside in Bermuda; the Magistrates Courts, the Supreme Court, and the Court of Appeal. The Commercial Court, a division of the Supreme Court, in effect since January 2006, was established to provide a forum in which commercial litigation is tried expeditiously by an experienced commercial judge in accordance with the best modern practice. The court of last resort is London's Privy Council.

Foreign money judgments can be enforced under Bermudian statutory law. Under the 1958 Judgments Reciprocal Enforcement Act (JRE), local courts must recognize and enforce foreign judgments. The JRE follows the same procedure as the UK Foreign Judgments (Reciprocal Enforcement) Act of 1933. Bermuda also has arbitration legislation.

Bankruptcy

The Bankruptcy Act 1989, the Companies Act 1981, and the Companies (Winding Up) Rules 1982 govern bankruptcy and the winding-up of companies. The Supreme Court (the first instance court of general jurisdiction) administers the

bankruptcy process. 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 aforementioned statutes.

Investment Disputes

A Bermuda-owned and registered company is pursuing arbitration and related legal proceedings after the tender awarding it development rights for the Hamilton waterfront was revoked. The Bermuda Ombudsman had opined that the tender process awarding those rights was deeply flawed and the GOB subsequently enacted legislation nullifying the development agreement for the project. The case is now in arbitration and related legal proceedings are ongoing regarding compensation payable to the company. No U.S. company or entity is involved in this litigation.

In another case involving the Corporation of Hamilton, a 2014 credit default by a Bermudan company planning a hotel project in the locality led its U.S. creditor to seek damages. An initial judgment in the creditor's favor was issued in 2015, and this legal process is also ongoing.

International Arbitration

The growth in commercial arbitration is directly linked to the presence of international companies, which operate primarily in the insurance and reinsurance industry. Arbitration within Bermuda has become increasingly popular and it is often named as the seat for arbitration. The GOB has considered promoting Bermuda as a global center for international arbitration.

Bermuda has its own arbitration legislation. The Bermuda International Conciliation and Arbitration Act of 1993 adopted the UN Commission on International Trade Law (UNCITRAL model law) as their rules for governing arbitration procedures. Under the umbrella of the United Kingdom, the ratification of the convention on the Recognition and Enforcement of Foreign Arbitral Awards (1958 New York convention) was extended to Bermuda who became a member state in 1980.

Under Bermuda law, arbitrators and foreign legal counsel traveling to Bermuda for the purposes of participating in arbitration do not need to be locally licensed. The Department of Immigration does however require advance notice of their presence in the jurisdiction.

The judicial system handles investment disputes unless the parties have agreed to submit their disputes to arbitration.

ICSID Convention and New York Convention

Through the United Kingdom, Bermuda has ratified the convention on the Recognition and Enforcement of Foreign Arbitral Awards (1958 New York Convention). Under the convention, foreign arbitral awards are enforceable within Bermuda's domestic courts. Likewise under the United Kingdom, Bermuda is also a member state to the International Centre for Settlement of Investment Disputes (ICSID Convention).

Duration of Dispute Resolution – Local Courts

Information unavailable

Performance Requirements and Incentives

This information is derived from the State Department's Office of Investment Affairs' 2015 Investment Climate Statement. Any questions on the ICS can be directed to EB-ICS-DL@state.gov.

WTO/TRIMS

Not applicable.

Investment Incentives

Bermuda is a low tax jurisdiction. It currently does not impose income, profits, withholding, capital gains, transfer, estate duty/inheritance, or sales tax. The GOB imposes customs duty on an ad valorem basis, generally on the

transaction value of imported goods and depending on whether it is for commercial or personal use. The most common customs duty rate is 22.25 percent, although luxury items such as boats and cars can carry a much higher rate.

For a breakdown of payroll tax rates, see

http://www.gov.bm/portal/erver.pt/portal/server.pt?open=512&objID=275&&PageID=231418&mode=2&in_hi_userid=2&cached=true.

Bermuda has no discriminatory or preferential import or export policies affecting foreign investors. The GOB does not require investors to export a set percentage of output or to purchase goods from local suppliers, even though there are a number of preferential duty reliefs for certain local commercial activities (e.g., for the importation of energy efficient goods and renewable energy resources, hotel and restaurant renovations, etc.).

For information about the 60/40 Rule, please reference the section 1 on Laws/Regulations of Foreign Direct Investment. For information about labor requirements and work permits, reference section 15 on Labor.

Right to Private Ownership and Establishment

Reference the section on Laws/Regulations of Foreign Direct Investment for information regarding the 60/40 Rule.

Privatization Program

The GOB has not implemented its plans, announced in February 2014, to privatize, mutualize (a form of privatization in which employees are shareholders), and/or outsource non-core government functions. However, it has increasingly turned to public-private partnerships, most recently signing an exclusive agreement with the semi-public Canadian Commercial Corporation in November 2014 to seek a contractor to build a new airport terminal building to be financed from future airport revenues. Other examples of public-private partnerships are the King Edward VII Memorial Hospital Redevelopment Project and the Bermuda Tourism Authority. In awarding contracts, the GOB does not always follow established bidding processes if the Accountant General agrees that not doing so is in the public interest.

Screening of FDI

The Bermuda Monetary Authority (BMA) is the entity that screens foreign direct investment. The screening process entails looking for proof of criminal activity and/ or money laundering. The Registry for Companies makes the final decision regarding the inscription of companies both domestic and international. If an application is denied, the client has the option to re-apply after addressing the reasons for the denial.

In order to incorporate, the BMA requires a copy of the most recent financial statements, a business plan, the articles of incorporation, copies of client agreements used in the course of business, any required licenses, and a check for the application fee.

In October 2009, the BMA launched an online filing system to facilitate the registration of companies. The online system improved the processing of applications, while maintaining the integrity of the review process. Under the new system incorporation can take as little as four weeks. The Bermuda Business Development Agency also offers a concierge service to facilitate and expedite the incorporation of international companies.

The BMA holds the authority to restrict or revoke a company's license and, under the Investment

Business Act, can censor, issue warnings or require dissolution. An investment provider may appeal the BMA's decision to a tribunal constituted on a case-by-case basis in accordance with the Investment Business Act.

Competition Law

See www.bma.bm

Research and Development

The Bermuda Institute of Ocean Sciences (BIOS), a Registered Bermuda Charity and a U.S. 501(c) (3) not-for-profit research and educational organization, is a world-class ocean science research and education facility. BIOS performs research in many fields, including oceanography, marine biology, genetics and molecular biology, chemistry, air/environmental quality, optics, biogeochemistry, and climate change.

The Sargasso Sea Alliance, a partnership led by the GOB in collaboration with scientists (including BIOS), international marine conservation groups, and private donors, works to protect the unique and vulnerable ocean ecosystem of the Sargasso Sea, which surrounds Bermuda. In March 2014, representatives from the governments of five countries and territories from around the Sargasso Sea, including the U.S., signed the Hamilton Declaration on Collaboration for the Conservation of the Sargasso Sea, a non-binding political statement that indicates signatories' interest in voluntarily collaborating on efforts to conserve the Sargasso Sea.

Performance Requirements

Although the GOB and many Bermudians recognize the importance of third country nationals (TCNs) to the island, the GOB generally imposes a 'Bermudianization' policy that entails giving preferential job employment to locals.

In recognition of the key role IB and foreign investment play in the economy, particularly in terms of job creation for Bermudians, the GOB enacted a new work permit policy, effective March 1, 2015. The global entrepreneur work permit gives TCNs who plan to incorporate an exempt company in Bermuda permission to live and work on the island for a maximum of 12 months while in the planning stages. New business work permits allow exempt companies that are new to Bermuda to expedite up to ten work permits within the first six months of their moving to Bermuda. The new policy also requires employers to advertise all positions for at least eight consecutive days and to confer directly with the Department of Workforce Development about whether there are qualified Bermudians to fill posts in certain job categories. Spouses of work permit holders, but not their children, may seek employment.

Earlier, in January 2013, the GOB eliminated the controversial term limits policy, under which TCNs were allowed to work in Bermuda for no more than six years, or up to ten years if their employers could demonstrate they were "key employees." To reward and retain companies already in Bermuda, and to encourage new companies to establish themselves on the island, in December 2013 the GOB amended the Incentives for Job Makers Act (IJMA) 2011 to change from recruiting and retaining TCNs whose residence in Bermuda was critical to a company's remaining in Bermuda to those who were critical to jobs in general remaining on the island.

Data Storage

While the GOB does not require foreign investors to follow the "forced localization" of goods or technology, it encourages IB to support the economy by purchasing from local companies, such as those providing accounting, banking, legal, management, and office supply services. Since the world economic downturn of 2008, however, a number of IBs have consolidated, restructured and moved, in some cases shifting IT, HR, and other administrative services to lower-cost jurisdictions, including Canada and the U.S.

The Bermuda Police Service works with law enforcement worldwide and uses Mutual Legal Assistance Treaties to obtain information from foreign IT providers. The Regulatory Authority enforces rules on maintaining certain amount of data storage within the Bermuda economy.

Protection of Property Rights

This information is derived from the State Department's Office of Investment Affairs' 2015 Investment Climate Statement. Any questions on the ICS can be directed to EB-ICS-DL@state.gov.

Real Property

Bermuda law recognizes and enforces secured interests in movable and real property. The Registry General, the Land Tax Office and the Land Valuations Office regulate the acquisition and disposition of property, including land, buildings, and mortgages. The Land Title Registration Act 2011 moved Bermuda from a deeds-based property transaction to a

parcel-based land registration system. However, the new registration system has not yet been implemented. Until implementation - expected in 2016 - land owners must retain a Bermuda lawyer to research the history of the property and ensure there are no third party claims. A deed of conveyance or a mortgage is recorded each time real estate changes hands.

Intellectual Property Rights

As an Overseas Territory of the UK, Bermuda may not enter into international treaties independently unless the UK expressly authorizes it to do so and judges Bermuda's implementing legislation to be compliant. The UK extended the right to Bermuda to join the Berne Convention for the Protection of Literary and Artistic Works, which requires its signatories to recognize the copyright of works of authors from other signatory countries (known as members of the Berne Union) in the same way it recognizes the copyright of its own nationals.

In 2014, the GOB reviewed its intellectual property legislation and in 2015 began dialog with the UK Intellectual Property Office to extend to Bermuda, as a UK Overseas Territory, the right to join the WTO's Trade Related Intellectual Property Rights (TRIPS) Agreement, the Madrid Protocol, the Paris Convention, the Patent Cooperation Treaty, and the Hague Agreement. Bermuda has yet to sign the World Intellectual Property Organization (WIPO) internet treaties, the WIPO Copyright Treaty (WCT), or the WIPO Performances and Phonograms Treaty.

For additional information about treaty obligations and points of contact at local IP offices, please see WIPO's country profiles at <http://www.wipo.int/directory/en/>.

Counterfeit goods are not a problem in Bermuda. About 70 percent of imported goods derive from the United States.

Resources for Rights Holders

Not applicable.

For a list of lawyers in Bermuda, visit

<http://hamilton.usconsulate.gov/uploads/images/IArYD95iFDV3mD7eqH9sww/lawyerslist2010B.pdf>.

Transparency of Regulatory System

This information is derived from the State Department's Office of Investment Affairs' 2015 Investment Climate Statement. Any questions on the ICS can be directed to EB-ICS-DL@state.gov.

Bermuda's legal, regulatory and accounting systems adhere to high ethical and transparency standards. As noted previously, the legal and regulatory systems are grounded in UK law. 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 a member of regulatory standard-setting bodies for banking (via the Basel Committee on Bank Supervision), insurance (via the International Association of Insurance Supervisors or IAIS), and investment business (via the Financial Services Authority or FSA). In December 2013, Bermuda signed the Foreign Account Transaction Compliance Act (FATCA) Intergovernmental Model 2 Agreement with the U.S. to promote transparency on tax matters, having concluded a FATCA-type agreement with the UK the previous month. Bermuda financial institutions now automatically transmit FATCA information to the U.S. and UK.

The BMA is Bermuda's sole regulatory body for financial services, responsible for the licensing, supervision, and regulation of financial institutions conducting deposit-taking, insurance, investment, and trust business on the island. The GOB continues to strengthen its anti-money laundering and anti-terrorism financing (AML/ATF) framework to ensure a high level of compliance with international standards. Amendments to the Proceeds of Crime Act in 2013 created an obligation to report suspicions of money laundering or terrorist financing and to allow civil proceedings before the Supreme Court for the recovery of property obtained through unlawful conduct.

The BMA's Guidance Notes for AML/ATF Regulated Financial Institutions on Anti-money Laundering and Anti-terrorist Financing outline and interpret the legal and regulatory framework, propose good industry practices, and assist institutions to design and implement systems and controls to limit AML/ATF risks to institutions. In this respect, Bermuda laws and regulations do not distinguish between businesses operating in the local economy and exempt companies operating internationally from within Bermuda. Neither unlicensed nor unregistered entities are permitted to operate in the financial services sector.

Bermuda's Financial Intelligence Agency is a member of the Egmont Group of Financial Intelligence Units. It shares information with other agencies, within and outside Bermuda. The BMA Amendment (No. 3) Act 2004 clarified the power of the BMA to share information with other overseas authorities. Other laws that authorize the sharing of information with overseas regulators include the Banks and Deposit Companies Act 1999, the Trusts (Regulation of Trust Business) Act 2001, and the Investment Act 2003.

The Investment Business Amendment Act 2012, the Trust (Regulation of Trust Business) Amendment Act 2012, and the Banks and Deposit Companies Amendment Act 2012 regulate investment businesses, trusts, and banks in the areas of civil penalties, public censure, prohibitions against providing certain services, and publication of decisions. The Investment Business Act 2003 granted the BMA stronger intervention powers, including the ability to cooperate with foreign bodies, while the Investment Business Investment Act 2012 brought the Bermuda Stock Exchange (BSX) under the regulation of the BMA. Other provisions provide for criminal penalties, e.g., the Banks and Deposit Companies Amendment Act.

The BMA regulates collective investment schemes (CIS). The 1997 Proceeds of Crime Act (POCA) and the 2006 Investment Funds Act (IFA) regulate fund administrators. CIS are also subject to IFA, which clarifies and codifies the current regulation of funds in order to strengthen Bermuda's position in the international funds market.

For Bermuda laws in general, see www.bermudalaws.bm. The GOB posts new laws and regulations in the Royal Gazette newspaper (the official public record). Draft bills are made available at <http://www.parliament.bm>. The GOB often consults with organizations prior to introducing proposed legislation.

Efficient Capital Markets and Portfolio Investment

This information is derived from the State Department's Office of Investment Affairs' 2015 Investment Climate Statement. Any questions on the ICS can be directed to EB-ICS-DL@state.gov.

As noted above, Bermuda's currency, the Bermuda dollar (BMD), is pegged 1:1 to the USD. Bermuda does not have a central bank, but the BMA issues and redeems notes and coins, supervises, regulates, and inspects financial institutions which operate in or from Bermuda, and generally promotes the financial stability and soundness of financial institutions. The BMA does not, however, determine interest rates, which are set by the market, regulated by the Ministry of Finance, and usually follow the Federal Reserve System rates.

Bermuda does not have developed capital markets and does not control monetary policy. Commercial credit lines are normally arranged through U.S. or other overseas institutions. Credit is allocated on market terms, and foreign investors may get credit on the local and international markets. The private sector has access to various credit instruments via local banks. Many companies, particularly the larger ones, maintain external banking relationships.

Money and Banking System, Hostile Takeovers

Bermuda has four banks, all of which are exempt from the 60/40 Rule.

The Banks and Deposit Companies Act 1999 implemented the Basel Committee's Core Principles for Effective Banking Supervision. Bermuda banks are compliant with the Basel II Accord and have either implemented or are moving toward full implementation of Basel III.

Liquidity and solvency are important concerns for Bermuda's banks as there is no monetary policy, no lender of last resort, and no implied guaranty. In July 2011, the GOB passed the Deposit Insurance Act, which lays out proposals for

implementing a Deposit Insurance Scheme (DIS) for the Bermuda market; it has yet to be implemented. The DIS would provide insurance coverage to small depositors in banks and credit unions. In February 2016, the House of Assembly passed the Banking (Special Resolutions Regime) Act 2016 to allow the government to temporarily take over a failing bank.

According to the BMA's September 2015 Regulatory Update, the overall capital position of the banks remained unchanged with the Risk Asset Ratio (RAR) reported at 20.8% for both Q2 and Q3 2015, keeping the banks above the regulatory capital requirements under Basel II and Basel III. Under Basel II reporting, the RAR was stable at 20.8% during the quarter, while the Basel III RAR stood at 17.3%. Both net capital and Risk-Weighted Assets (RWAs) fell at the same rate of 1.5%, whereas the regulatory capital measure of Tier 1 capital to RWAs was stable at 19.2% (Q2 2015: 19.3%).

Total assets within the banking sector declined by 4.9% (or \$1.2 billion) in Q3 2015 but remained higher than levels reported in the same period in the previous year (up 5.9% or \$1.3 billion). The fall in total assets was led by an expected 16.5% (or \$972 million) drop in interbank deposits. There was a modest decline of 1.7% during the quarter in loans and advances which can be attributed to low demand for mortgages. Investments held by banks continued to fall, declining by 1.0% (or \$91.6 million).

The banking sector continued to experience low demand in the real-estate market, with loans to this sector remaining at its lowest level in Q3 2015. Loans to "Other Financial Institutions" increased from 5.9% to 7.9%. The banking sector's leverage position experienced a marginal improvement during the quarter as the regulatory leverage ratio (equity to total assets) increased from 8.4% to 8.8%. Under Basel III, the leverage ratio was unchanged at 7.7% which is above the newly implemented 5.0% minimum leverage ratio.

Banking sector profitability continued to improve during Q3 2015, aided by a combination of higher earnings and a reduction of non-interest expenses. Quarterly earnings from other banking sources jumped 16.4% and non-banking sources were up 7.7%, while operating and non-operating expenses declined by 2.6%. The banking sector's cost efficiency improved during the quarter as non-interest expenses as a percentage of total income declined from 76.0% to 70.0%. Lower operating and non-operating expenses proportional to the change in total income (up 5.4%) contributed to the improvement in the efficiency ratio. The profitability indicators reflect a quarterly improvement in the banking sector with annualized Return on Equity (ROE) and Return on Assets (ROA) increasing from 8.4% to 11.2% and from 0.8% to 1.0% respectively.

There was a modest declining trend in the ratio of non-performing loans (NPLs) to total loans Q4 2014 - Q3 2015, with Q3 reporting at 9.4%. Loan loss provisions set aside by banks to cover expected credit losses rose by 3.0% to \$191.9 million during the quarter. Consequently, provisions as a percentage of NPLs rose by one percentage point to 20.7% from 19.7%.

Liquidity conditions within the banking sector remain relatively stable while loan demand recorded a modest decline over Q3 2015. The liquidity funding structure showed that the ratio of loans to deposits rose to 41.2% (Q2-2015: 39.3%). Overall lending fell at a slower pace (down 1.7%) compared to the decrease in customer deposits (down 6.3%), resulting in a narrowing of the sector's funding gap. The quarterly decrease in deposit liabilities was largely driven by demand deposits (down 8.6%) followed by time deposits (down 4.8%) and savings deposits (down 2.6%). At the end of Q3-2015, all of the banks met the phased-in 60% Liquidity Coverage Ratio (LCR).

The overall money supply fell during Q3 2015 by 2.4% (or \$83.0 million) due primarily to the decline in BD\$-denominated deposit liabilities. Notes and coins in circulation grew in the third quarter, rising by 1.8% (or \$2.2 million) and were up 10.7% (or \$12 million) year-on-year.

In 1996, U.S. Securities and Exchange Commission recognized the Bermuda Stock Exchange (BSX) as a Designated Offshore Securities Market. In 1999, 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 employs the Bermuda Securities Depository (BSD) - an electronic clearing, settlement and registration system – under BMA oversight. The BSD was designed to facilitate more efficient

trade settlement for BSX-listed securities by allowing book entry settlement rather than paper-based settlement. Currently, over 600 companies are listed on the BSX.

Protection from hostile takeovers falls under the Insurance Amendment Act 2013 and the Companies Act 1981. The Insurance Amendment Act is designed to improve insurance group supervision by requiring that certain material changes be reported to the BMA, such as amalgamation with another firm or acquisition of a controlling interest in a business. The Companies Act requires notification of shareholders of amalgamation agreements.

Competition from State Owned Enterprises

This information is derived from the State Department's Office of Investment Affairs' 2015 Investment Climate Statement. Any questions on the ICS can be directed to EB-ICS-DL@state.gov.

Bermuda has some traditional state-owned enterprises (SOEs) that compete with the private sector, including public transit, waste management, and the postal service. Governance of SOEs is led by a politically-appointed Cabinet Minister. SOEs must provide financial information to the Minister, who submits the information annually to the Auditor General. Most are prohibited from having a board of directors but may have an advisory board.

Bermuda also has quasi-autonomous, non-governmental organizations (QUANGOs)/Public Authorities, established under their respective legislative incorporation acts. The GOB controls several other organizations either through the possession of shares or voting rights or by some other means. These organizations include the National Sports Center, Port Royal Golf Course, Ocean View Golf Course, Bermuda College, Bermuda Housing Trust, Bermuda Housing Corporation, Bermuda Land Development Corporation, West End Development Corporation, Bermuda Hospitals Board, Bermuda Health Council, the Regulatory Authority (telecommunications), Bermuda Tourism Authority, Bermuda Economic Development Corporation, Pension Commission, and parish councils.

SOEs purchase or supply goods or services locally. However, it should be noted that the vast majority of goods are imported, because Bermuda produces virtually nothing of its own. Bermuda's state-owned businesses are heavily subsidized, but nothing in law prohibits private-sector competition. Bermuda has no state-owned banks, development banks, or sovereign wealth funds or other state-owned investment vehicle.

Bermuda is not a party to the Government Procurement Agreement (GPA) within the framework of the World Trade Organization.

OECD Guidelines on Corporate Governance of SOEs

Information unavailable.

Sovereign Wealth Funds

Not applicable/information unavailable.

Corporate Social Responsibility

This information is derived from the State Department's Office of Investment Affairs' 2015 Investment Climate Statement. Any questions on the ICS can be directed to EB-ICS-DL@state.gov.

The concept of responsible business conduct is strong in Bermuda, particularly among international companies. The Bermuda Monetary Authority (BMA) has issued the Insurance Code of Conduct, the Banking Code of Conduct, the Code of Conduct for Fund Administrators, the Advertising Code of Conduct, the Investment Business Code of Conduct, and the General Business Conduct and Practice Code of Conduct. There have been no high-profile, controversial instances of corporate impact on human rights. The Bermuda government effectively and fairly enforces domestic laws.

The BMA is responsible for the supervision, regulation and inspection of Bermuda's insurance companies and for the licensing of all insurance companies, brokers, agents and managers. Applications are subject to internal and independent review by a committee of senior staff and are closely vetted for the fitness, propriety and underwriting experience of the management, the plausibility of the proposed business plan and the level of capitalization relative to

the proposed risk profile, amongst other factors. The BMA maintains a register giving details of each licensed insurer that is available for public inspection at the Registrar of Companies.

The BMA conducts banking supervision and regulation in accordance with the standards established by the Basel Committee on Banking Supervision, in particular with the revised Concordat and with the precepts for the supervision of cross-border banking. It liaises closely with other regulators, both domestically and internationally, in order to ensure effective consolidated supervision, both in relation to entities for which the BMA acts as consolidated group wide supervisor and where licensed institutions may form part of international banking groups. The BMA's supervision involves regular on-site visits and off-site surveillance, which includes the review of prudential returns on both a solo and consolidated basis and regular prudential meetings with senior management of licensed financial institutions. The BMA has also introduced a stress testing methodology and monitors on a regular basis a set of Financial Stability Indicators based on the IMF's core and encouraged set.

The Corporate Service Provider Business Act 2012 and the Corporate Service Provider Business Amendment Act 2014 prohibit a person from carrying on corporate service provider business in or from within Bermuda unless that person is for the time being a licensed undertaking under the Act. The BMA has regulatory and information gathering powers over Corporate Service Providers.

The BMA supervises and regulates all investment business operating in or from Bermuda. As a guideline for the development and ongoing developments of the BMA's investment business policies, the Authority refers to the core principles issued by the International Organization of Securities Commissions (IOSCO). These principles issued by the IOSCO are deemed to be universal standards of conduct with the investment business industry. To ensure the highest standards are upheld, the BMA liaises closely with other regulators, both domestically and internationally, to provide the most effective consolidated supervision. Supervision involves regular prudential and strategy discussions with senior management, together with off-site analysis and review of prudential data and certain on-site work, conducted both in Bermuda and in significant group operations abroad.

The BMA also supervises and regulates trusts. Trusts must provide audited financial statements and a Certificate of Compliance to the BMA within four months of their year-end. These are discussed with the undertaking, along with changes to strategy, staffing etc. as part of the Authority's off-site supervision. Routine on-site review visits are undertaken by BMA staff (including anti-money laundering compliance testing) and the Authority also has the power to commission reports from reporting accountants on key aspects of systems and controls.

The Bermuda and Canada Institutes of Chartered Accountants work together to develop and enforce high standards to protect the public interest and maintain the good reputation and integrity of the CA profession. In addition, throughout their professional careers, CAs are subject to ongoing regulation in order to safeguard the public interest. They are subject to enforcement of exacting Rules of Professional Conduct; continuing professional development requirements; and comprehensive public oversight and discipline mechanisms. In addition, CAs practicing public accounting are subject to mandatory practice inspection and professional liability insurance programs. The Institute has a comprehensive complaints investigation and discipline process.

The Bermuda Bar Association is responsible for both the regulation and discipline of members of the legal profession in Bermuda. All members of the Bermuda Bar are bound by the Barristers' Code of Conduct, which requires that members carry out their duties to their clients, the court, members of the public and their colleagues with integrity and in accordance with the code of professional conduct. Further, they are required to conduct themselves within or outside the professional sphere in a manner which will not be likely to impair a client's trust in them as a legal advisor.

The Trade Union Act 1965 requires trade unions to exercise good governance and transparency when dealing with matters of finance. Union officers have a duty to render accounts to member trustees. Trade unions may impose penalties on any officer, member or person employed by the trade union for withholding money or falsifying an account.

The GOB does factor Responsible Business Conduct (RBC) policies or practices into its procurement, through the Public Treasury (Administration and Payments) Act 1969 and the Good Governance Acts of 2011 and 2012. The legislation

accords with the principles of the UN Convention against Corruption (UNCAC), and the GOB has committed to identify and address gaps in the Bermuda legislation regarding the UNCAC.

In 2016, the GOB expects to implement a Code of Practice for Project Management and Procurement that sets out the rules for the procurement of goods, services and works, including procedures for tendering, evaluating proposals and selecting contractors; financial thresholds; requirements for awarding, monitoring, extending and varying contracts; and procedures for debriefing bidders, handling complaints, resolving disputes, retaining records and inspecting records.

The GOB is also working with the Bermuda Economic Development Corporation to develop a government contracting program in support of small and medium-sized businesses. In addition, an electronic purchasing and tendering system is being implemented to facilitate public access to tenders, increase competition and improve transparency. The GOB's procurement processes provide for the application of social, environmental and economic criteria in the tender evaluation and selection process. Principles of environmental and sustainable development are being embedded in tender documentation and contracts.

Political Violence

This information is derived from the State Department's Office of Investment Affairs' 2015 Investment Climate Statement. Any questions on the ICS can be directed to EB-ICS-DL@state.gov.

Several peaceful demonstrations occurred in 2015. In February 2016, the Bermuda Police Service recommended that the GOB halt a public hearing on giving long-term resident third country nationals residency rights, as some in the audience became disorderly. In March 2016, the People's Campaign for Equality, Jobs and Justice - a coalition of labor unions and religious organizations formed in May 2014 to represent those suffering from the recession - called for an island-wide withdrawal of labor on March 11, which impacted public transportation and garbage removal that day and halfway through the following week, as a show of solidarity against the proposed Bermuda Immigration and Protection Act 2016. The proposed law would grant status and permanent residency to current non-Bermudian residents who have lived in Bermuda for at least 20 or 15 years, respectively. The Government withdrew the proposed legislation in the face of the protests and will attempt to address the less controversial parts of the proposal in a piecemeal fashion and with more consultation with both the opposition and public.

Corruption

This information is derived from the State Department's Office of Investment Affairs' 2015 Investment Climate Statement. Any questions on the ICS can be directed to EB-ICS-DL@state.gov.

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 in international business, for example to secure a contract, should bring this to the attention of appropriate U.S. agencies, as noted below.

Bermuda has a series of laws, regulations, and penalties to combat corruption and, generally speaking, effectively enforces them. The Good Governance Act 2012 discourages financial abuse by ministers and members of the civil service and protects whistleblowers. Under the Act, politicians who attempt to influence the award of government

contracts could face a USD 10,000 fine and a year-long jail sentence. The penalties also apply to contractors and public officers found guilty of collusion. The Act also improved the transparency and accountability of government contracts, strengthened requirements for internal audits, and established an Office of Project Management and Procurement to strengthen oversight/control of government projects.

The Bermuda Criminal Code and the Proceeds of Crime Act provide for punishing corrupt practices in the area of investments, particularly for misleading statements and practices, market manipulation, and insider trading.

To distance itself from perceived impropriety often associated with offshore banking centers, Bermuda continues to update its regulatory framework to meet international standards, including those of the IMF, the Financial Action Task Force (FATF) and the OECD.

In response to the Panama Papers in the spring of 2016 (in which Bermuda was not significantly featured), Bermuda announced that it would provide faster access for the UK's National Crime Agency to Bermuda's long-standing registry of ownership of companies.

UN Anticorruption Convention, OECD Convention on Combatting Bribery

Bermuda is not a signatory to the UN Anticorruption Convention or the OECD Convention on Combatting Bribery of Foreign Public Officials in International Business Transactions.

Resources to Report Corruption

Contact agency responsible for combating corruption:

Bermuda Police Service

10 Headquarters Hill, Prospect

(441) 295-0011

dcop@bps.bm

Contact information for watchdog organization:

Bermuda Ombudsman

Suite 102

14 Dundonald Street West

Hamilton HM 09

Tel: (441) 296-6541

E-mail: complaint@ombudsman.bm; info@ombudsman.bm

U.S. Foreign Corrupt Practices Act: In 1977, the United States enacted the Foreign Corrupt Practices Act (FCPA), which generally makes it unlawful for U.S. persons and businesses (domestic concerns), and U.S. and foreign public companies listed on stock exchanges in the United States or which must file periodic reports with the Securities and Exchange Commission (issuers), to offer, promise or make a corrupt payment or anything of value to foreign officials to obtain or retain business. 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. In addition to the anti-bribery provisions, the FCPA contains accounting provisions applicable to public companies. The accounting provisions require issuers to make and keep accurate books and records and to devise and maintain an adequate system of internal accounting controls. The accounting provisions also prohibit

individuals and businesses from knowingly falsifying books or records or knowingly circumventing or failing to implement a system of internal controls. In order to provide more information and guidance on the statute, the Department of Justice and the Securities and Exchange Commission published *A Resource Guide to the U.S. Foreign Corrupt Practices Act*, available in PDF at: <http://www.justice.gov/criminal/fraud/fcpa/guidance/>. For more detailed information on the FCPA generally, see the Department of Justice FCPA website at: <http://www.justice.gov/criminal/fraud/fcpa/>.

Other Instruments: It is U.S. Government policy to promote good governance, including host countries' 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 Convention on Combating Bribery of Foreign Public Officials in International Business Transactions negotiated under the auspices of the OECD (Anti-bribery 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. Bermuda is not yet a party to these instruments, although it is working towards the Anti-bribery Convention and the UN Convention.

OECD Anti-bribery Convention: The Anti-bribery Convention entered into force in February 1999. As of January 2016, there are 41 parties to the Convention, including the United States (see <http://www.oecd.org/corruption/oecdantibriberyconvention.htm>). Major exporters China and India are not parties, although the U.S. Government strongly endorses their eventual accession to the Antibribery Convention. The Antibribery Convention obligates the Parties to criminalize bribery of foreign public officials in international business transactions, which the United States has done under U.S. FCPA. Bermuda is a party to the Anti-bribery Convention.

UN Convention: The UN Convention entered into force on December 14, 2005, and there are 178 parties to it as of January 2016 (see <http://www.unodc.org/unodc/en/treaties/CAC/signatories.html>). The UN Convention requires countries to establish criminal and other offences to cover a wide range of acts of corruption, from basic forms of corruption such as bribery and solicitation, embezzlement, and 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 Anti-bribery 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. Bermuda is not a party to the UN Convention.

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 January 2016, the OAS Convention has 34 parties (see <http://www.oas.org/juridico/english/Sigs/b-58.html>) and the follow-up mechanism created in 2001 (MESICIC) has 31 members (see http://www.oas.org/juridico/english/mesicic_intro_en.htm) Bermuda is not a party to the OAS Convention.

Council of Europe Criminal Law and Civil Law Conventions on Corruption: Many European countries are parties to either the Council of Europe (CoE) Criminal Law Convention on Corruption, the Civil Law Convention on Corruption, or both. The Criminal Law Convention requires criminalization of a wide range of national and transnational conduct, including bribery, money-laundering, and accounting offenses. It also incorporates provisions on liability of legal persons and witness protection. The Civil Law Convention includes provisions on whistleblower protection, compensation for damage relating to corrupt acts, and nullification of a contract providing for or influenced by corruption, 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 49 member States (48

European countries and the United States). See

http://www.coe.int/t/dghl/monitoring/greco/general/about_en.asp. As of January 2016, the Criminal Law Convention has 44 parties and the Civil Law Convention has 35 (see <http://conventions.coe.int/Treaty/Commun/QueVoulezVous.asp?CL=ENG&NT=173>; <http://conventions.coe.int/Treaty/Commun/QueVoulezVous.asp?CL=ENG&NT=174>) Bermuda is not a party to the Council of Europe Conventions.

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 trans-nationally) 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>. Bermuda does not have an FTA with the United States.

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. The U.S. Consulate has a list of attorneys available for downloading at <http://hamilton.usconsulate.gov/uploads/images/IArYD95iFDV3mD7eqH9sww/lawyerslist2010B.pdf> , or a current listing can be found on the Bermuda Bar Association's website at www.bermudabar.org.

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. and Foreign 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 United States provides commercial advocacy on behalf of exporters of U.S. goods and services bidding on public sector contracts with foreign governments and government agencies. An applicant for advocacy must complete a questionnaire concerning its background, the relevant contract, and the requested U.S. Government assistance. The applicant must also certify that it is in compliance with applicable U.S. law, that it and its affiliates have not and will not engage in bribery of foreign public officials in connection with the foreign project, and that it and its affiliates maintain and enforce a policy that prohibits bribery of foreign public officials. 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 reported through the Department of Commerce Trade Compliance Center “Report a Trade Barrier” Website at [tcc.export.gov/Report a Barrier/index.asp](http://tcc.export.gov/Report_a_Barrier/index.asp). Potential violations of the FCPA can be reported to the Department of Justice via email to FCPA.Fraud@usdoj.gov.

Guidance on the U.S. FCPA: The Department of Justice’s (DOJ) FCPA Opinion Procedure enables U.S. firms and individuals and issuers to request a statement of the Justice Department’s present enforcement intentions under the anti-bribery provisions of the FCPA regarding actual, prospective business conduct. The details of the opinion procedure are available on DOJ’s Fraud Section Website at www.justice.gov/criminal/fraud/fcpa and general information is contained in Chapter 9 of the publication *A Resource Guide to the U.S. Foreign Corrupt Practices Act*, at <http://www.justice.gov/criminal/fraud/fcpa/guidance/>. Although the Department of Commerce has no enforcement role with respect to the FCPA, it supplies general information 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 General Counsel, U.S. Department of Commerce, website, at <http://www.commerce.gov/os/ogc/transparency-and-anti-bribery-initiatives>. 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.

In January 2016, an independent Commission of Inquiry, headed by a well-respected judge, was established by the GOB to investigate the misuse of public funding by the previous administration. This was in response to a November 2015 report by the Bermuda Auditor General who found failure to comply with financial instructions in relation to capital property worth more than \$35 from 2009 to 2010.

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 Resource Guide to the U.S. Foreign Corrupt Practices Act*, translations of the statute into numerous languages, documents from FCPA related prosecutions and resolutions, and press releases are available at the U.S. Department of Justice's Website at:

<http://www.justice.gov/criminal/fraud/fcpa> and <http://www.justice.gov/criminal/fraud/fcpa/guidance/>

The U.S. Securities and Exchange Commission FCPA Unit also maintains an FCPA website, at:

<https://www.sec.gov/spotlight/fcpa.shtml>. The website, which is updated regularly, provides general information about the FCPA, links to all SEC enforcement actions involving the FCPA, and contains other useful information.

General information about anticorruption and transparency initiatives, relevant conventions and the FCPA, is available at the Department of Commerce Office of the General Counsel

website: <http://www.commerce.gov/os/ogc/transparency-and-anti-bribery-initiatives>

The Trade Compliance Center hosts a website with anti-bribery resources, at <http://tcc.export.gov/Bribery>. This website contains an online form through which U.S. companies can report allegations of foreign bribery by foreign competitors in international business transactions

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/>.

Information about the OECD Anti-bribery Convention including links to national implementing legislation and country monitoring reports is available at: <http://www.oecd.org/corruption/oecdantibriberyconvention.htm> See also Anti-bribery Recommendation <http://www.oecd.org/daf/anti-bribery/oecdantibriberyrecommendation2009.htm> and Good Practice Guidance Annex for companies: <http://www.oecd.org/daf/anti-bribery/44884389.pdf>.

GRECO monitoring reports can be found at:

http://www.coe.int/t/dghl/monitoring/greco/evaluations/index_en.asp

MESICIC monitoring reports can be found at: http://www.oas.org/juridico/english/mesicic_intro_en.htm

The Asia Pacific Economic Cooperation (APEC) Leaders have also recognized the problem of corruption and APEC Member Economies have developed anticorruption and ethics resources in several working groups, including the Small and Medium Enterprises Working Group, at <http://businessethics.apec.org/>, and the APEC Anti-Corruption and Transparency Working Group, at <http://www.apec.org/Groups/SOM-Steering-Committee-on-Economic-and-Technical-Cooperation/Working-Groups/Anti-Corruption-and-Transparency.aspx>. For more information on APEC generally, <http://www.apec.org/>.

There are many other publicly available anticorruption resources which may be useful, some of which are listed below without prejudice to other sources of information that have not been included. (The listing of resources below does not necessarily constitute U.S. Government endorsement of their findings.)

Transparency International (TI) publishes an annual Corruption Perceptions Index (CPI). The CPI measures the perceived level of public-sector corruption in approximately 180 countries and territories around the world. The CPI is available at: <http://www.transparency.org/research/cpi/overview>. 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/research/gcr>.

The World Bank Institute's Worldwide Governance Indicators (WGI) project reports aggregate and individual governance indicators for 215 economies over the period 1996-2014, for six dimensions of governance (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/index.aspx#home>. The World Bank Business Environment and Enterprise Performance Surveys may also be of interest and are available at: <http://data.worldbank.org/data-catalog/BEEPS>. See also the World Bank Group *Doing Business* reports, a series of annual reports measuring regulations affecting business activity, available at: <http://www.doingbusiness.org/>

The World Economic Forum publishes every two years the *Global Enabling Trade Report*, which assesses the quality of institutions, policies and services facilitating the free flow of goods over borders and to their destinations. At the core of the report, the Enabling Trade Index benchmarks the performance of 138 economies in four areas: market access; border administration; transport and communications infrastructure; and regulatory and business environment. See <http://www.weforum.org/reports/global-enabling-trade-report-2014>.

Global Integrity, a nonprofit organization, publishes its annual *Global Integrity Report*, which typically assesses anti-corruption and good governance mechanisms in diverse countries. For more information on the report, see <https://www.globalintegrity.org/global-report/what-is-gi-report/>.

Bilateral Investment Agreements

This information is derived from the State Department's Office of Investment Affairs' 2015 Investment Climate Statement. Any questions on the ICS can be directed to EB-ICS-DL@state.gov.

There is no bilateral investment treaty or free trade agreement between the U.S. and Bermuda.

Bermuda is on the category A list of signatories to the International Organization of Securities Commissions Multi-lateral Memorandum of Understanding (IOSCO MMOU), which provides for mutual co-operation and the exchange of information among securities regulators. In June 2009, the International Association of Insurance Supervisors (IAIS)

approved the BMA as a signatory to the Multi-lateral Memorandum of Understanding. The MMoU establishes a formal basis for cooperation and information exchange between signatory regulators who supervise insurers with international or cross border operations.

Bilateral Taxation Treaties

There are two bilateral taxation-related treaties between the U.S. and Bermuda: the 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 (Convention) (1986), and the Tax Information Exchange Agreement (TIEA) (1988). Under the latter, the U.S. agreed to waive income and excise taxes on insurance premium income derived from the U.S. for eligible Bermudian insurance companies, i.e., companies 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 that does not operate as a permanent establishment in the U.S.

OPIC and Other Investment Insurance Programs

This information is derived from the State Department's Office of Investment Affairs' 2015 Investment Climate Statement. Any questions on the ICS can be directed to EB-ICS-DL@state.gov.

Bermuda is not a member of the Overseas Private Investor Corporation (OPIC) or any other investment insurance programs. There is no deposit protection for owners of mutual funds or trusts, nor is there any central fund to reimburse investors. However, the BMA restricts many investments to institutional investors or high net worth individuals, who handle their own due diligence. The BMA also maintains 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. The 2006 Investment Funds Act clearly outlines how public funds are regulated, defines the framework for non-public, institutionalized funds, and includes requirements for fund administrators.

Labor

This information is derived from the State Department's Office of Investment Affairs' 2015 Investment Climate Statement. Any questions on the ICS can be directed to EB-ICS-DL@state.gov.

According to the 2015 Facts & Figures, in 2014 approximately 21 percent (7,304) of Bermuda's labor force belonged to Bermuda's two largest unions: the blue-collar Bermuda Industrial Union (BIU) and the white-collar Bermuda Public Services Union (BPSU). The unions' principal focus is on job security.

The official unemployment rate in 2015 was 7 percent, although it was higher for blacks (9 percent) and those aged 16-24 (23 percent).

Work permits issued to third country nationals (TCNs) dropped to 7,868 in 2015, the lowest number in over a decade. TCNs fill positions all along the economic scale and in most occupations. According to the 2010 census, TCNs comprise approximately 28 percent of the total population and in 2015 held 23 percent of all jobs.

In recent years, IB companies have consolidated, downsized, and outsourced to less costly jurisdictions, including the U.S. and Canada, having serious implications for the employment of Bermudians. The Bermuda Chamber of Commerce points out that for every TCN work permit lost, five Bermudian jobs also disappear. The Association of Bermuda Insurers and Reinsurers also reports a direct correlation between TCN senior executives headquartered in Bermuda and employment opportunities for Bermudians.

The GOB generally expects employers to give Bermudian job applicants preference in hiring, locally known as the Bermudianization policy. However, in recognition of the key role IB and foreign investment play in the economy, particularly in terms of job creation for Bermudians, as well as Bermuda's below-replacement level birth rate and its aging population, the GOB enacted a new work permit policy, effective March 1, 2015. In 2016, the GOB proposed

immigration reform to grant status and permanent residence to long-term TCN residents. This issue proved to be extremely divisive with lines drawn along both race and political affiliation. Those in favor point to international practices and standards for a country to have a proscribed path to status for individuals living for 15 to 20 years in a country. Opponents view the proposal as the means to further disadvantage black Bermudians who suffer disproportionately from high unemployment and lack of opportunity. At a public hearing on the subject on February 17, an unruly protest caused police to recommend that the meeting be halted. In March 2016, the People's Campaign for Equality, Jobs and Justice - a coalition of labor unions and religious organizations formed in May 2014 to represent those suffering from the recession – called for an island-wide withdrawal of labor on March 11, which impacted public transportation and garbage removal that day and halfway through the following week, as a show of solidarity against the proposed Bermuda Immigration and Protection Act 2016. The proposed law would grant status and permanent residency to current non-Bermudian residents who have lived in Bermuda for at least 20 or 15 years, respectively. The Government withdrew the proposed legislation in the face of the protests and will attempt to address the less controversial parts of the proposal in a piecemeal fashion and with more consultation with both the opposition and public.

For information regarding labor complaints, see <http://www.dwd.bm/labour-complaints-process>. For information about the labor disputes process, see <http://www.dwd.bm/referring-labour-disputes-under-labour-disputes-act-1992>.

The Employment Act 2000 provides minimum employment standards. On termination of employment, an employee who has completed at least one year of continuous employment shall be entitled severance allowance, no less than the equivalent of two weeks wages for each completed year of continuous employment up to the first ten years and three weeks wages for each completed year of continuous employment thereafter, up to a maximum of 26 weeks wages.

In the case of layoff, an employee's period of continuous employment continues until it is deemed that he has been terminated for redundancy and severance payment is accepted. Where any of the conditions of redundancy exist, an employer may lay off an employee for a continuous period not exceeding four months. Where the layoff exceeds four months, it shall be deemed to be a termination for redundancy.

The labor laws have not been waived to attract or retain investment.

The Department of Workforce Development is unaware of any gaps in law or practice identified by the International Labour Organization. Bermuda has laws in place that govern labor standards, except for a standard minimum wage and hours of work. Industries/sectors determine their employees' hours of work and the Employment Act 2000 states that an employer shall provide each employee with a rest period of at least twenty-four consecutive hours in each week. The Labour Relations Section of the Department of Workforce Development along with the Human Rights Commission investigates unfair labor practices and the Department of Public Prosecutions prosecutes those who commit offences against the labor laws.

There have been no strikes in recent years that posed an investment risk or government's reaction.

Foreign-Trade Zones/Free Ports

This information is derived from the State Department's Office of Investment Affairs' 2015 Investment Climate Statement. Any questions on the ICS can be directed to EB-ICS-DL@state.gov.

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

Foreign Direct Investment Statistics

This information is derived from the State Department's Office of Investment Affairs' 2015 Investment Climate Statement. Any questions on the ICS can be directed to EB-ICS-DL@state.gov.

Table 2: Key Macroeconomic Data, U.S. FDI in Host Country/Economy

	Host Country Statistical source*		USG or international statistical source		USG or International Source of Data: BEA; IMF; Eurostat; UNCTAD, Other
Economic Data	Year	Amount	Year	Amount	
Host Country Gross Domestic Product (GDP) (\$M USD)	2014	\$4,591	n/a	n/a	
Foreign Direct Investment	Host Country Statistical source*		USG or international statistical source		USG or international Source of data: BEA; IMF; Eurostat; UNCTAD, Other
U.S. FDI in partner country (\$M USD, stock positions)	n/a	n/a	2014	\$273,792	BEA
Host country's FDI in the United States (\$M USD, stock positions)	n/a	n/a	2014	-\$4,757	BEA
Total inbound stock of FDI as % host GDP	n/a	n/a	2014	59.5%	Based on real GDP

Table 3: Sources and Destination of FDI

Direct Investment from/in Counterpart Economy Data					
From Top Five Sources/To Top Five Destinations (US Dollars, Millions)					
Inward Direct Investment			Outward Direct Investment		
Total Inward	n/a	100%	Total Outward	n/a	100%
n/a	n/a	n/a	n/a	n/a	n/a

Table 4: Sources of Portfolio Investment

Portfolio Investment Assets								
Top Five Partners (Millions, US Dollars)								
Total			Equity Securities			Total Debt Securities		
All Countries	515,785	100%	All Countries	92,715	100%	All Countries	423,070	100%
U.S.	267,897	52%	U.S.	27,406	30%	U.S.	240,492	57%
Canada	27,516	5%	Ireland	15,598	17%	Canada	26,574	6%
UK	25,319	5%	Luxembourg	14,006	15%	UK	22,006	5%
Cayman	21,064	4%	Cayman	8,997	10%	Cayman	12,067	3%
Ireland	20,136	4%	Mauritius	3,564	4%	France	11,918	3%

Trade & Project Financing

Methods of Payment

Discusses the most common methods of payment, such as open account, letter of credit, cash in advance, documentary collections, factoring, etc. Includes credit-rating and collection agencies in this country. Includes primary credit or charge cards used in this country.

The USD currency is widely used and accepted in Bermuda. It is par to the Bermuda dollar. In Bermuda, both currencies are freely interchangeable and transferable without any restrictions. Local ATMs do accept foreign credit and debit cards with a PIN.

Collection agencies and/or credit bureaus in Bermuda include the following:

Amicus Debt Recovery Ltd. (www.amicuslaw.bm)

Bermuda Credit Association Ltd. (www.bca.bm)

Bermuda Debt Collection Agency Ltd. (info@bdca.bm)

Temple Management Services Ltd. (www.smithlaw.bm)

Banking Systems

Includes special features of this country's banking system and rules/laws that might impact U.S. business.

Bermuda banks offer a wide range of commercial banking facilities, including comprehensive investment, trust, financial management services and direct access to a variety of currency alternatives. Bermuda has four licensed banks: HSBC Bank Bermuda Limited, Bank of N.T. Butterfield, Clarien Bank (formerly Capital G Bank), and Bermuda Commercial Bank. (The branch of the Bank of New York located in Bermuda is an investment bank only.) HSBC is a global bank; the Bank of N.T. Butterfield is a regional bank with offices in the Caribbean; and Bermuda Commercial Bank and Clarien Bank are

local banks. All four banks are exempt from the 60/40 rule whereby Bermudians are required to own and control at least 60% of the shares of a company.

The English common law rule of confidentiality prevails. Accounts can be maintained in many foreign currencies. The International Monetary Fund, international risk rating agencies, and the Bermuda Monetary Authority (BMA) closely monitor Bermuda's banking sector. The BMA is the integrated regulator of the financial services sector in Bermuda and assists other authorities in Bermuda with the detection and prevention of financial crime.

A majority of the population uses Internet banking to transfer cash and pay for services.

Foreign Exchange Controls

Includes how foreign exchange is managed and implications for U.S. business.

Exempt businesses and non-resident individuals may trade and maintain bank accounts in Bermuda in any currency, remitting or repatriating their funds without exchange controls. The Foreign Currency Purchase Tax Amendment Act 2010 applies to the purchase of all non-local currencies, including the U.S. dollar. The foreign currency purchase tax is 1%, applicable to all purchases of foreign currencies for travel and business purposes and all telegraphic (wire) transfers of monies from Bermuda to individuals and businesses abroad.

The Revenue Act 1898, as amended in 2009, strengthened the requirements relating to cross border transportation of currency and monetary instruments. The threshold for reporting is \$10,000. All air passengers importing or exporting cash and/or negotiable instruments exceeding \$10,000 must complete a written declaration.

US Banks & Local Correspondent Banks

This information is derived from the State Department's Office of Investment Affairs' 2015 Investment Climate Statement. Any questions on the ICS can be directed to EB-ICS-DL@state.gov

No U.S. banks are located in Bermuda. (The branch of the Bank of New York located in Bermuda is an investment bank only.) While there are no correspondent banks in Bermuda, all Bermudian banks have relationships with major U.S. banks. No multilateral development banks exist in Bermuda.

Project Financing

Includes how major projects are financed and gives examples where relevant. Explains activities of the multilateral development banks in and other aid-funded projects where procurement is open to U.S. bidders.

Potential investors should have project financing in place as part of their business plan for proposed projects in Bermuda. No financial entities exist in Bermuda to assist with foreign project financing.

FYI: Cleared Stock language may be added to this section by the Office of Digital Initiatives

Web Resources

Includes web resources related to trade and project financing.

HSBC Bank Bermuda: www.hsbc.bm

Bermuda Commercial Bank: www.bcb.bm

Butterfield Bank: www.bm.butterfieldgroup.com

Clarien Bank: www.clarienbank.com

OPIC: www.opic.gov

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

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

Trade Finance Guide: A Quick Reference for U.S. Exporters, published by the International Trade Administration's Industry & Analysis Team: <http://www.export.gov/tradefinanceguide/index.asp>

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>

Business Travel

Business Customs

Includes information on acceptable business etiquette, dress, business cards, gifts, etc.

Bermudians value good manners and personal courtesy. A greeting of "good morning," "good afternoon," or "good evening" is expected and noticed if not given. Bermudians usually shake hands upon meeting and sometimes exchange business cards. Bermudians appreciate being addressed by their family name (i.e., Mr. Smith or Mrs. Brown). Conversations move to a first-name basis a bit more slowly than in the U.S. Business visitors should be punctual.

Appropriate business attire (i.e., suits) is expected, especially among professionals. During the summer months, many Bermudian men wear Bermuda shorts for business and social events. The shorts are worn three inches above the knee, accompanied by Bermuda (knee-length) socks, a short- or long-sleeved button down shirt, a tie, and a single- or double-breasted navy blue blazer, sport coat, or linen jacket. Black or brown loafers are the most appropriate shoes. Women's professional wear includes suits or dresses.

Travel Advisory

Includes a link to the State Department consular information sheet.

The U.S. Department of State's Consular Information Program advises Americans traveling and residing abroad through Consular Information Sheets, Travel Alerts, and Warnings. Consular Information Sheets exist for all countries and provide information on entry and exit requirements, currency regulations, health conditions, safety and security, crime, political disturbances, and the addresses of U.S. Embassies and Consulates abroad. Travel alerts 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 should register with the Smart Traveler Enrollment Program (STEP) for the U.S. Embassy or Consulate in the country in which they are visiting or residing to make their presence and whereabouts known in case of an emergency, a disaster overseas, or an evacuation if that were to become necessary.

Visit <http://travel.state.gov/content/passports/english/country/bermuda.html> for Consular Information Sheets, travel alerts, and warnings and to enroll in STEP for Bermuda and other countries. See also the website of the U.S. Consulate General in Bermuda at <http://hamilton.usconsulate.gov>.

Visa Requirements

Includes information on what is needed to travel to the country/economy

U.S. citizens entering Bermuda as visitors need a valid U.S. passport but do not require a visa. Upon arrival, visitors must present their round-trip ticket to Bermuda Immigration. Visitors may remain in Bermuda for up to ninety days; longer stays require application to Bermuda Immigration headquarters in Hamilton. Applicants for extended stay must present supporting documentation, such as proof of financial solvency and health insurance.

For potential residents (employment)

Non-Bermudians require a work permit to work in Bermuda, obtained before arrival to the island. Non-compliance may result in denial of entry into Bermuda.

Prospective employers are responsible for securing work permits for their non-Bermudian employees. The Department of Immigration's primary consideration in determining whether to grant a work permit is whether there is a suitably qualified Bermudian interested in the job and available to do it. If so, the qualified Bermudian, i.e., one who meets the minimum advertised requirements and qualifications for the job, is to be hired over a non-Bermudian. An employer who applies to employ a non-Bermudian in a position for which a Bermudian applied is required to provide clear, satisfactory reasons for not employing the Bermudian. If no qualified Bermudians are available, then the employer may apply for a work permit for a non-Bermudian, unless the position is in a closed category where non-Bermudians are not allowed to work (e.g. general laborer, taxi driver, salesperson). For more information see:

http://www.gov.bm/portal/server.pt/gateway/PTARGS_0_2_19651_214_232817_43/http%3B/ptpublisher.gov.bm%3B7087/publishedcontent/publish/ministry_of_labour.

Bermuda's work permit policy requires employers to advertise all positions for at least eight consecutive days and to confer directly with the Department of Workforce Development about whether there are qualified Bermudians to fill posts in certain job categories. Spouses – but not the children – of work permit holders would be eligible for employment but only after undergoing the rigorous work permit process that puts qualified Bermudians first.

There are special category work permits, including global work permits and new business work permits. A global work permit allows a person, who is already employed in a senior position by a global company in another jurisdiction, to transfer to the Bermuda office without the requirement to advertise the position. A new business permit allows an exempt company that is new to Bermuda to receive up to five work permits for overseas recruits for senior positions. All five employees must earn at least \$125,000.00 per annum. Advertising for the five work permits is automatically waived if the waiver is used within the first twelve months of establishing a physical presence in Bermuda.

In recognition of the key role international business and foreign investment play in the economy, particularly in terms of job creation for Bermudians, in January, 2013, the government eliminated the controversial "term limits" policy, under which non-Bermudians were allowed to work in Bermuda for no more than six years, or up to ten years if their employers could demonstrate they were "key employees." To reward and retain companies already in Bermuda, and to

encourage new companies to establish themselves on the island, the GOB expanded the Incentives for Job Makers Act (IJMA) 2011 (effective December, 2013), to offer a form of permanent residency to those who create jobs for Bermudians and to give them residential property purchase rights not available to other non-residents. See:

http://www.gov.bm/portal/server.pt/gateway/PTARGS_0_2_19651_214_232817_43/http%3B/ptpublishedcontent/publish/ministry_of_labour.

For U.S. citizens traveling 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 may be sent back to their country of origin. U.S. citizens planning to visit Bermuda who need more information about Bermuda Immigration or Customs requirements should

phone 441-295-5151 or www.immigration.gov.bm.

Every official U.S. Government (USG) visitor to Bermuda must obtain a country clearance from the U.S. Consulate at least seventy-two hours in advance. For more information please contact the U.S. Consulate in Bermuda at

<http://hamilton.usconsulate.gov>.

Visa applicants should go to the State Department Visa Website: <http://travel.state.gov/visa/> and the

U.S. Consulate Visa Information site: http://hamilton.usconsulate.gov/non-immigrant_visas.html.

U.S. companies that require travel of foreign businesspersons to the United States should be advised that security evaluations are handled via an interagency process.

Currency

Includes the local currency, other currencies commonly accepted and where, credit or debit cards accepted, access to ATMs that accept U.S. ATM networks (and which networks are readily accessible), and acceptability of travelers checks.

The USD currency is widely used and accepted in Bermuda. It is par to the Bermuda dollar. In Bermuda, both currencies are freely interchangeable and transferable without any restrictions. Local ATMs do accept foreign credit and debit cards with a PIN.

Telecommunications/Electric

Includes information on internet accessibility, the cellular phone technology in use, which U.S. cell phone services work in this country, the prevalence of Wi-Fi in hotels, what types of voltage and plugs are used, and other technological information of interest to U.S. businesses.

In April, 2013, the GOB enacted telecommunication reform legislation allowing telecom companies to apply for Integrated Communication Operating Licenses. The new law allows telecoms to offer bundled cell phone, long distance, cable television, and internet services and create operating efficiencies and better pricing for consumers. Overseas links are through four diverse bandwidth routes via fiber optics, ocean cables, and multiple satellite networks. Although there is considerable redundancy built into the system to negate the effect of faults, severe winds and storms can bring local communications down for periods ranging from hours to weeks.

Seven internet service companies provide dial-up and Broadband/DSL service to the island. As of March 1, 2016, residents pay roughly \$265/mo per 25 Mbps. WIFI is usually available in larger hotels and at various hotspots throughout the island.

Landline and cell phone service is available throughout the island. Bermuda's internal telephone system is one hundred percent digital, with fiber optic trunk lines. Long distance service is rapid and efficient, with direct dialing to the U.S. and most of the world. Unlimited long distance packages for calls to the U.S. are as low as \$19.95/month. Many international telephone and fax brands are available for purchase on the island for home and business use. Almost all forms of cellular phone technology, equipment, and servicing are available in Bermuda. U.S. cell phones do work in Bermuda, although roaming charges can be expensive.

Like North America, Bermuda's voltage system is 120 volts, 60 cycles. Some larger appliances use 220/240 volts, and some smaller ones and lights use 110 volts.

The Emergency Broadcast Station (EBS) - FM 100.1 - 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 the Police Media Relations (PMR), as directed by the EMO, will disseminate emergency information to the public via the EBS on an as needed basis. The station is located at COMOPS (Combined Operations), Police Operations Centre, Prospect Devonshire. The Department of Telecommunications is responsible for the maintenance of the station and carries out prerecorded weekly testing of the station.

Transportation

Includes how to get to and from the country/economy as well as the different transportation options and their reliability within this country.

Bermuda has only one airport, the L.F. Wade International Airport, which is located at the Civil Air Terminal in St. David's Parish, approximately 10 miles east of the capital, Hamilton. Several commercial airlines fly between Bermuda, the U.S., Canada, and the UK daily, including American Airlines, Delta, Jet Blue, US Airways, British Airways and Air Canada. During the winter months flight schedules are reduced. Go to www.bermudaairport.aero/default.aspx for flight information and schedules.

Driving on the island is on the left, British-style, with a maximum speed limit of 15 mph in Hamilton and 21 mph elsewhere, although in practice driving speeds are slightly higher. Non-residents may not own, rent, or drive four-wheeled vehicles but must rely on taxis, buses, or rental motor scooters for transport.

There is regular, island-wide public bus and ferry service. Daily, weekly and monthly passes are available at the Central Bus Terminal on Church Street, Hamilton, or at the Ferry Terminal on Front Street, Hamilton. Buses and ferries are generally inexpensive, accommodating, clean, and efficient. Schedules can be found in the phone book or at

http://www.gov.bm/portal/server.pt/gateway/PTARGS_0_2_18606_252_993_43/http%3B/ptpublisher.gov.bm%3B7087/publishedcontent/publish/ministry_of_tourism and at http://www.seaexpress.bm/ferries_about.aspx.

Visitors may rent motor scooters island-wide, along with the required safety helmet. Visitors should carefully consider the risk of riding a scooter. Those unfamiliar with driving on the left are likely to find the roundabouts and regulations

for yielding at junctions confusing and dangerous. Roads - even main roads - while generally in good condition, are narrow, shoulder-less, and often bordered by heavy vegetation or low stone walls. Those renting scooters should be aware that scooter accidents involving visitors are common and can involve serious injuries or fatalities.

Taxis are readily available across the island. The best availability is at hotel taxi stands. The rates are as follows:

Monday to Saturdays (6 a.m. to midnight):

For 1-4 passengers the meter starts at \$7.90 then is \$2.75/mile.

For 5-7 passengers the meter starts at \$9.95 then is \$3.50/mile.

Sundays, holidays, and midnight to 6 a.m.:

For 1-4 passenger there is a 25% surcharge.

For 5-7 passengers there is a 50% surcharge.

Language

Includes official and accepted business languages spoken in this country/economy.

English is the official language of Bermuda. Portuguese is widely spoken among the island's sizeable Portuguese community.

Health

Includes health and sanitation standards within the country, as well as any potential health risks that businesspeople should be aware of. Includes any mandatory or highly recommended vaccinations.

Local doctors and dentists generally meet international standards. Many are trained in the U.S., Canada, or the UK and are licensed and accredited in those countries. The Bermuda government licenses all physicians.

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 will cover emergency expenses such as a medical evacuation. Some U.S. health insurance plans, including Medicare and Medicaid, do not cover health costs incurred outside the U.S. unless supplemental coverage is purchased. Many travel agents and private companies offer insurance plans covering overseas healthcare expenses, including emergency services such as medical evacuations. Those who do not have insurance valid in Bermuda will most likely have pay to at the time of service with either cash or credit card and then submit the receipts to their insurance company for reimbursement.

To obtain Centers for Disease Control and Prevention (CDC) travel notices, call the CDC at 1-800-CDC-INFO (1-800-232-4636) from within the United States, or 1-404-639-3534 from overseas, or visit the CDC website at <http://www.cdc.gov/travel>.

There are two hospitals and two clinics in Bermuda. The King Edward VII Memorial Hospital, just east of Hamilton, is a relatively well-equipped, modern medical and surgical hospital with about 300 beds. It provides all general services, including an emergency and outpatient department. The Mid Atlantic Wellness Institute, Bermuda's second hospital, provides psychiatric care.

The Hamilton Medical Centre is a walk-in clinic located in Hamilton. The Lamb-Foggo Urgent Care Centre is an emergency medical clinic located in the northeast end of the island. All facilities are accredited through either a U.S. or

Canadian health accreditation system. It is common for patients to be medically evacuated to the U.S. or Canada for treatment of complicated or serious medical conditions.

King Edward VII Memorial Hospital

7 Point Finger Road

46 of 57

Paget, DV 04

Phone: (441) 236-2345

Mid Atlantic Wellness Institute

P.O. Box DV 501

Devonshire DV BX

Phone: (441) 236-3770

Hamilton Medical Centre

9 Victoria Street

Hamilton, HM 11

Phone: (441) 400-8378

Lamb-Foggo Urgent Care Centre

1 Hall St. South Side

St. David's DD 03

Phone: (441) 298-7700

Prescription Drugs

Most common medications are available locally upon presentation of a prescription from a Bermuda doctor. Bermuda pharmacies do not honor U.S. prescriptions. If you enter Bermuda with 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.

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

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

Includes the local time zone, typical hours of business and a list of holidays in the country/economy.

Bermuda is on Atlantic Standard Time (AST) and observes daylight savings time. AST is GMT minus 4; Atlantic Daylight Time (ADT) is GMT minus 3. Put simply, Bermuda is one hour ahead of the U.S. east coast. Daylight saving time is from March to November.

Business hours

The regular business work week in Bermuda is Monday to Friday from 9 a.m. to 5 p.m. Most retail and grocery stores are open on Saturdays and many are now also open Sundays, although hours vary. During the traditional tourist season (May through October), some retail stores in Hamilton will stay open on Wednesday until 9 p.m. Banks are generally 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.

U.S. and Bermuda Official Holidays 2016

Martin Luther King's Birthday, January 18

Washington's Birthday, February 15

Good Friday, March 25

Bermuda Day, May 24

Memorial Day, May 30

National Hero's Day, June 20

Independence Day, July 4

Emancipation Day, August 4

Somer's Day, Friday, August 5

Labor Day, September 5

Columbus Day, October 10

Remembrance/Veterans Day, November 11

Thanksgiving Day, November 24

Christmas Day, December 26

Boxing Day, December 27

New Year's Day 2017, January 1

Temporary Entry of Materials or Personal Belongings

Includes information on what is required for temporary entry.

Some goods imported on a temporary basis may be exempt from customs duty. See the 6th Schedule of the Bermuda Customs Tariff (www.customs.gov.bm) for qualifying goods. Some restrictions apply, and proper export procedures must be followed in order to obtain a refund of the financial security. Goods imported for short periods of time (e.g., tools of trade) must have a monetary security placed with Customs prior to being released. Any goods that remain in Bermuda are subject to import duty at the appropriate rate. If the goods are sold or otherwise disposed of without authorization

from the Collector of Customs, the goods are liable to forfeiture, and the importer is liable for a monetary penalty of up to \$12,000.

Goods re-entering Bermuda may be imported exempt from duty providing HMS Customs is satisfied that they have not undergone any changes and ownership remains the same. Goods re-imported after repairs or replacements are subject to duty on the cost of those repairs or replacement. However, goods re-imported that are warranty repairs or replacements are exempt from duty with proof of warranty.

Those relocating to Bermuda with their used personal possessions may qualify for a Transfer of Residence Allowance (TRA), which applies to first-time Bermuda residents and former residents returning after living abroad for more than one year. The exemption applies to goods older than six months that arrive within 90 days before or after arrival. An itemized list with depreciated values must be supplied for used goods. Goods purchased within six months of arriving in Bermuda must be duty-paid with invoices submitted. Customs reserves the right to inspect all incoming shipments. For exceptions and additional information, refer to "Public Notice #28, Duty Free Allowance: Transfer of Residence," which is available at:

http://www.gov.bm/portal/server.pt/gateway/PTARGS_0_0_5663_0_0_43/http://ptpublisher.gov.bm;7087/publishedcontent/publish/ministry_of_finance/hm_customs/dept_hm_customs_public_notices/articles/public_notice_28_transfer_of_residence_allowance_published_march_20_2012_0.pdf?qid=27628357&rank=1

Web Resources

Includes a list of all travel-related websites.

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

Bermuda H.M. Customs: www.customs.gov.bm

Bermuda ferry schedule: http://www.seaexpress.bm/ferries_about.aspx

Bermuda Hospitals Board: www.bermudahospitals.bm

Bermuda Immigration: www.immigration.gov.bm

Bermuda public transit information: www.bermudabuses.com

Bermuda weather: www.weather.bm

Centers for Disease Control: www.cdc.gov

Government of Bermuda: www.gov.bm

National Hurricane Center: www.nhc.noaa.gov

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

World Health Organization: www.who.int/en

Leading Sectors for US Exports & Investments

Best Prospect Overview

Bermuda welcomes foreign direct investment (FDI) upon which the bulk of the economy is dependent. FDI derives primarily from foreign investment— primarily in the sectors such as; insurance, reinsurance, and financial services – with a more modest contribution coming from tourism. In the mid-1990s, foreign company investment overtook tourism and became Bermuda’s primary economic foundation, directly contributing about 27% to the overall GDP, when tourism only brought in roughly 5%.

International Business

This is a best prospect industry sector for this country. Includes a market overview and trade data.

Overview

International business (IB) - primarily insurance and reinsurance - is Bermuda’s economic foundation, contributing the greatest amount to the Bermuda economy in 2014: \$1.53 billion or 27.1% of total GDP, a 0.2% increase over 2013. IB employed 3,937 people, or 11% of all filled jobs.

In common with similar jurisdictions that host IB sectors, Bermuda’s Department of Statistics does not recognize the international business sector as a resident industry. By law, international (called “exempt”) businesses registered in Bermuda generally are not permitted to conduct business or sell their products in Bermuda.

Sub-Sector Best Prospects

Bermuda’s IB (exempt) sector comprises insurance, reinsurance, insurance captives, insurance-linked securities (ILS), and other financial services such as securities trading, commodity brokering, shipping, and consultancy. Fitch Ratings’ January 2016 report, “Bermuda 2016 Market Update,” gave a stable rating outlook on global reinsurance, including in Bermuda. However, Fitch expected prices to continue to fall in 2016 while investment yields will remain close to historic lows. Fitch noted that the European Commission awarded Bermuda full equivalency with Solvency II, which was formally implemented on Jan. 1, 2016, “enhancing Bermuda’s global competitiveness.”

Opportunities

IB remains the largest single component of Bermuda’s economy. Current opportunities for U.S. investors are in insurance, reinsurance, captive insurance, investment holding, insurance-linked securities (ILS), and general financial services.

Web Resources

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

Association of Bermuda International Companies: www.abic.bm

Bermuda Business Development Agency: <http://bermudabda.com>

Bermuda Monetary Authority: www.bma.bm

Ministry of Finance: www.gov.bm

Registrar of Companies: www.roc.gov.bm

	2014	2015	2016	2017 (Estimated)
--	------	------	------	------------------

Market Size	3,937	n/a	n/a	n/a
Local Production	\$1,530,000	n/a	n/a	n/a
Imports	n/a	n/a	n/a	n/a
Exports	n/a	n/a	n/a	n/a
Total Market Size	n/a	n/a	n/a	n/a

\$US thousands (total market size = (total local production + imports) – exports

Real Estate and Rental

Overview

Rego Sotheby International Realty reported in January 2016 that commercial properties sold at their fastest rate in eight years in 2015, and the sale of luxury residential properties also had “a significant resurgence” over the previous year. The average price paid at the top end of the residential real estate market went up 9% to \$6.2 million compared to \$5.7 million in 2014, but there was a “significant drop” in the average sold price for commercial properties from 2014’s \$2.4 million to \$1.14 million in 2015. Condominium sales continued to struggle in 2015, especially those with an annual rental value of less than \$32,000, although those rated above that figure had “shown some resilience.”

Parliament passed legislation on March 25, 2015, making it easier for non-Bermudians to purchase real property – the aim being to increase Bermuda’s dwindling population and bring sorely needed investment to the island. The legislation lowered the price of properties available for purchase to non-Bermudians and non-PRC (Permanent Residents Certificate) holders. Now, they may purchase homes with an Annual Rental Value (ARV) of \$153,000 or higher (equating to a home of approximately \$3 million or higher) and condominiums with a minimum ARV of \$32,400 or higher (equating to a condominium of approximately \$850,000 or higher), and may own a total of two properties. PRC holders may purchase homes or condos of any ARV, also capped at two, and will continue to be liable to pay the land-holding charge for a license - currently set at 4% of the total value of the land/property purchased but rising to 6% on September 30, 2015. PRC holders cannot purchase in developments built with government assistance. Buyers of fractional units and other tourist accommodation are able to stay in those units as long as they like but will still be subject to immigration control in that they are required to seek residential certificates from the Department of Immigration. The legislation removes parish restrictions on acreage held by non-Bermudians but retains the cap island wide of 2500 acres.

Bermuda does not have an economic citizenship program. In 2013 it expanded the Incentives for Job Makers Act (IJMA) 2011, which offers a form of permanent residency to those who create jobs for Bermudians and gives them residential property purchase rights not available to other non-residents.

Sub-Sector Best Prospects

The best prospects in real estate and renting activities are in fractional ownership properties (standard hotel structures and condominium complexes), hotel development/management, and brokerage of luxury and executive properties.

Opportunities

Exempt companies may lease commercial land for up to 50 years and residential property for their employees for up to 21 years. Local companies are permitted to own property. (Exception: The Hotel Concession Act authorizes a company to lease a hotel or residential unit for a period not exceeding 131 years with an option to renew for a similar period.)

Web Resources

Ministry of the Environment & Planning: www.gov.bm

Bermuda Land Development Company: www.blcdc.bm

	2014	2015	2016	2017 (Estimated)
Market Size	452	n/a	n/a	n/a

Local Production	\$970,000	n/a	n/a	n/a
Imports	n/a	n/a	n/a	n/a
Exports	n/a	n/a	n/a	n/a
Total Market Size	n/a	n/a	n/a	n/a

\$US thousands (total market size = (total local production + imports) – exports)

Financial Intermediation

This is a best prospect industry sector for this country. Includes a market overview and trade data.

Overview

Bermuda's financial intermediaries - investment funds, trusts, pension fund administration, collective investment schemes, hedge funds, and banking - have historically performed well in the global and local markets. In 2014, the financial intermediation sector was the third largest contributor to Bermuda's economy, accounting for \$687.9 million or 12.2% of total GDP output, although the value added for this industry remained well below the peak level recorded in 2008. The sector decreased \$43.9 million from 2013 to 2014, the most recent year for which data are available.

Sub-Sector Best Prospects

The best prospects for U.S. investment in the financial intermediation/management sector are in investment funds, trusts, pension fund administration, collective investment schemes, hedge funds, and banking.

Opportunities

There is no information on specific investment opportunities at this time.

Web Resources

Bermuda Business Development Agency: <http://bermudabda.com/>

Bermuda Monetary Authority: www.bma.bm

Ministry of Finance www.gov.bm

Registrar of Companies: www.roc.gov

	2014	2015	2016	2017 (Estimated)
Market Size	2,253	n/a	n/a	n/a
Local Production	\$687,900	n/a	n/a	n/a
Imports	n/a	n/a	n/a	n/a
Exports	n/a	n/a	n/a	n/a
Total Market Size	n/a	n/a	n/a	n/a

\$US thousands (total market size = (total local production + imports) – exports)

Business Activities

This is a best prospect industry sector for this country. Includes a market overview and trade data.

Overview

This sector includes computer, accounting and legal services and provides professional and other services to the international business sector. It is the fourth largest component of the Bermuda economy.

Sub-Sector Best Prospects

Output in this sector grew by 9.3% in 2014, led by greater sales of legal services and business and management consulting.

Opportunities

N/A

Web Resources

Ministry of Economic Development:

http://www.gov.bm/portal/server.pt?open=512&objID=867&&activetab=TabCTRL_DropDownTabsGovernment1&mode=2&in_hi_userid=2&cached=true

Bermuda Registrar of Companies: <https://www.roc.gov.bm/>

Bermuda Business Development Agency: www.bda.bm

	2014	2015	2016	2017 (Estimated)
Market Size	3,425	n/a	n/a	n/a
Local Production	\$525,000	n/a	n/a	n/a
Imports	n/a	n/a	n/a	n/a
Exports	n/a	n/a	n/a	n/a
Total Market Sales	n/a	n/a	n/a	n/a

\$US thousands (total market size = (total local production + imports) – exports)

Travel and Tourism

This is a best prospect industry sector for this country. Includes a market overview and trade data.

Overview

Tourism is Bermuda's second largest source of foreign exchange, although the industry has contracted significantly since the 1980s. Finance Minister E.T. "Bob" Richards expects "unprecedented investor interest" in hotel construction, airport construction, and America's Cup 2017, stating these items represented a stimulus of \$930 million in 2015-17. The Louis Vuitton America's Cup World Series event held in October 2015 generated an estimated \$8.6 million in economic activity — some \$6.9 million more than projected — according to an impact study. Local banks reported an additional \$4.7 million in spending during the World Series week compared to an average week in October. More than 10,000 people attended the event village throughout the weekend and an estimated 550 boats, carrying about 5,000 spectators, watched the racing action from the Great Sound. About 1,499 visitors, including media and team members came to the island specifically for the event. Hotels enjoyed a 43% increase in revenue compared to a usual October week while some \$1.5 million was generated in retail sales.

Airport construction is speculative; it still faces opposition from the political opposition and recent polls shows a lack of support from about 50% of population. Progress is being made in hotel construction. Early in 2016, the GOB and developers finalized a 262-year ground lease for the St George's hotel project, and work on the Ritz-Carlton Caroline Bay hotel resort has begun, although construction sources affirm that the majority of work will be done by Bermudians.

Total visitor arrivals in 2015 (513,680) increased 2.4% over 2014. Air visitor arrivals for 2015 (224,329) decreased 1.2% compared with the previous year, but cruise arrivals increased 4.2% to 370,756. Arrivals by yacht (3,104) decreased 27.5% over 2014, due primarily to it being an off year for the biennial Newport to Bermuda race. U.S. visitors (463,048) accounted for approximately 90% of all cruise, air, and yacht passengers in 2015. There has been an overall decline in airline seat capacity, from 565,232 seats in 2012 to 503,049 seats in 2015. There were 136 cruise visits in 2015 – the highest figure since 2012 – and visits are expected to increase by another 15 cruise visits in 2016.

Over the long term, the number of hotels in operation has dropped, from 58 in 2003 to 43 in 2015. The hotel occupancy rate has declined from 67% in 2007 to 52.50% in 2015. Employment in the hotel sector dropped 4.4% in 2015 to 2,186.

Sub-Sector Best Prospects

Efforts are underway to regenerate interest in Bermuda’s tourism product. If successful, there may be prospects in the development/construction/renovation of hotels, resorts and the provision of construction materials and hotel and restaurant equipment and supplies.

Opportunities

The GOB is counting on hotel development to kick-start the economy in 2016, but there is uncertainty about project funding. The quasi-autonomous nongovernmental agency (QUANGO), the Bermuda Tourism Authority, issues millions in contracts annually.

Web Resources

Bermuda Chamber of Commerce: www.bermudachamber.bm

Bermuda Hotel Association: www.experiencebermuda.com

Bermuda Tourism Authority: www.gotobermuda.com/bermudatourism

	2014	2015	2016	2017 (Estimated)
Market Size	4,120	n/a	n/a	n/a
Local Production	n/a	n/a	n/a	n/a
Imports	n/a	n/a	n/a	n/a
Exports	n/a	n/a	n/a	n/a
Total Market Size	n/a	n/a	n/a	n/a

\$US thousands (total market size = (total local production + imports) - exports)

Education, Health & Social Work

This is a best prospect industry sector for this country. Includes a market overview and trade data.

Overview

The sector includes activities in public and private educational institutions and private health and social service agencies.

Health: The Ministry of Health, Seniors and Environment regulates most health care in Bermuda, most of which is privately provided. A Quasi-Autonomous Non-Governmental Organization (Quango), the Bermuda Hospitals Board, operates the island’s hospitals: King Edward Memorial Hospital and the Mid-Atlantic Wellness Institute, a psychiatric

hospital. There is no universal, publicly-funded health insurance in Bermuda, although the GOB offers two health insurance plans - the Health Insurance Plan (HIP) and Futurecare for seniors. Hospitalization insurance is mandatory for all employed or self-employed persons. Both employers and employees contribute an equal share of insurance premiums. Health services are largely paid through insurance and by the consumer. The Ministry of Health, Seniors and Environment delivers some public health services.

Education: Education is free in public and compulsory schools up to age 18. The Ministry of Education has oversight responsibility for all education in Bermuda, whether at a government-funded/taxpayer-supported school (a public school) or private school.

Social rehabilitation/services: The Department of Child and Family Services within the Ministry of Community, Culture and Sports has jurisdiction over social services in Bermuda, specifically daycare services, care and protection services for children, and residential and counseling services for adolescents. The Ministry provides training, employment, and supportive services to assist recipients of government financial assistance in moving from financial dependence to economic independence. Court Services, under the jurisdiction of the Attorney General and Ministry of Legal Affairs, provides programs, services, and resources through case management, referrals, supervision, monitoring, community partnering, and treatment regimes.

Sub-Sector Best Prospects

Bermuda employs a number of professionals in the fields of education, health care, and social services and actively recruits expatriates and consultants from the U.S., Canada, UK, and other countries to fill vacancies.

Opportunities

The education and social services sector consistently hires consultants for development specialty programs.

Web Resources

Ministry of Community & Cultural Development: www.gov.bm

Ministry of Education: www.gov.bm

Ministry of Health, Seniors & Environment: www.gov.bm

Attorney General & Ministry of Legal Affairs: www.gov.bm

	2014	2015	2016	2017 (Estimated)
Market Size	3,642	n/a	n/a	n/a
Local Production	\$476,200	n/a	n/a	n/a
Imports	n/a	n/a	n/a	n/a
Exports	n/a	n/a	n/a	n/a
Total Market Size	n/a	n/a	n/a	n/a

\$US thousands (total market size = (total local production + imports) - exports)

Wholesale & Retail Trade, Motor Vehicles & Repair Services

This is a best prospect industry sector for this country. Includes a market overview and trade data.

Overview

Bermuda has virtually no manufacturing capacity, so nearly all goods are imported. The U.S. is the primary source of imports at approximately 71%), followed by Canada (about 12%), the Caribbean (about 1%), the U.K. (about 3%), and other countries (about 10%). Value added in this industry decreased from \$1.004 billion in 2013 to \$962.4 million in 2014, the most recent year for which data are available. Wholesale distributors supply retail stores and restaurants with high quality merchandise from both sides of the Atlantic. The retail trade sector is heavily dependent on resident and visitor spending and is closely correlated to the global economy as a whole.

Sub-Sector Best Prospects

Bermuda imports a wide variety of goods in the sub-sectors of food, liquor, clothing, health and beauty supplies, restaurant equipment and supplies, automobiles and motorcycles and parts, building materials, hardware goods, household consumer goods, appliances, and pharmaceuticals.

Opportunities

The GOB promotes the use of energy-efficient products and technology. Although rebates for solar/green products ceased in 2014, duty on most such goods remains at 0%.

Web Resources

Bermuda Chamber of Commerce: www.bermudachamber.bm

Bermuda Yellow Pages: www.bermudayp.com

Registrar of Companies: www.roc.gov.bm

	2014	2015	2016	2017 (Estimated)
Market Size	4,093	n/a	n/a	n/a
Local Production	\$376,100	n/a	n/a	n/a
Imports	n/a	n/a	n/a	n/a
Exports	n/a	n/a	n/a	n/a
Total Market Size	n/a	n/a	n/a	n/a

\$US thousands (total market size = (total local production + imports) - exports)

Construction

This is a best prospect industry sector for this country. Includes a market overview and trade data.

Overview

Over the first three quarters of 2015, construction activity contracted 41.3%, with the value of work put in place falling from \$97.9 million in 2014 to \$57.5 million in 2015. The value of new projects started rose by 19.3% over 2014. The sector's contribution to GDP grew slightly from \$169.5 million in 2013 to \$178.7 million in 2014. However, employment in construction dropped from 2,143 in 2013 to 1,925 in 2014 due to the absence of large construction projects.

Sub-Sector Best Prospects

The prospects for construction are uncertain at present. The GOB is counting on "unprecedented investor interest" in hotel construction, airport construction, and America's Cup 2017 to provide a potential stimulus of \$930 million over the

next two years to boost the construction industry. As of this writing, however, airport construction is wholly speculative, but progress is being made in hotel construction. Early in 2016, the GOB and developers finalized a 262-year ground lease for the St George's hotel project, and work on the Ritz-Carlton Caroline Bay hotel resort has begun, although construction sources affirm that the majority of work will be done by Bermudians.

Bermuda is just beginning to emerge from a six-year recession. In the event of an economic turnaround, the best prospects in this sector would likely be in the development/renovation of hotels/resorts, airport renovation, docks (perhaps moving the main cargo dock in Hamilton to another location to permit redevelopment of the Hamilton waterfront), and mixed residential/commercial properties. U.S. businesses can export construction materials directly into Bermuda without going through a wholesaler. Businesses should contact local construction

Opportunities

Other opportunities in this sector include possible widening of the channel into St. George harbor to accommodate larger cruise ships.

Web Resources

Bermuda Land Development Corporation: <http://www.bldc.com>

Bermuda Construction Association: www.constructionbermuda.com

Ministry of Public Works: www.gov.bm

	2014	2015	2016	2017 (Estimated)
Market Size	1,925	n/a	n/a	n/a
Local Production	\$178,700	n/a	n/a	n/a
Imports	n/a	n/a	n/a	n/a
Exports	n/a	n/a	n/a	n/a
Total Market Size	n/a	n/a	n/a	n/a

\$US thousands (total market size = (total local production + imports) - exports)

Transport and Communications

This is a best prospect industry sector for this country. Includes a market overview and trade data.

Overview

Transportation: The Ministry of Tourism Development and Transport administers the departments of Civil Aviation, Airport Operations, Marine and Ports Services, Maritime Administration, Transport Control Department, and the Public Transportation Board, the latter of which operates the island's extensive bus and ferry system. As of March 2016, the Bermuda aircraft registry had a total of 757 aircraft on the registry, 18 fewer than in 2015. Most are new, sophisticated, and technically advanced corporate jets, owned by high net worth individuals.

Communications: Legislative changes in 2013 allowed for the bundling of telecommunications services, including cell phone, long distance, cable television, and internet services, via Integrated Communication Operating Licenses (ICOLs). This change created operating efficiencies and better pricing for consumers. Bermuda's Internet rates are not competitive compared to other similarly-sized island nations. As of March 1, 2016, the average price in Bermuda was \$265 for 25 Mbps, compared to Cayman's \$159. Average internet speeds are slower than those in the U.S.

Bermuda's internal telephone system is gradually being upgraded to one hundred percent 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.

The GOB operates postal services. International courier services include DHL, Federal Express, UPS, IBC, and ZipX.

Sub-Sector Best Prospects

Best products and services for U.S. investment include: aircraft, buses, ferries, motor vehicles, postal and courier services, and telecommunication technology and equipment. Since 2012, Bermuda has chartered a ferry from a U.S. company to supplement its aging fleet. More ferries may be needed in the near future.

Opportunities

There is no information on specific investment opportunities at this time.

Web Resources

Ministry of the Health, Seniors and Environment: www.gov.bm

Ministry of Tourism Development & Transport: www.gov.bm

Department of Telecommunications: www.gov.bm

	2014	2015	2016	2017 (Estimated)
Market Size	2,046	n/a	n/a	n/a
Local Production	n/a	n/a	n/a	n/a
Imports	n/a	n/a	n/a	n/a
Exports	n/a	n/a	n/a	n/a
Total Market Size	n/a	n/a	n/a	n/a

\$US thousands (total market size = (total local production + imports) - exports)

Agricultural, Fishing & Quarrying Sector

This is a best prospect industry sector for this country. Includes a market overview and trade data.

Overview

Agriculture: Food supplies derive primarily from the U.S. and Canada, as agriculture does not play a significant role in Bermuda's economy. The U.S., Canada, UK, Republic of Ireland and New Zealand are the source for most of Bermuda's dairy products. A local company, Dunkley's Dairy, has a monopoly on the production and sale of fresh cow's milk. Bermudian farmers produce milk, eggs, carrots, bananas, grapefruit, oranges, and other fruits and vegetables. When certain locally grown fruits and vegetables are in season (and premium priced), temporary embargoes are placed on the importation of competing produce to allow local farmers to take advantage. While there is some cultivation of flowers for the local market, many indoor and outdoor plants are imported into Bermuda for resale by local nurseries. The Department of Environmental Protection employs tight restrictions to control/prevent the importation of harmful pests and diseases.

Forestry: There is little/no forestry in Bermuda. Any cultivation of trees is closely regulated by the Ministry of Health, Seniors and 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.

Fisheries: Bermuda has no factory fisheries. Local fishermen sell their small catches directly to the public, restaurants, and grocery stores. Wholesalers import fish and seafood for sale to markets and restaurants. For more information on fishing restrictions and how to obtain fishing licenses, contact the Department of Environmental Protection in the Ministry of Health, Seniors and Environment.

Quarrying: Quarrying of local limestone - used primarily for roofing - does not factor greatly into GDP. No mining, either land-based or offshore, exists in Bermuda.

Sub-Sector Best Prospects

There is no information on specific prospects at this time.

Opportunities

There is no information on specific investment opportunities at this time.

Web Resources

Ministry of Health, Seniors and Environment: www.gov.bm

Ministry of Public Works: www.gov.bm

Department of Environmental Protection: www.gov.bm

	2014	2015	2016	2017 (Estimated)
Market Size	581	n/a	n/a	n/a
Local Production	n/a	n/a	n/a	n/a
Imports	n/a	n/a	n/a	n/a
Exports	n/a	n/a	n/a	n/a
Total Market Size	n/a	n/a	n/a	n/a

\$US thousands (total market size = (total local production + imports) - exports)