

YEAR IN REVIEW

2019



BUSINESS
DEVELOPMENT
AGENCY
BERMUDA



The Bermuda Business Development Agency (BDA) was founded in 2013 as an independent, public-private partnership to encourage inward direct investment and growth for Bermuda.

OUR VISION: For Bermuda to be the most respected and innovative financial centre in the world.

OUR MISSION: To promote and encourage inward direct investment that positively contributes to Bermuda's economy and strengthens Bermuda's image on the world stage.

KEY ACHIEVEMENTS

The BDA played a direct role in assisting a total of

31 NEW ENTRANTS

in 2019

and generated 78 new opportunities with parties who have a strong interest in Bermuda, achieving growth in international business

The BDA collaborated with the public and private sectors on advancing



7+

**LEGISLATIVE
PIECES**

to enhance business for existing industries and to create viable new business platforms to diversify the island's economy

In 2019, the BDA hosted and supported

**18 ON-ISLAND
CONFERENCES**

which attracted a minimum of



880 INTERNATIONAL
VISITORS

resulting in



2,879 HOTEL
ROOM
NIGHTS

with an economic impact of



\$2.88M

achieving a key strategic goal of positively contributing to Bermuda's economy

A total of
**30 PRIVATE SECTOR
FUNDING STAKEHOLDERS**

supported the BDA's efforts in 2019



Bermuda's strengths as a world-leading jurisdiction were highlighted with influential global media outlets including

**THE ECONOMIST,
BLOOMBERG,
YAHOO FINANCE
AND FORTUNE**

and amplified across social media channels

Business visitors
INCREASED 1.4% IN 2019

while the estimated
avg. spend per
business visitor is

UP 9.5% TO \$1,523.75

according to The Bermuda Tourism Authority.

Results supported by the BDA's efforts to host more on island conferences.

The BDA is a non-profit organisation focused on business development, not for itself, but for the jurisdiction as a whole. Since its formation in 2013, the BDA has recognised the importance of tracking its performance and the challenges that exist with macro-level metrics. The focus is on direct measurable outcomes.



FROM OUR CHAIRMAN

PAUL SCOPE

In 2019, Bermuda proved its strength as a world-leading international financial centre, demonstrating strong resilience and continued relevance in the face of geopolitical and technological change.

In line with the three-year strategic plan that had been set for 2017-2020, the BDA remained focused on attracting new investment and companies that create jobs while also putting a new emphasis, working with the Bermuda Tourism Authority, on increasing the number of business visitors to the island.

The BDA pursued targeted business development opportunities in key industries aligned with Bermuda's value proposition and with anticipated future growth potential:

- Risk and Insurance Solutions
- High Net Worth Services (Private Clients and Family Offices)
- Asset Management (Funds, ILS and Private Equity)
- Technology (2019 saw the focus areas of Emerging Technology and Economic Diversification merge)
- Infrastructure (a new focus area for this year, covering hotel investment, sub-sea cables and space satellites)

Safeguarding and enhancing Bermuda's outstanding reputation has been an important part of the BDA's role over the last twelve months. Working closely with industry, government and the Bermuda Monetary Authority, the BDA has helped to review and draft legislation to progress legal reform in response to new regulatory requirements, commercial trends and developing industries.

As we move into 2020, the world in which Bermuda operates continues to change and the BDA's strategic direction will evolve accordingly to ensure the island maintains its competitive advantage. Some changes have already started to take place, and I remain confident that by working together we will rise to the challenges ahead and capitalise on the opportunities that exist for the benefit of Bermuda's economy.

Paul Scope

Chairman of the Bermuda Business Development Agency



FROM OUR CEO

ROLAND ANDY BURROWS

My first full year as CEO of the Bermuda Business Development Agency (BDA) has been a year of both triumphs and challenges.

Right from the start of the year we remained focused on the task of delivering on our key objectives.

We have been successful in directly assisting, at the time of writing, 31 new entrants to set up in Bermuda. More significant than the number though is the diversity of new entrants we have helped, including:

- the first global crypto financial services company to be granted a full DABA licence
- a Long-Term Class E insurer resulting from the 2018 Bermuda Executive Forum in New York
- a Class D insurer resulting from the 2018 Bermuda Executive Forum in Miami
- an innovative intermediary company that provides an electronic marketplace for ILS and cyber insurance
- a global wholesale insurance and reinsurance broker with offices in the world's key regional and global insurance centres including London, Paris and Shanghai
- a multi-billion-dollar Family Office with an ongoing active presence on island
- a high-net-worth family who wished to relocate and redomicile here

We also supported Gencom's purchase and planned long-term investment in the Fairmont Southampton.

It has been another busy year for the BDA championing the jurisdiction internationally. We promoted our world-leading jurisdiction in our key markets, including New York, Toronto and London via the BDA's Bermuda Executive Forums, along with having an active presence at other international events such as the World Economic Forum, RIMS, Consensus, and we upped our engagement with key cities in Asia and Latin America. We also established the country's inaugural Bermuda Tech Week in partnership with FinTech Bermuda.

Our support and sponsorship of important local initiatives continued with the likes of International Business (IB) Week, working with the Association of Bermuda

International Companies (ABIC) and the fast-growing women's forum, WeSpeak.

As a neutral organisation, representing the interests of both the private and public sector, we have increasingly worked this year to identify and begin to address perceived barriers to doing business. We have also helped to push forward Bermuda's legal framework by supporting the Digital Assets Business Amendment Act 2019, the Incorporated Segregated Account Companies Act 2019, the Submarine Communications Cables Act, and the Tourism Investment Amendment Act 2019 (amongst others).

At the start of 2019, Bermuda's economic substance regime came into effect in response to OECD and EU requirements, further reinforcing the island's commitment to transparency. Economic substance remains an opportunity for Bermuda with the potential for further job creation and increased economic activity.

Bermuda's gold standard regulatory regime continued to give us a competitive edge over other international markets. This year Bermuda was granted Reciprocal Status by the National Association of Insurance Commissioners (NAIC), a new designation introduced effective 1 January 2020, further adding to our renewed and pre-requisite, Qualified Jurisdiction Status. Of course, this wouldn't have been possible without the hard work and dedication of the Bermuda Monetary Authority (BMA), which celebrated its 50th anniversary this year, marking five decades of exemplary service to the country.

We also bid a fond farewell to former BDA staff who have found new opportunities in the private sector and welcomed new individuals with the sector specific experience required to execute against our renewed strategy.

I would like to extend my sincere thanks to the Bermuda government and all of our stakeholders whose continued support we couldn't do without, as together we ensure Bermuda continues to set itself apart on the world stage as an exceptional destination in which to live, work and play.

Roland Andy Burrows

CEO of the Bermuda Business Development Agency

KEY MARKETS

CANADA

Bermuda and Canada enjoy a close relationship in trade, business, education and tourism with extensive people-to-people ties. Canadian firms are important investors in Bermuda's economy and, as the hub of Canada's financial sector, Toronto was a key market to showcase the opportunities and synergies that exist.

U.S.

The U.S. is Bermuda's most significant trading partner and Bermuda is an important strategic partner to the U.S. in many areas, including insurance, law enforcement, border security, aviation, space, marine research and education. In 2019, the BDA targeted a number of key cities and developments such as the NAIC-reciprocal status provided an opportunity to position the significant role Bermuda's (re) insurers play in supporting the U.S. economy (paying out more than \$200 billion to settle U.S. losses over the last two decades) and the benefit to American businesses and consumers.

LATAM

Mexico was a key focus for 2019. The BDA supported a trade mission to Mexico City, marking the 10th anniversary of the signing of the Tax Information Exchange Agreements (TIEA). Meetings were held with government officials and business leaders in fintech, asset management and infrastructure development in addition to private high-net-worth individuals and their professional advisors.

UK

Bermuda is a substantial contributor to the U.K. economy and provides more than 35% of capacity for Lloyds of London. London was a key focus for the BDA's strategic activities throughout 2019 and the BDA continues to position Bermuda as an historic partner and an exceptional jurisdiction in which to do business.

EU

Bermuda's new Overseas Office in Brussels was opened in January 2019 allowing for increased engagement with important institutions and businesses located in Europe who want to explore the advantages of Bermuda and invest in its economy. Significantly, Bermuda's stand-alone Solvency II equivalence with the EU is unaffected by Brexit.

ASIA

Asia is a dynamic and growing economic partner for Bermuda. This year, the BDA focused on strengthening relationships with key law firms and professional service firms in Singapore and Hong Kong to deepen the understanding of Bermuda's offering across industries.



KEY INDUSTRIES

Our industries are aligned with Bermuda’s value proposition and anticipated future growth potential.

Insurance & Risk Solutions

Bermuda remains one of the world’s most important insurance and re-insurance hubs. In 2019, the BMA registered a total of 69 new insurance entities. These registrations reinforced the continued significance of Bermuda’s (re)insurance market, comprised of over 1,200 (re)insurers holding total assets in excess of \$800 billion and writing gross premium of approximately \$150 billion. In 2019, the BDA represented Bermuda as the world’s risk capital at RIMS 2019 in Boston amongst other leading international conferences, supported growth in the life and annuities industry and continued to showcase the jurisdiction as the captive domicile of choice. Events such as the Bermuda Captive Conference and the International Cyber Risk Management Conference were hosted on island and the BDA worked with key associations to highlight Bermuda’s achievement at being granted NAIC-reciprocal status, a new designation this year, and Bermuda’s renewed NAIC-qualified status.

Technology

Bermuda is rapidly emerging as a global technology hub especially for fintech and insurtech. Eighty-nine fintech companies have incorporated on island since progressive legislation came into effect. 2019 saw the first company to achieve a full license under Bermuda’s Digital Asset Business regulatory regime, a signed partnership with a New York-based bank to provide fintech banking services, the inaugural Bermuda Tech Week where the government announce its Currency Standard initiative, the initial development of a blockchain-based identity solution and two new international technology events hosted on island, the Security Token Summit and the B3 Future Banking Summit.

Asset Management

Bermuda continues to contribute globally to the growth of investment funds, catastrophe bond funds, hedge funds, private equity funds as well as insurance-linked securities (“ILS”) funds. As the leading domicile for ILS listings, with over 80% market share as of the third quarter in 2019, ILS was a key focus of the BDA’s efforts this year. The role of ILS as environmental, social and governance (ESG) investments was highlighted at key events.

High-Net-Worth Services

Bermuda has long been an attractive destination for the world’s wealthy individuals and families for both business and leisure. The BDA focused on raising awareness and understanding of new superyacht legislation passed in 2019 adding to the islands appeal. The BDA targeted leading lawyers by attending the International Private Client Forum 2019, meeting with key family advisors in New York, supporting the on island Trans-continental Trusts International Forum 2019, the STEP Bermuda 2019 conference and contributing to the 2019/2020 edition of Trust Bermuda.

Infrastructure

The BDA remained committed to encouraging inward direct investment to Bermuda and established a new and dedicated focus area on infrastructure in 2019 which saw the BDA support Gencom’s purchase and planned long-term investment in the Fairmont Southampton. In addition, the island’s plans for developing its subsea cable industry were progressed and promoted at SubOptic 2019, a high-profile conference for the global submarine cable industry, and the BDA contributed to the second meeting of The Bermuda Space and Satellite Policy Advisory Panel in Washington D.C.

LEGISLATION

The BDA played a proactive role in advancing relevant legislation to further enhance Bermuda’s pro-business environment.

Super Yacht

Superyachts and Other Vessels (Miscellaneous) Act 2019 and Superyachts and Other Vessels Miscellaneous Amendment Act 2019 The 35th America’s Cup in 2017 set the stage for Bermuda to become a superyacht cruising and chartering destination, further enhancing the island’s appeal to high net worth individuals. The Act allows superyachts (24 metres/78 feet) to:

- acquire transit, cruising and charter permits, depending on the length of stay
- incur no duty if brought in for less than six months by Bermuda resident owners
- incur no duty to import equipment, furnishings, fittings, and parts while in Bermuda
- incur no passenger head tax (departure tax) (replaced by vessel cruising fee)

Submarine Cables

Submarine Communications Cables Act While the island currently hosts three subsea cable networks which are vital for telecommunications systems, Bermuda’s location creates a logical stopover for cables between the Americas, Western Europe and Africa. New legislation was drafted to introduce and establish this sector in Bermuda, supporting plans to develop a subsea telecommunications protection zone.

Tourism Investment

Tourism Investment Amendment Act 2019 The Act came into effect on 5 November 2019, encouraging investment in Bermuda by allowing relevant hotel developers to apply for a tourism investment order, providing relief from customs duty and exemption from certain other taxes, for specific hotel developments. The Act reflects the BDA’s role as the organisation that supports Tourism Investment Act applications and works with the minister to approve hotel appraisers, who determine the market value of hotels for the purposes of the Act.

ISAC

Incorporated Segregated Accounts Companies Act 2019 The Act enables the creation of corporate group structures to operate multiple businesses or ‘accounts’, each ring-fenced with its own separate legal identity, under one umbrella. Each account has the capacity, rights, powers and privileges of a natural person, including the right to enter into contracts with other accounts under the ISAC and with the ISAC itself. This structure offers greater flexibilities and efficiencies, including the pooling of professional support, and results in more robust asset and liability protections. The Act has applications in numerous sectors including (re)insurance, investment funds, multinational enterprises, family offices, asset management and securitisation.

Digital Assets

Digital Assets Business Amendment Act 2019 The Act came into effect on 8 October, expanding the scope of the licencing regime to include digital assets derivatives, digital asset benchmark administrators and digital asset trust service providers.

EXECUTIVE FORUM HIGHLIGHTS



The BDA promoted Bermuda's strengths as a world-leading jurisdiction to an influential audience of executives and investors in key markets throughout the year via the Bermuda Executive Forums. Events were held in New York, Toronto and London with a total of more than 500 attendees. Interviews took place with top-tier media outlets including Bloomberg, The Economist, Coindesk, Yahoo Finance, Fortune and the Financial Post.



TECH WEEK

14-18 October 2019

The BDA launched the country's inaugural Bermuda Tech Week, in partnership with FinTech Bermuda, providing five days of industry driven events focused on emerging technology. Events included the annual Bermuda Technology and Innovation Awards, a Liquidity Summit presented by HubCulture to explore trends across the world of finance, a Bermuda Technology Education Summit for middle and high school students, Tech Beach 'FinTech Innovation Island' and the Bermuda Technology Summit with the theme 'Focused on the Future'. The week attracted more than 600 local and international experts, technologists, innovators, developers and creators and generated 1,134,811 impressions on #investbermuda.





**The World's Risk Capital:
Bermuda at the Risk and
Insurance Management Society
(RIMS) Annual Conference 2019**

RIMS 2019 welcomed 10,000 delegates from more than 60 nations. There was a strong Bermuda presence, including an official welcome by RIMS executives and business development meetings at the Bermuda Booth hosted by the BDA. Bermuda's Premier, the Minister of Finance, representatives from the Bermuda Monetary Authority, the Association of Bermuda Insurers and Reinsurers (ABIR) and the BDA led the delegation. Interviews were arranged with leading insurance media outlets including The Insurer, Business Insurance, Reactions and AM Best-TV, along with RIMS-TV.



MONACO



Introducing Superyacht legislation

Working with the Ministry of Tourism and Transport, the Bermuda Tourism Authority, the Bermuda Shipping and Maritime Authority and Bermuda Yacht Services, the BDA focused on raising awareness and understanding of new superyacht legislation to a global network of brokers, owners and builders at the Monaco Yacht Show. A 'Bermuda Breakfast' event was part of a larger campaign and partnership with BOAT International which included advertorials in the December editions of two key trade publications, ahead of the laws coming into effect in January 2020.



The Charter Supplement was distributed with all issues of Boat International (12,843 circulation - print run of 23,000) with an extra 500 going to the Antigua Charter Show. Beyond Luxury had the same distribution with Boat International plus an extra 10,000 distribution through Gold Key a distribution partner in London, Milan, Paris, Hong Kong, New York, Paris and Dubai – this was in private jet terminals, private members' clubs and 5-star hotels.

PUBLICATIONS



BERMUDA BUSINESS REVIEW 2019

10,000 print copies were distributed across Bermuda, UK, Europe, the U.S. and Canada with a dedicated email blast to 5,000 C-level executives of multinational companies worldwide.



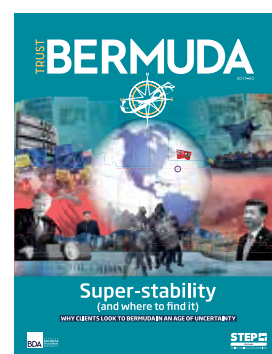
BERMUDA FINANCE MAGAZINE 2019

5000 print copies were sent globally to industry executives and distributed at key industry events including RIMS, APCIA, Monte Carlo, Baden-Baden and Convergence. Digitally, the full edition was shared via a dedicated email blast to 3,800 signed-up industry execs.



SUBMARINE TELECOMS FORUM MAGAZINE

A bimonthly trade journal for professionals in the submarine cable industry with an average of 100,000+ downloads per issue. Following on from the SubOptic 2019 event, SubTel Forum magazine and SubCable News featured an article on Bermuda – the Atlantic Digital Port.



TRUST BERMUDA

The 2019/2020 edition of Trust Bermuda explored how geopolitical risk is impacting upon private clients' and family offices' choice of jurisdictions for trusts and asset holding structures



ILS BERMUDA INDUSTRY ROUNDTABLE

The roundtable was hosted by the BDA and discussed amendments to Bermuda's Insurance Act. The written report was distributed at the 63rd edition of Les Rendez-Vous de Septembre in Monte Carlo.

LOOK FORWARD

In 2020, working with a renewed strategic direction and an energized team of committed individuals, we will continue to advocate for Bermuda's economic development domestically and internationally. We will continue to encourage inward direct investment to benefit Bermuda's diversified economy and to work with our stakeholders to ensure Bermuda's legislative and regulatory framework remains the gold standard.



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BERMUDA

Maxwell Roberts Building, 6th Floor
1 Church Street, Hamilton HM 11
Bermuda

+1 (441) 292-0632 • info@bda.bm • bda.bm