



BERMUDA
FAMILY OFFICE SOLUTIONS
a Framework for Empowering Your Legacy



GOVERNMENT OF BERMUDA
Ministry of Economy and Labour

WHY BERMUDA?

Bermuda's captivating beauty, rich culture and business-friendly environment make it a prime destination for conducting international business. Sophisticated corporate and financial products and professional services create an ideal atmosphere for global enterprises, including family offices. We invite families and their representatives to explore our solutions and to discover the Family Office Advantage in Bermuda.

Proximity to Global Markets:

Located in the heart of the Atlantic Ocean, daily flights between Bermuda and the United States (with customs and immigration pre-clearance), Canada and the United Kingdom provide seamless access to gateway cities, key investors and capital markets.

Well-Defined Regulatory

Frameworks: Robust and respected regulatory frameworks make Bermuda increasingly attractive to international clientele, particularly family offices. Bermuda's anti-money laundering and terrorist financing (AML/CFT) regime is effective and compliant with global AML/CFT standards.

Established Financial Sector:

Home to leading onshore firms, financial institutions, and multinational enterprises, Bermuda offers a solid foundation for financial success.

Business-Friendly: Our business-friendly environment ensures that family offices have access to a wide range of sophisticated solutions, regulatory guidance and support.

Professional Excellence:

Optimize family office operations with top-notch professional services, ensuring precision, reliability and excellence in every facet of family business endeavors.

Resilience and Stability: Bermuda offers regulatory security, political stability and a resilient, modern framework of laws. Bermuda's body of law is rooted in English common law and is regularly updated to keep pace with changes.

Cultural Charm: Bermuda provides a unique and enriching family-friendly environment for family offices. Families can immerse themselves in the warmth of our community and cultural traditions while enjoying stunning landscapes and water views.

BERMUDA'S DYNAMIC REGULATORY LANDSCAPE

Corporate Products

Bermuda provides a diverse range of corporate structures to meet the specific needs of family offices. Corporate structures are governed by principal legislation but may be subject to additional laws based on business activity.

Limited Company (LTD) – Governed by the Companies Act 1981, this structure is owned by its shareholders and managed by a board of directors who must operate the company in accordance with its bye-laws. Registration with the Registrar of Companies (ROC) is required, and incorporation of single shareholder companies is permitted.

Limited Liability Company (LLC) – Governed by the Limited Liability Company Act 2016, this structure is owned by persons who hold LLC interests and may be managed by its members in accordance with an operating agreement (LLC agreement). If the LLC agreement does not provide for a particular situation, the governing Act provides default guidelines. Registration with ROC is required, and single member LLCs are permitted.

Private Trust Company (PTC) – Governed by the Companies Act 1981, this structure is available for use to administer specified trusts only, and in cases where the company is not engaging in trust business which would otherwise require a license. Registration with ROC and the BMA (in some cases) is required. Confirmation of licensing exemption and any required BMA registration will be determined pursuant to regulatory reviews that occur during the registration process.

Partnerships

Partnerships in Bermuda may be formed under the Partnership Act 1902, the Limited Partnership Act 1883 and/or the Exempted Partnerships Act 1992, or the Overseas Partnerships Act 1995. Partnerships must register with the Registrar of Companies. The types of partnerships available are as follows:

(a) General Partnerships

A general partnership is governed by the Partnership Act 1902. There is no limit to the liability of the partners. Each partner jointly and severally liable with all other partners for the debts of the partnership incurred while that partner is a member of the partnership.

(b) Limited Partnerships

Governed by the Limited Partnership Act 1883 and the Partnership Act 1902, a limited partnership consists of one or more general partners and one or more limited partners. Only the general partners may transact business and bind the partnership, and they are jointly

and severally liable for the debts of the partnership. Limited partners are only liable to the partnership for the amount each has agreed to contribute. Family Limited Partnerships can be useful vehicles for various activities.

(c) Exempted Partnerships

Governed by the Exempted Partnerships Act 1992 and the Partnership Act 1902, an exempted partnership must have both a registered office and resident representative in Bermuda. An exempted partnership is permitted to do

business with another exempted partnership or exempted company or with a permit company, and like any other entity, may also register their ownership or other rights to intellectual property in Bermuda.

(d) Overseas Partnerships

A partnership formed outside Bermuda may, through the Bermuda Monetary Authority (BMA), apply to the Minister of Finance for a permit to operate in Bermuda or outside Bermuda from a place of business in Bermuda.

Incorporated Segregated Accounts Company (ISAC) – Governed by both the Companies Act 1981 and the Incorporated Segregated Accounts Companies Act 2019, ISACs are companies which are permitted to create and operate multiple cell structures known as incorporated segregated accounts (ISAs) under one umbrella. Each ISA in the ISAC structure is a separate legal person with its own bye-laws and board of directors, having the capacity, rights, powers and privileges of a natural person. ISAs can enter into contracts with other accounts under the ISAC and with the ISAC itself.

Segregated Accounts Company (SAC) – Governed by both the Companies Act 1981 and the Segregated Accounts Companies Act 2000, this structure enables the legal segregation of assets and liabilities amongst an unlimited number of accounts operated by the SAC. However, the establishment of a segregated account does not create a separate legal person that is distinct from the SAC. Each account is statutorily linked to the SAC.

**More information about Bermuda's corporate entities is available at www.gov.bm/department/registrar-companies.

INVESTMENT MANAGEMENT AND FUNDS: Unlocking Opportunities for your Wealth Management Strategy

Bermuda's legislative framework encourages transparent and secure investment practices. Activities related to investment management and funds are regulated by the Bermuda Monetary Authority (BMA) and may require licensing.

Primary Legislation Governing Investment Management and Funds

(1) Investment Business Act 2003

This Act applies to persons carrying on investment business in or from Bermuda and sets out licensing and registration requirements unless the criteria to be either designated as non-registrable or otherwise excluded from the framework applies. Persons wishing to be licensed may apply for either a standard licence or a test licence.

(2) Investment Funds Act 2006

This Act applies to funds registered in Bermuda and is intended to protect investors. Regulation procedures differ under the Act based on the type of fund (i.e., Private fund, Professional Class A and Professional Class B investment funds, institutional, administered, and standard funds). Private funds are often used by family offices as family investment vehicles.

(3) Fund Administration Provider Business Act 2019

Entities proposing to carry on fund administration business in or from Bermuda must apply to the BMA to become licensed in accordance with the requirements of this Act. The BMA assesses each licensee using a risk evaluation model wherein higher or increasing risks will result in greater supervisory activity.

****These primary Acts are supported by a complete regulatory framework that includes various statutory instruments, codes of conduct, and other guidance documents. More information is available at www.bma.bm.**

LEGISLATIVE FLEXIBILITY AND INNOVATION

Bermuda takes pride in its commitment to adaptability, constantly revising its legislation to align with global standards and to meet evolving market needs. Positioned as a global leader, Bermuda ensures ongoing modernization of its legislative frameworks to remain both flexible and competitive.

Payroll Tax Exemptions

- **Benefit:** Employers hiring eligible Bermudian personnel may qualify for payroll tax exemptions.
- **Flexibility:** Exemptions are intended to support employment opportunities and foster economic growth.

Risk-Based Regulatory Approach

- **Framework:** Bermuda's risk-based approach to regulation ensures a balanced and effective regulatory environment. Compliance with global AML/CFT standards is embodied in Bermuda law.
- **Adaptability:** Various regulatory exemptions may apply, subject to the nature and scope of business activity conducted or proposed to be conducted. Exemption eligibility is determined on a case-by-case basis.

Insurance Sector Leadership

- **Regulatory Regime:** The Insurance Act 1978 is the primary legislation within Bermuda's comprehensive regulatory framework for the insurance sector.
- **Innovation and Leadership:** Bermuda is highly regarded in the insurance sector, earning a well-deserved reputation as the World's Risk Capital. Bermuda captives are very popular options for risk mitigation, and Bermuda continues to dominate the market for insurance-linked securities and catastrophe bond issuance.

Innovation Tracks under the Insurance Regime

- **Insurance Regulatory Sandbox:**
 - ✓ Regulatory model available for companies testing new technologies or business models that will be undertaking licensable activities under the Insurance Act 1978.

- ✓ Features include a limited scope, controlled environment, and a defined trial period.
 - **Innovation Hub:**
 - ✓ Regulatory model applicable to companies looking to test new technologies or business models, similar to the Sandbox.
 - ✓ Suitable for companies that are either not captured under any of the financial services Acts, not yet ready for the Sandbox, or that are still developing their proof of concept.
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Digital Asset Business Act 2018

- **Pioneering Framework:** Enables companies to conduct digital asset business activities with varying restrictions.
 - **Flexible Operations:** Three types of licenses are available – Test "T" Licence for entities seeking to test their proof of concept; Modified "M" Licence for entities seeking to expand operations for a limited period; and Full "F" Licence for entities seeking to conduct one or more digital asset business activities without restriction.
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Public Benefit Entities

- **New Corporate Product:** Proposed for introduction in Bermuda (LTDs, LLCs, and Limited Partnerships).
 - **Business Impact:** Ideal for social impact investing, ESG initiatives, and incorporating public benefits into corporate decision-making.
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Intellectual Property Law Updates

- **Trade Marks, Patents and Registered Designs:** Ongoing updates to facilitate modernisation, enhanced protections and international registrations in and through Bermuda.
 - **Voluntary Copyright Registration Regime:** A new voluntary registration framework is planned for introduction to enhance protection and facilitate economic exploitation of copyrighted works.
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TRUST SOLUTIONS: World-Renowned Products and Expertise

Bermuda's trust products can accommodate various estate, personal, financial, tax, or business planning objectives. Globally recognized for its trust structures and industry professionals, Bermuda continues to evolve its trust regime through collaboration between Government authorities and industry experts. Selected features are included below.

Trusts (Special Provisions) Act 1989

Non-Charitable Purpose Trusts

- Ideal for specific business or philanthropic objectives.
- Frequently used to hold shares of Private Trust Companies (PTCs).

Empowering Settlers: Settlers can reserve or grant various powers without invalidating the trust.

Enhanced Firewall Provisions: Recently simplified and strengthened for robust protection of trust assets.

Trustee Act 1975

Empowering Trustees and Courts:

- Grants various powers to trustees, allowing the exercise of a broad range of investment powers.
- Enables trustees to apply income for the maintenance and education of beneficiaries.
- Facilitates the advancement of capital to beneficiaries.
- Provides the Court with discretionary power to set

aside the exercise of a fiduciary power when appropriate to avoid unintended consequences.

- Provides the Court with jurisdiction to vary a trust under specified circumstances without beneficiary consent.

Perpetuities and Accumulations Act 2009

Modernized Trust Duration Rules

- Modifies common law rules restricting perpetual trusts and accumulations.
- Enables the establishment of Bermuda trusts without a perpetuity period (except Bermuda land – maximum duration of 100 years).

Flexibility for Existing Trusts

- Bermuda courts may extend the duration of trusts created before the Act's commencement.
- Court discretionary powers apply to trusts transitioned to governance under Bermuda law that were previously established in other jurisdictions.

ELEVATED PERFORMANCE: Options for Charity and Philanthropy, Luxury Assets and Related Services

CHAMPIONING CHARITABLE INITIATIVES

The primary legislation governing charities in Bermuda is the Charities Act of 2014. However, depending on the organizational structure, additional legislation may apply.

Charities may be privately funded or publicly funded. Charitable trusts, purpose trusts, and companies limited by guarantee are commonly used for charitable and philanthropic endeavors. These structures provide flexibility and adaptability to suit the unique goals and missions of various initiatives. Family offices interested in supporting charitable causes can also explore collaborative opportunities with existing registered Bermuda charities, which engage in a wide spectrum of impactful activities.

AVIATION AND MARITIME EXCELLENCE

Bermuda stands as a premier choice for registration of both private aircraft and yachts, drawing upon its extensive expertise in these industries. Experienced professionals can guide clients through the registration process and can assist with any associated financing and leasing transactions.

A Legacy of Aviation Distinction

Since its establishment in 1931, Bermuda's Register of Aircraft has been used by multi-national companies and high net worth individuals from around the world. Our local professionals have worked on some of the industry's largest securitisations, debt financings and private placements.

The Bermuda Civil Aviation Authority is a category 1 aviation regulatory authority as rated by the US Federal Aviation Administration.

Nautical Matters

Bermuda is home to a thriving maritime industry. Bermuda's shipping registry is classified as a UK category 1 register and can accommodate ships of all types and sizes. Registry personnel are solution-focused technical experts that are able to assist clientele any time, day or night. Our industry professionals have expertise in ship finance and shipping capital markets, providing advice to ship owners and lenders on financing, IPOs, and bond issuances.

Luxury Afloat in Bermuda

Bermuda is renowned for its natural beauty, crystal-clear waters, and vibrant culture. Superyachts find a welcoming home in Bermuda, whether as a registration hub or a visiting destination. A warm invitation to originate superyacht charters in our pristine waters is also extended, subject to applicable requirements.

Our commitment to maritime safety and excellence positions Bermuda as a top-tier destination for those seeking unparalleled service and expertise for their shipping and luxury boating activities.



CORPORATE LANDHOLDING & RELOCATION

Corporate landholding for family offices is governed by applicable legislation and the current Corporate Landholding Policy issued by the Ministry of Finance. Family offices can optimize their real estate portfolio in Bermuda to support their long-term goals. Subject to applicable requirements, alternatives include, but are not limited to:

Residential and Commercial Leases

- **Residential Leases:** Family offices have the option to secure residential leases for up to 21 years, to provide accommodations or recreational facilities for officers and employees.
- **Commercial Leases:** Family offices may enter into commercial leases with durations of up to 50 years to support the operational needs of the company.

Property Ownership and Extended Leasing

Family offices may acquire property either by freehold estate or leasehold for an extended period of up to 999 years. This is contingent upon obtaining the requisite Ministerial consent and adhering to the relevant legal framework and the current Corporate Landholding Policy.

Real Property Development

Family offices looking to engage in real property development can explore two programs for investment opportunities:

- **Approved Residential Scheme:** Development of residential properties in designated economic empowerment zones.
- **Approved Scheme:** General real property development to facilitate economic development, whether in an economic empowerment zone or any other area in Bermuda.

Relocation Resource Guide

Corporate relocation concierge services (such as that provided by the Bermuda Business Development Agency (BDA)), are customized destination services in welcoming Bermuda's top executives to the island, providing white glove service to the international business sector in Bermuda and their overseas offices globally. Go to www.bda.bm for more information.

COMPREHENSIVE PROFESSIONAL SERVICES

Family offices benefit from a wide spectrum of specialized services provided by licensed professionals, ensuring a holistic approach to financial management and wealth preservation. Professional services offered include, but are not limited to:

- ✓ **Audit, Accounting, Tax, and Estate Planning Services:** Assistance developing and implementing plans, strategies and compliance activities.
- ✓ **Banking and Private Wealth Management Services:** Tailored banking and private wealth management services designed to optimize financial portfolios and ensure efficient wealth growth and preservation.
- ✓ **Bermuda Stock Exchange listings:** Offering securities available for purchase by retail investors on the Bermuda Stock Exchange; Stocks, Bonds and Mutual Funds.
- ✓ **Corporate Secretary and Administration Services:** Corporate secretarial services to handle administrative tasks, compliance and corporate governance matters.
- ✓ **Fund Administration:** Expert handling of tasks required to administer funds while ensuring compliance with regulatory requirements.
- ✓ **Investment Management Services:** Strategic investment management services to maximize returns and align investment portfolios with the long-term goals of the family office.
- ✓ **Legal Services:** Expert legal counsel providing general and specialized guidance on legal and regulatory matters, as well as a range of corporate transactions including mergers, acquisitions, corporate restructuring and other matters.
- ✓ **Multi-Family Office Services:** Comprehensive multi-family office services offering a centralized approach to managing and supporting the diverse financial needs and goals of multiple families.
- ✓ **Risk Management and Insurance Services:** Strategic risk assessment and insurance solutions to mitigate potential threats and safeguard family wealth against unforeseen challenges.
- ✓ **Trustee Services:** Licensed trustee services to safeguard and administer family assets while ensuring adherence to legal and fiduciary responsibilities.

GOVERNMENT SUPPORT

Navigating Bermuda's Immigration Landscape

Family offices can utilize a range of immigration policies and programs aligned with the Bermuda Immigration and Protection Act 1956 and other relevant legislation. Frequently used products and incentives are outlined below.

- **Economic Investment and Residential Certificate Policy:** This product can be used by to support residency requirements for family clients and family office professionals subject to an eligible investment of a minimum of BMD \$2.5 million.
 - **Work permits for professional and domestic employees:** The Minister of Economy and Labour will consider work permit requests that fall outside of established policies to enable a more flexible and nuanced approach for servicing family offices while supporting the Government's overall employment objectives for Bermudians.
 - **Expedited work permit processing:** Working with the Government Concierge service to submit work permit applications, family offices can access expedited processing and approval (up to 10 working days) for work permits.
 - **Incentives for Job Makers:** This program enables exemption from work permit requirements and eligibility for permanent residency for senior executive staff who are responsible for the presence of jobs in Bermuda.
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ENHANCED SERVICING is available for family offices which includes:

- ✓ A Government Concierge service that will assist with expedited Government registrations and approvals, including land licenses and resolution of issues that may arise;
- ✓ Consolidation of regulatory touchpoints and communications within the BMA for family offices submitting multiple applications and/or annual reports; and
- ✓ Streamlined application and processing requirements for specified products.



Bermuda is Open for Business: Enhance your Family Legacy

Transform your family office journey by choosing Bermuda as your strategic business hub. We invite you to immerse yourself in a realm where our business-friendly ecosystem boasts the epitome of professional excellence, regulatory resilience, and the captivating allure of our beautiful landscape and vibrant culture.

Contact us to learn more about the Family Office Advantage in Bermuda.