

# EDD FinTech

## Year End Report

2023



GOVERNMENT OF BERMUDA

**Economic Development Department**

# EDD FinTech - 2023 Year End Report

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In 2017, the Bermuda Government identified an opportunity within the expanding global FinTech market. It decided to carve out a leadership niche for Bermuda by capitalising on its regulatory clarity, robust framework, and strength in attracting innovative businesses. Bermuda's vision was to create an ecosystem akin to its thriving insurance sector, generating high-paying jobs and enabling safe access to new technologies for Bermudians.

## Regulatory Framework & Fintech Licensing

Since 2017, and with oversight from the Bermuda Monetary Authority (BMA), Bermuda introduced the Digital Asset Business Act (DABA) and the Innovative Insurer General Business license (IIGB). These initiatives laid a solid foundation for well-regulated companies to join and strengthen Bermuda's FinTech ecosystem.

As of the end of 2023, the Registrar of Companies listed 72 companies that engaged in activities related to Financial Technology (Fintech). Compare that to 53 such registrants in 2022, 36 in 2021, and 23 in 2020.

Beyond company registrations, it's noteworthy to consider a key economic indicator relevant to this industry: the number of entities licensed by the BMA. Today, Bermuda is home to 28 licensed FinTech companies, 24 of which are licensed under DABA, and four under IIGB. Again, compare that to 16 DABA-licensed companies in 2022.

For additional detail about the 28 companies currently licensed under DABA: 12 of them hold Full (Class F) Licenses, 8 have Modified (Class M) Licenses, and 4 have Test (Class T) Licenses. A critical insight from the past 12 months is that applications for the Full Class F License tier by established FinTech firms have increased from 8 companies in 2022 to 12 in 2023, which indeed bodes well for the jurisdiction.

Regarding the IIGB-licensed companies, Bermuda now counts 4 such companies on its shores. Both metrics indicate that Bermuda is becoming a preferred destination for mature, well-capitalised companies seeking to leverage its innovative regulatory environment.

## Talent Management and Workforce Development

Bermuda's FinTech vision includes attracting top-tier companies and investors, creating job opportunities for Bermudians and preparing them for sustainable, gainful employment in this sector. This means that Bermuda's youth, professionals, and entrepreneurs have a chance to be at the forefront of FinTech innovation and adoption right here in Bermuda.

This is compelling the Government of Bermuda to provide the Bermudian learner with access to business and educational opportunities related to the Fintech sector. In 2023, as it did in 2022, the Government of Bermuda made educational and training opportunities in FinTech accessible to all.

This training and educational effort includes the annual FinTech training programme, which provides Bermudians with an understanding of the possibilities and the inner workings of FinTech. In addition to theoretical knowledge, this programme also introduces participants to leaders in the local industry through seminars and webinars but also through in-person meet-and-greet sessions. This initiative doesn't just aim to impart knowledge: it also seeks to provide networking opportunities, all to build

a knowledgeable, confident, and networked workforce ready to embrace this evolving sector of our economy. It's also about helping workforce members grow their own networks as they rub shoulders with leaders in the industry right here on our shores.

Also, in 2023, as in prior years, the Government of Bermuda ran its annual Tech Education Day, attended by students from high schools across the Island. Every year, this event aims to make technology and Fintech relatable and familiar subject matters that the students would be comfortable considering as they make future career decisions. To that end, the agenda of Tech Education Day is intentionally diverse and provides various opportunities to relate to, learn from, and question technology and Fintech.

Finally, in 2023, the Government of Bermuda supported the annual International Tech Summit Community Day, which focused on Fintech and brought together over 70 individuals from the local community, many of whom were entrepreneurs who aspired to learn and engage with the 250 attendees participating in the International Tech Summit itself.

Let me reiterate that the Bermuda Government remains dedicated to providing Bermudians with robust and sustainable opportunities in the FinTech sector. We are not merely participants in the global FinTech revolution; we are leaders, innovators, and trailblazers. Together, we will continue to write this success story, a narrative in which every Bermudian can take pride.

## **Economic Impact**

It's worth noting that DABA- and IIGB- licensed companies have had a tangible impact on Bermuda's economy. Over the past few years, the number of individuals employed in the FinTech sector has risen, with a notable increase in Bermudian employment. While in 2021, 16 individuals (of which 12 were Bermudians) were working in FinTech, in 2022, total employment in Fintech rose to 28 persons, half of whom were Bermudians. As recently as 2023, preliminary numbers provided by the Department of Statistics list total employment in Fintech to be 35 persons, of which 20 were Bermudian or Spouses of Bermudian.

This trajectory highlights expanding opportunities for our workforce in FinTech.

Lastly, DABA-licensed companies in Bermuda have collectively raised over \$640 million, demonstrating the sector's attractiveness and growth potential. While most of these investments have been led by international venture capital groups, other investor classes - like family offices and sovereign wealth funds - are now actively deploying capital into the FinTech sector. These international investments are expected to invigorate our economy further, providing capital for DABA and IIGB companies to grow.

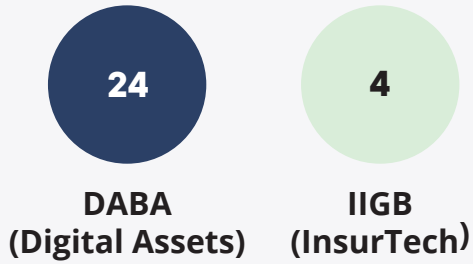
Thank you.

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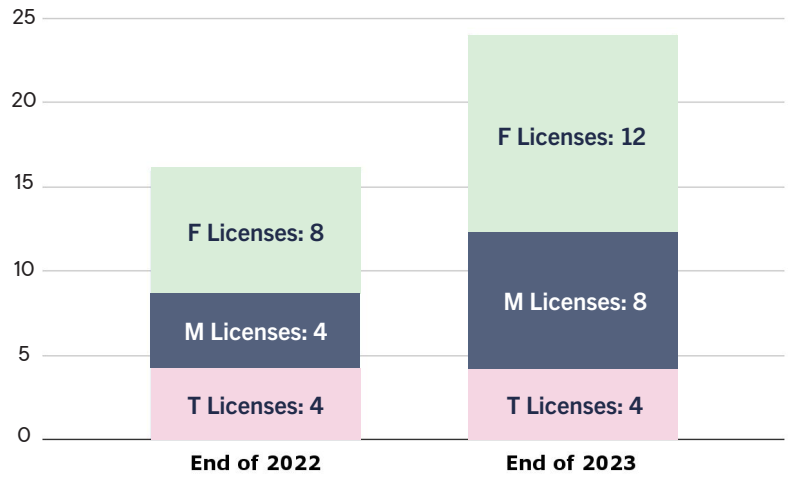
The Hon. Jason P Hayward, JP, MP  
**Minister for the Ministry of Economy and Labour**

# State of Bermuda Fintech Report

**Figure 1. Fintech Ecosystem by Licenses**



**Figure 2. Year-Over-Year Number of DABA Licenses**

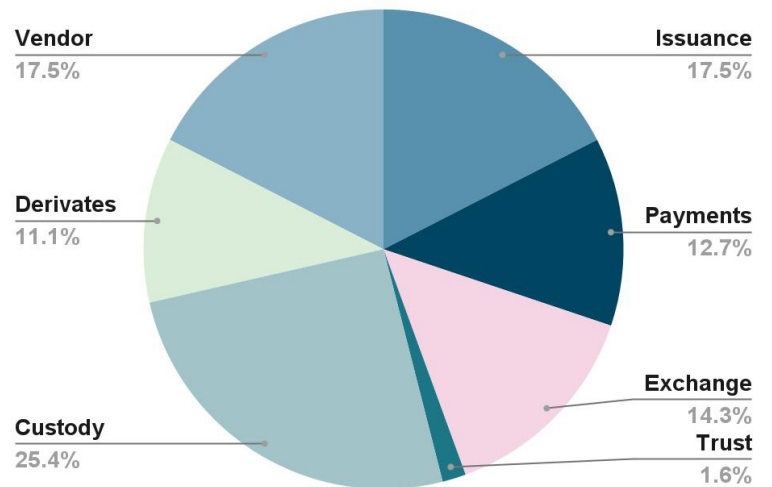


**Figure 3. Total funding raised by DABA-licensed companies**

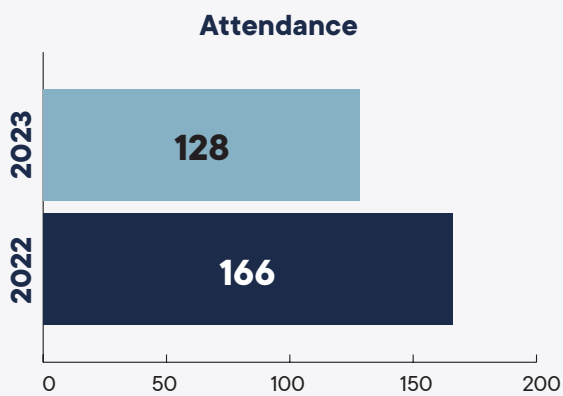


**Over \$640M USD**

**Figure 4. Services offered by DABA companies**



**Figure 5. Tech Education Day (High-school seniors)**

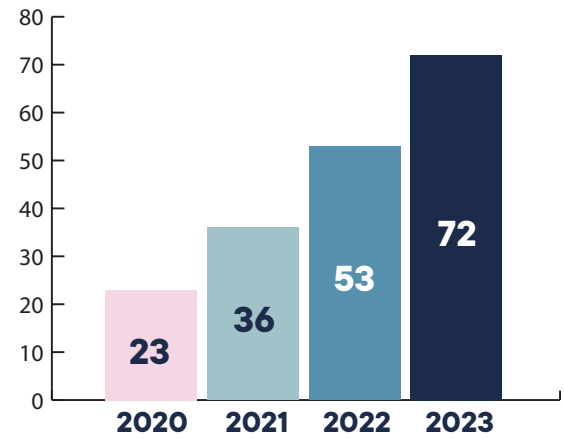


**Figure 6. Tech & Fintech Training Programme**



Graduates	
2022	2023
13	12

**Figure 7. Number of Registered Fintech Companies (Registrar of Companies)**



**Figure 8. Total Jobs within activities related to Financial Technology (Fintech) and Operations under the Digital Asset Business Act**



YEAR	TOTAL	Bermudian Status			
		Bermudian	Non-Bermudian Spouse of Bermudian	Other Non-Bermudian	Permanent Resident Certificate Holder
2023 (P)	35	18	2	15	0
2022	28	14	2	12	0
2021	16	12	0	4	0

Source: Department of Statistics – Annual Employment Survey (2022 & 2021) (2023p)



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