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Bermuda highlighted in Belarus as respected finance centre

British Ambassador partners with BDA, describes Island's world-class reputation and credibility to Central and Eastern European regulators, banks and business representatives

Hamilton, Bermuda, February 9, 2015 – Bermuda's reputation as a globally-respected and regulated business jurisdiction was highlighted for Central and Eastern Europe (CEE) recently, thanks to a VIP event held at the British Ambassador's residence in Belarus.

Corporate and government guests at the January 26 reception in Minsk heard Ambassador Bruce Bucknell deliver a welcoming address, along with comments on behalf of the BDA, that described the Island as a world-class financial centre with a sophisticated infrastructure, impressive pool of capital and talent, and a stellar regulatory reputation that included tax-treaty agreements with 80-plus partners around the globe.

"We were pleased to be invited to provide information about Bermuda's strengths as a top-tier financial centre," said the BDA's CEO Ross Webber. "We recognise the Island could be beneficial to CEE countries, for their reinsurance needs, in particular, and therefore we welcomed the opportunity to put forward the facts about our jurisdiction and thank our partners at the Embassy and the British-Belarus Chamber of Commerce."

The CEE, along with the regional organisation called the Commonwealth of Independent States (CIS), is home to many formerly communist states, including Belarus. While the region could represent a new source of business for Bermuda reinsurers that might help fulfill catastrophe risk management needs, observers say CEE central banks and government agencies and regulators are so ill-informed about the Island—and the global reinsurance market generally—that they black-list the jurisdiction, unaware of its global regulatory credentials.

"This was a very important step for familiarising CEE countries with Bermuda, as well as increasing the level of understanding about Bermuda's importance in the global reinsurance and ILS world," said Kirill Savrassov, who helped organise the event as President of the British-Belarus Chamber of Commerce and CEO of Bermuda-based reinsurer Phoenix CRetro. "As a Bermuda company, we are proud to help promote Bermuda as a business destination in general, and as the 'world's risk capital in particular."

The evening reception was well attended by senior officials from Belarus and the UK, as well as David Hunt, British Ambassador to Lithuania. Other guests included business and media representatives and

commercial attaches from the US, European Union (EU), France, Germany, Latvia, Dubai, Kazakhstan and Russia.

The Bermuda market's assistance to the CEE in developing reinsurance, especially catastrophe reinsurance, could be substantial, said Savrassov, who was born in Minsk, and before moving to the UK in 2009 operated the only western reinsurance broker based in Belarus. "It could work both ways," he said, "as Bermuda reinsurers could offer quality capacity for reinsurance of CEE companies as cedants, and regional insurers or capital providers could start playing on the global cat market using well-established and regulated structures existing in ILS and developed in Bermuda.

"With low penetration in the region, some practices like cat bonds issuance, for example, would be the most effective solution for CEE and CIS governments as these would allow 'blanket' protections in cases of particular natural catastrophes that otherwise would be barely available to these regional governments."

The biggest barrier to mutually beneficial business relationships with the region, however, is the negative and misinformed perception of Bermuda as an unregulated offshore jurisdiction, said Savrassov, who also spoke out on the issue in a recent interview for *Insurance Day*.

"One of the core problems Phoenix CRetro discovered while talking to insurers and capital providers from the CEE and CIS region was the total misrepresentation of Bermuda in this part of the world," he said. "Many regulators and central banks still consider Bermuda a 'wild' offshore destination with a lack of regulation. This is completely contrary to the truth, as anyone familiar with Bermuda knows. But the result is that regional insurers are either banned by legislation from working with Bermuda partners or are heavily taxed for any premiums transferred.

"In real terms, it means that about 40 percent of available capacity (care of Bermuda's reinsurers) simply vanishes from consideration."

Bermuda is recognised as a blue-chip jurisdiction and cooperative partner by the international community. The Island has a total of 80 treaty partners around the world, including 41 bilateral Tax Information Exchange Agreements (TIEAs) and 76 co-signatories of the Council of Europe's Multilateral Convention on Mutual Administrative Assistance in Tax Matters. The Island was the first offshore jurisdiction elevated to the OECD's "white list" for jurisdictions that have substantially implemented internationally agreed tax standards.

Bermuda has also signed Model 2 intergovernmental agreements (IGAs) with the US and UK under the Foreign Account Tax Compliance Act (FATCA), along with Chile, Hong Kong, Japan and Switzerland.



PHOTO CAPTION: (From left) Bruce Bucknell, British Ambassador to Belarus, Ilona Gerachtchenko, CEO of Global Child, Eugeney Tolochkov, CEO of Glob AI Group, and Kirill Savrassov, President of the British-Belarus Chamber of Commerce and CEO of Bermuda-based reinsurer Phoenix CRetro.

For more information, go to www.bda.bm.

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MEDIA CONTACT:

Rosemary Jones
Communications Manager

rosemary@bda.bm

441 292-0632

441 278-6558

441 707-0543

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An independent, public-private partnership, we connect prospective companies to industry professionals, regulatory officials, and key contacts in the Bermuda Government to facilitate domicile decisions and make doing business in Bermuda beneficial and straightforward.

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