



**FOR IMMEDIATE RELEASE**

**BERMUDA CREATES NEW FUND CLASS PROVIDING FAST-TRACK REGISTRATION**

***Latest Development for Bermuda Funds Sector Addresses Investment Market Opportunities by Streamlining Process to Increase Speed-to-Market and Minimize Costs***

**Hamilton, Bermuda, October 7, 2013** – Bermuda has taken a bold step to modernize its fund legislation which will make it faster, easier and more cost effective to establish investments funds in Bermuda. Amendments to Bermuda’s Investment Funds Act set by the Bermuda Monetary Authority, after extensive consultation with the Government of Bermuda and industry overseas and locally via the Bermuda Business Development Corporation (BBDC) and its Asset Management Focus Group, have established a new class of exempt funds for the market. The new funds can be registered and launched in Bermuda on a fast track basis with immediate effect using the Bermuda Monetary Authority’s online system called ERICA. Bermuda is confident that these changes will advance its position as a leading international financial centre and a preferred jurisdiction for the hedge fund industry.

“Through extensive consultation with the Bermuda Monetary Authority and ongoing dialogue with investment management leaders who attended the BBDC’s Asset Management Summit in May 2013, the Bermuda Government passed the legislation to create a new ‘user friendly’ investment fund class that will enable an investment fund to register and launch in Bermuda within a faster time frame through a more streamlined process. We believe this will provide a significant competitive advantage in attracting hedge funds,” said Dr. the Hon. E. Grant Gibbons, JP MP, Minister of Economic Development for Bermuda.

The amendments to the Investment Funds Act, which the Bermuda Monetary Authority has ensured support Bermuda’s long-standing compliance with international regulatory standards, passed the Bermuda House of Assembly and the Bermuda Senate. As a result, Bermuda now has a new class of funds “Exempt Class A Funds.” Provided the investment manager setting up the fund is regulated by a recognized authority, or has at least \$100 million of assets under management, these can be registered on an expedited basis, and launched after completion and filing of an exemption notification and offering memorandum with the Bermuda Monetary Authority. The fee for filing the notice is competitively priced at \$1,500.

Mr. Jeremy Cox, CEO of the Bermuda Monetary Authority said, “Bermuda’s depth of experience in risk-based regulation has enabled us to build this new fund class within our framework, while also recognising the value of speed-to-market and staying focused on quality business. Our priority remains to balance appropriate and effective regulation with the jurisdiction’s goal to foster business

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development. These changes allow funds with qualified investors and which are regulated by a globally-recognized regulator to launch cost-effectively after an efficient notification and registration process. We are confident that this approach will make Bermuda more attractive for investment funds in the current global regulatory environment.”

Mr. Stephen Lund, CEO of the Bermuda Business Development Corporation added, “Bermuda is a very well respected jurisdiction and has tremendous regulatory credibility around the world with over 50 years of international business leadership. Bermuda stands out in an era where other jurisdictions are better known for being cavalier and risky in their approach. The onshore asset management industry asked Bermuda to develop an investment fund product that recognized regulators in other markets, enabling a fund to register and launch faster and more cost effectively. The Bermuda Government and the Bermuda Monetary Authority heard that request and developed a solution. This collaborative approach between the private sector, Bermuda’s Government and Regulator facilitated this rapid and critically important change that addresses these issues most important to the fund industry – cost, efficiency and speed to market.”

Bermuda’s new Exempt Class A Funds can be established if investment managers are in good standing with a globally recognized regulatory authority such as the U.S. Securities and Exchange Commission or the United Kingdom Prudential Regulatory Authority; or the investment manager is registered under Bermuda’s Investment Business Act; or the investment manager has assets under management of at least \$100 million. Investors must be qualified participants as defined by high income, high net worth or sophisticated private investors or institutional investors. The fund must have various service providers such as a prime broker, auditor or fund administrator and a local representative with access to financial information. The fund must also update the Bermuda Monetary Authority annually by June 30<sup>th</sup> and ensure that it continues to meet these qualifications.

Bermuda also amended its Exempt Class B Funds by eliminating the requirement that fund administrators be recognized and the requirement to file changes in any service providers to the fund.

Added Mr. Lund, “We believe that as funds focus on this development and combine it with regulation, cost, location and the availability of intellectual capital to oversee and administer their funds, Bermuda stands apart and will be the intelligent choice for investment funds.”

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**ABOUT BERMUDA BUSINESS DEVELOPMENT CORPORATION**

The Bermuda Business Development Corporation is a public-private sector partnership that is focused on growing Bermuda's economy, supporting international business and creating jobs. It includes the former organizations of Business Bermuda and the Insurance Development Council.