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**Asset Management Roadshow remarks
Wednesday, January 18, 2017, 5:30pm
Maloney & Porcelli, Skylight Room, NYC**

Political and regulatory landscape

Good evening, everyone.

We appreciate your attendance here tonight—during such a significant week in the American political calendar.

I expect some of you may be packing your black-tie finery and heading off to DC tomorrow for Inaugural Balls, Parades and other festivities to usher in your new President... and a brand new Republican era. Alternatively, some of you may be donning your balaclavas and preparing to protest!

The eyes of the world—including Bermuda's—will be on you. We are keenly connected to America and Americans. Our island has enjoyed a long and mutually-beneficial history with the US, stretching back more than four centuries. It began back in 1610 when shipwrecked English colonists from Bermuda sailed into Jamestown, Virginia, stockpiled with food and manpower that effectively saved America's birthplace.

In the Revolutionary War, Bermudians smuggled barrels of gunpowder to George Washington's Patriots (even though our loyalties were supposed to lie with the

British). And during the Second World War, large areas of Bermuda were converted into US bases, with an airfield and naval station.

These close bonds continued through the Space Race, the Cold War, and into the 21st century. Today, we remain a staunch ally of the United States on a global scale—and it's not about gunpowder anymore...it's about billions of dollars.

The fact is, Bermuda makes a critical global contribution. As examples, our insurance market covered 10 percent of 9/11 claims and 16 percent of Hurricane Sandy losses.

And it's not just insurance—the offshore Asset Management industry benefits millions of working people onshore. Many US citizens have a robust pension because of offshore hedge funds. Bermuda is a place to raise capital—not hide it.

It's impossible to predict how a Trump Presidency will affect Bermuda and international centres generally—but we're counting on our shared legacy, and the understanding of our country's value to the US, to ensure our mutually prosperous relationship continues.

On one hand, Mr Trump is a veteran of the corporate world and should well understand the value of multi-jurisdictional transactions and structures. On the other, his push towards US tax reform—particularly proposed border adjustments—could negatively disrupt markets and make Bermuda—and many other countries for that matter—less attractive, or less necessary, to American companies. We support the basic concept of tax reform but we hope

policymakers realise that if financial services are included, it would result in considerably higher costs for American consumers and businesses.

On the other side of the Atlantic—where, incidentally, Liverpool just destroyed the mighty Plymouth Argyle 1-0—we are also keeping close tabs on fast-changing geopolitics. The impact of Brexit, like the election of President Trump, was born out of populism and has caused much uncertainty among investors. When Article 50 will be triggered—or even whether it will be triggered at all (despite the recent comments by Theresa May) —is still up in the air.

It's important to note that Bermuda has established its own robust links with European regulators and policymakers, independent of Britain. Our regulator, the Bermuda Monetary Authority, has earned respect in Brussels for its pragmatic approach—and last year that saw the European Parliament award Bermuda full equivalency under its Solvency II regime to regulate our global insurers. Switzerland is the only other non-EU nation to gain that distinction.

The BMA is now working towards similar success with the Alternative Investment Fund Managers Directive. It has signed agreements with most EU member states, and we're waiting on ESMA for a decision on whether such rights will be granted to Alternative Fund Managers operating in non-EU jurisdictions.

Bermuda's reputation is well-known and respected. We're considered a leader on tax-transparency issues by the US Departments of Justice and State, the US Treasury, the OECD, the FATF and the G20. We have more than 100 treaty

partners worldwide; our tax information exchange agreement with the US dates back to 1986.

We're also an early adopter of OECD standards under the BEPS agreement, and have signed up to the Common Reporting Standard and Country-by-Country reporting. Our beneficial ownership register pre-dates those of practically any other nation.

We've helped many new companies establish in Bermuda over the past couple of years across a wide range of sectors. New law firms, new trust structures and family offices, new captive insurance companies, new ILS vehicles and reinsurers. We've also had investment managers and fund administrators relocating from Ireland, Qatar, Singapore, and Barbados, among other places.

So, back to the topic: Despite all the current political uncertainty—on both sides of the pond—it's business as usual in Bermuda. Our island's strengths play very well to this unpredictable environment. We're known for stability, for quality, for corporate sustainability and for providing a safe haven in times of turmoil. Our jurisdiction also has a record of providing solutions to tough challenges— including innovative ways to manage & diversify risk, and access capital markets.

That also serves to differentiate us from other offshore centres. It's about experience. Longevity. A quality brand. And, most of all, reputation.

Thank You.