



50 shades of grey (list)

People often ask me what I find most enjoyable about my job. It's one of those open-ended questions that demands a quick mental inventory of experiences, mixed with a dose of soul-searching. My eventual answer might sound vague, because the truth is, there's a list of feel-good factors: the dedicated BDA team, of course, who come to work every day armed with passion and a true sense of purpose. Our industry stakeholders, whose talent, experience and expertise embody our jurisdiction's greatest strengths. On-boarding new businesses that generate jobs and grow our economy. And there are extraneous moments, too...like, winning the Family Centre's lip-sync challenge. That was a blast, to say the least.



But if I had to narrow it down, I'd say it's about reputation. Defending Bermuda's good name, debunking myths, dispelling naysayers, and pro-actively spreading awareness of our unique, elite market. That is very satisfying and has tangible value.

For that reason, it was with relish that I joined Bermuda ambassadors in London late last month for a one-day forum our agency produced to make the very point: that Bermuda is different. A top-tier "Team Bermuda," including the Premier, regulator, and leaders from a cross-section of Bermuda's industry sectors, turned out to deliver that message loud and clear to an audience numbering over 200.

Informative panel discussions examined topics from reinsurance, captives, ILS and trust services to Brexit and blockchain, showcasing the depth and breadth of expertise, authority and blue-chip diversity of the Bermuda marketplace. The synergy between sectors was striking, emphasising services and capabilities across a panoply of industries. Above all, the common thread was Bermuda's regulatory environment and our leadership on global compliance amid ever-changing standards.

It couldn't have happened at a better time. The Paradise Papers fiasco had predictably fizzled, having needlessly dragged Bermuda into the headlines in previous weeks. The European Union "blacklist"—a dictum against "uncooperative jurisdictions"—was to be announced the following week. This presented an ideal opportunity to tell our story. It was a chance to underscore Bermuda's distinctive differences and showcase why the island stands apart from other international finance centres.

Bermuda did that with aplomb. And, not surprisingly, the EU declaration, when it came on December 5, vindicated our island's respected track record. As expected, the EU Ecofin Council did not blacklist Bermuda. That designation was dealt to 17 other nations: American Samoa, Bahrain, Barbados, Grenada, Guam, Macau, Marshall Islands, Mongolia, Namibia, Palau, Panama, Saint Lucia, Samoa, South Korea, Trinidad and Tobago, Tunisia and the United Arab Emirates.

Eight Caribbean countries, affected by recent hurricanes, received a grace period. Their fate will be decided by the EU in February 2018. They are: Anguilla, Antigua and Barbuda, Bahamas, British Virgin Islands, Dominica, Saint Kitts and Nevis, Turks and Caicos Islands, and the US Virgin Islands.



A third inventory identified nations from which the EU has demanded further information be submitted by the end of 2018. Essentially, these are not currently regarded as “non-cooperative,” but they must report back to the headmaster for a final assessment. Bermuda is on this so-called “grey” list—which in its very makeup is murky—along with 47 countries (none from the EU, naturally), that range from Albania to Vietnam and most of the alphabet in-between. Bizarrely, the US and North Korea don’t appear on any of the lists, either.

The range of different commitments, and the variation of complexity involved, is confusing. There are three categories, with subcategories, that grey-listed nations are asked to address. These are related to transparency and information exchange, fair taxation, and anti-Base Erosion & Profit Shifting (BEPS) measures. In Orwellian fashion, some countries are more equal than others. There are different shades of grey.

As examples, Hong Kong, Qatar and Curaçao have to report back on transparency and information exchange. Aruba, Mauritius, Switzerland and the Seychelles must spell out efforts to abolish harmful tax regimes.

While Bermuda has been asked to fulfil just one criterion (“addressing concerns relating to economic substance”), several, such as Hong Kong, Aruba, Taiwan, Turkey, Cape Verde and Curaçao, have three or four tasks on their to-do lists.

The lack of meaningful differentiation is clearly frustrating. The modus operandi of many of the 47 countries, plus several that seem to have escaped judgement, pales in comparison to Bermuda’s record on cooperation and compliance protocols. Yet, obfuscation is nothing new, and once again, we must be ready to meet shifting standards, while ever-defending our longstanding reputation.

Bermuda’s rightful place is not on any of these fabricated catalogues. Yet, such lists—black, grey or other shades—actually provide useful opportunities to highlight for policymakers and the public what we know to be true. Bermuda has a proud story to tell.



We need not be shy to speak out on what is unique and impressive about our marketplace. Our world-class regulation. Our pool of human talent. The access to capital and genuine cooperation found here that speeds innovative products and companies to success. As we often say, this is not a place to hide capital, but a place to grow it.

In the very action of spreading that message, we essentially prove our point: Bermuda is transparent in word and deed—and no matter what diplomatic hoops we may have to jump through, that remains our forte.

ABOUT VIEWPOINT

A monthly blog by BDA CEO Ross Webber, with commentary on industries, issues and influencers affecting Bermuda as a global financial centre. Comments and feedback can be sent to ross@bda.bm

ABOUT BERMUDA BUSINESS DEVELOPMENT AGENCY (BDA)

The BDA encourages direct investment and helps companies start up, re-locate or expand their operations in our premier jurisdiction. 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. Our goal? To make doing business in Bermuda straightforward and beneficial.

