



GOVERNMENT OF BERMUDA

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**Registrar of Companies**

# **Beneficial Ownership Regime of Bermuda**

**Guidance Notes**

**General Principles**

June 2026

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## 1. Definitions

In these Guidance Notes, the following terms shall have the following meanings:

<b>Term</b>	<b>Meaning</b>
Act	Beneficial Ownership Act 2025
B.O. Laws	Collectively, the Act, the Regulations and Orders
CSP	Corporate Service Provider licensed under the Corporate Service Provider Business Act 2012
CSP Act	Corporate Service Provider Business Act 2012
CSP Exemption Order	Corporate Service Provider Business Exemption Order 2015
Beneficial ownership register	The register maintained by all legal persons covered under the Act which records the minimum required information in respect of every registrable person (section 10(2) of the Act)
Central register	The electronic database established by the competent authority and maintained by the competent authority or his designate, to hold information on the beneficial ownership of each legal person. References in these Guidance Notes to information being “filed on the central register” means information filed with the Registrar through the electronic central register established under the Act.
FATF	Financial Action Task Force
ISA	Has the meaning provided in section 2 of the Incorporated Segregated Accounts Companies Act 2019
ISAC	An incorporated segregated accounts company registered under section 5 of the Incorporated Segregated Accounts Companies Act 2019
Legal Person	Has the meaning provided in section 2 of the Act
Materially inconsistent	Has the meaning provided in regulation 2 of the Regulations
Minister	Minister of Finance
Obligated entities	A relevant person to whom the Proceeds of Crime (Anti-Money Laundering and Anti-Terrorist Financing) Regulations 2008 apply, in accordance with section 49(3) and (4) of the Proceeds of Crime Act 1997
Partnership Acts	Collectively, the Limited Partnership Act 1883, the Partnership Act 1902, the Exempted Partnership Act and the Overseas Partnership Act 1995
POCA Regulations	Proceeds of Crime (Anti-Money Laundering and Anti-Terrorist Financing) Regulations 2008
Portal	Has the meaning provided in regulation 2 of the Regulations
Registrar	Registrar of Companies appointed under section 3 of the Companies Act 1981
Relevant legal entities	Has the meaning provided in section 2 of the Act
Regulations	Beneficial Ownership Regulations 2026

Registrable person	Has the meaning provided in section 2 of the Act
SAC	A segregated accounts company registered under section 6 of the Segregated Account Companies 2000
Subsidiaries	Has the meaning provided in section 3(3) of the Act

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## 2. Introduction

The Government of Bermuda recognises that corporate transparency is fundamental to maintaining Bermuda's reputation as a premier international financial centre. The Act and the Regulations enhance Bermuda's beneficial ownership legislative framework by consolidating the various corporate Acts under the framework of a single Act. As part of this streamlining process, the Act provides for the transfer of Bermuda's central register of beneficial ownership information from the Bermuda Monetary Authority to the Registrar of Companies.

Under section 4 of the Act, the Minister of Finance is the competent authority for the purposes of the Act. Section 5 designates the Registrar of Companies as the Minister's delegate and authorises the Registrar to issue and update these Guidance Notes.

These Guidance Notes are issued under section 5(2)(c) of the Act, and they explain how the Registrar interprets and applies the Act and Regulations in practice.

The aim of these Guidance Notes is to assist legal persons, corporate service providers and beneficial owners in implementing the B.O. Laws and to demonstrate Bermuda's commitment to the revised FATF Recommendation 24 on the Transparency of Legal Persons.

In determining whether a legal person has complied with the B.O. Laws, the Registrar will consider whether that legal person has followed the principles set out in these Guidance Notes. However, these Guidance Notes are not intended to be prescriptive or to provide an exhaustive list of all matters that a legal person should consider when assessing compliance with the B.O. Laws.

Legal persons are encouraged to seek professional advice if they are uncertain as to whether or to what extent they are subject to and comply with the B.O. Laws.

### 2.1 [Review and Amendment](#)

These Guidance Notes will be reviewed and updated periodically to reflect legislative amendments, operational developments relating to the central register and portal, judicial decisions and evolving international standards relating to beneficial ownership transparency,

The Registrar encourages feedback from industry and competent authorities to ensure that the Guidance Notes remain practical and effective.

### 2.2 [Bermuda's International Commitment](#)

Bermuda has consistently demonstrated its commitment to upholding international standards on corporate transparency, anti-money laundering and the prevention of terrorist and proliferation financing. The B.O. Laws reflect Bermuda's continued alignment with global efforts to enhance transparency of legal persons to ensure that accurate and up-to-date beneficial ownership information is available to the persons specified in the Act in a timely manner, to enable or assist the carrying out of their statutory functions.

Bermuda's commitment is rooted in its obligations as a member of the Caribbean Financial Action Task Force and its adherence to the international standards set by the Financial Action Task Force ("FATF"). In particular, the revised Recommendation 24 and its Interpretive Note, adopted in 2023, require jurisdictions to ensure that competent authorities have access to adequate, accurate and up-to-date beneficial ownership information in a timely fashion through a multi-layered approach.

The B.O. Laws therefore form part of Bermuda's commitment to ensure full compliance with international good/best practice and to maintain Bermuda's standing as a cooperative and well-regulated jurisdiction. Through the implementation of the B.O. Laws, Bermuda continues to support global objectives of preventing the misuse of legal persons for illicit purposes while ensuring that beneficial ownership information is adequate, accurate, and accessible to competent authorities in a timely fashion.

### **3. Legislative Framework**

#### **3.1 The Act**

Bermuda's beneficial ownership regime is underpinned by a clear statutory framework designed to ensure that beneficial ownership information is collected, verified, maintained, and made available to competent authorities in accordance with international standards.

The Act provides the overarching legislative framework governing the collection, maintenance, and disclosure of beneficial ownership information in Bermuda. The Act consolidates provisions previously contained in the Companies Act 1981, the Limited Liability Company Act 2016 and the Partnership Acts, thereby creating a single, uniform regime applicable to all relevant legal persons.

The Act sets out the duties of legal persons to obtain and maintain adequate, accurate and up-to-date beneficial ownership information and to file that information with the central register established and maintained by the Registrar. It also establishes the powers of the Minister and the Registrar for the effective implementation of the Act. The Act also specifies the persons to whom the information on the central register may be disclosed to, for the purposes of enabling or assisting the carrying out of their statutory functions.

In addition, the Registrar of Companies (Compliance Measures) Act 2017 empowers the Registrar to take appropriate enforcement action to bring entities into compliance with their statutory obligations. These measures ensure that Bermuda's beneficial ownership framework is both enforceable and effective in practice.

#### **3.2 The Regulations and Orders**

The Regulations made under section 27(1) of the Act supplement the Act by prescribing how ownership, interests, rights and control are to be assessed for the purposes of determining beneficial ownership. The Regulations also prescribe obligations relating to the filing and updating of beneficial ownership information, applications for disclosure of information from the central

register, discrepancy reporting, the retention of beneficial ownership records and other administrative arrangements necessary for the efficient operation of the central register.

Under section 15(4) of the Act, the Minister may make an Exemption Order to exempt specified categories of legal persons from the requirement to file beneficial ownership information on the central register.

The Regulations and Orders are to be read together with these Guidance Notes, which set out the Registrar's interpretation of the B.O. Laws and the practical steps expected of legal persons and CSPs and other relevant persons to achieve compliance with the B.O. Laws.

#### **4. Who must comply with the Act?**

The Act applies to all legal persons incorporated, formed or registered in Bermuda, except those expressly exempted under section 3(2) of the Act. The intent of this section is to ensure that all entities operating within Bermuda's jurisdiction are subject to a transparent beneficial ownership framework.

##### **4.1 Legal Persons within Scope**

The Act applies to:-

- companies incorporated or registered under the Companies Act 1981, including local, exempted companies, and permit companies;
- limited liability companies (LLCs") formed under the Limited Liability Act 2016, including local and exempted LLCs; and
- partnerships, including exempted, exempted limited, limited partnerships, and overseas partnerships established under the relevant Partnership Acts.

These entities are required to identify, maintain, and file information on the beneficial owners and relevant legal entities with the Registrar via the central register in accordance with the B.O. Laws.

A legal person must engage a CSP for the purposes of filing its minimum required information with the Registrar via the central register.

This requirement does not apply to-

- a local company unless it has been granted a licence under section 114B of the Companies Act 1981;
- a local LLC unless it has been granted a licence under section 13 of the Limited Liability Company Act 2016; or
- a specified person exempted by or under the CSP Exemption Order. Specified persons are listed in the Schedule to the CSP Exemption Order.

CSPs play a central role in ensuring compliance with the B.O. Law by verifying beneficial ownership data, maintaining accurate records, and submitting filings to the Registrar on behalf of their clients per their regulatory obligations. This framework ensures that entities subject to the Act are supported by qualified, regulated or otherwise authorised persons, thereby enhancing the accuracy, adequacy and timeliness of beneficial ownership information maintained in the central register.

#### 4.2 Publicly Traded Entities and Subsidiaries

Publicly traded entities, that is, entities whose securities are listed on the Bermuda Stock Exchange or on an appointed stock exchange (“relevant stock exchange”) designated under section 2(9) of the Companies Act are exempted from the requirements of the Act. A list of appointed stock exchanges is available on the Government website.

This exemption extends to subsidiaries of such listed entities (including listed non-Bermuda entities), provided that the subsidiary discloses the name of its parent company and provides evidence that the parent is listed on a relevant stock exchange. For the purposes of this exemption, the criteria for qualifying as a subsidiary are set out in section 3(3) of the Act.

This process ensures that all exemptions are verifiable and properly documented within the central register, maintaining the accuracy and integrity of Bermuda’s beneficial ownership database.

### 5. Who is a Beneficial Owner?

#### 5.1 Statutory Definition

Section 6(1) of the Act defines beneficial owner as an individual or individuals who-

- (a) directly or indirectly ultimately owns or controls 25% or more of the shares or interests, voting rights or partnership interests in a legal person;
- (b) otherwise exercises ultimate effective control over the management of the legal person; or
- (c) exercises control of the legal person by other means.

#### 5.2 Direct Interests (Regulation 3)

The first step is to identify anyone who directly owns or controls the legal person.

In many cases, this will be straightforward. A person may have a direct interest where they—

- directly hold shares or another ownership interest in the legal person;
- directly hold voting rights in the legal person; or
- have the ability to influence how the legal person is managed.

For example, a shareholder who owns shares in a company will usually have a direct interest. A person may also have a direct interest where they have rights under an agreement that allow them to direct important decisions relating to the management of the legal person.

When determining beneficial ownership, it is important to consider who can own, control or influence the legal person in practice and not just what appears on paper.

If no person can be identified as having a direct interest, consideration should be given to whether an indirect interest exists.

### 5.3 Indirect Interests (Regulation 4)

Sometimes a legal person is owned by another legal person rather than directly by an individual.

In these cases, the analysis does not stop with the immediate owner. The ownership structure should be followed through each layer until the individual or individuals who own or control the legal person are identified.

#### **Example:-**

ABC Ltd is owned by XYZ Ltd. XYZ Ltd is owned by Jane Smith.

Although Jane Smith does not directly own ABC Ltd, she may still be a beneficial owner because her ownership can be traced through XYZ Ltd.

Using one or more legal persons within an ownership structure does not, by itself, prevent an individual from being identified as a beneficial owner.

### 5.4 Joint Interests and Joint Arrangements (Regulation 5)

Ownership and control may sometimes be shared between two or more persons.

Where persons hold shares or rights jointly, each person is treated as holding those shares or rights.

Similarly, where persons have agreed to exercise their rights together, those rights should be considered collectively when determining beneficial ownership.

#### **Example 1:-**

Where two individuals jointly hold 25% of the shares in a legal person, each individual is treated as holding the full 25%.

#### **Example 2:-**

Where several shareholders agree to exercise their voting rights together pursuant to a binding arrangement, the combined rights subject to that arrangement should be taken into account when assessing beneficial ownership.

## 5.5 Calculating Shareholdings (Regulation 6)

Beneficial ownership is not limited to ordinary shares.

When determining whether a person has an ownership interest, consideration should be given to all rights that allow a person to participate in the capital, profits or economic benefits of the legal person.

The focus should be on the substance of the interest held rather than the label attached to it.

This ensures that beneficial ownership cannot be avoided through alternative ownership arrangements that provide economic benefits without traditional share ownership.

## 5.6 Voting Rights (Regulation 7)

Voting rights are an important indicator of ownership and control and must be considered when determining whether an individual is a beneficial owner.

Where a legal person has shares or interests, voting rights include the rights attached to those shares or interests to participate in decisions of the legal person.

Where a legal person does not have shares or interests, voting rights include the rights conferred on members to participate in decisions relating to all or substantially all matters affecting the legal person.

In some circumstances, a legal person may not make decisions through formal voting procedures or general meetings. In such cases, rights equivalent to voting rights must also be considered.

Examples of equivalent rights may include rights to—

- appoint or remove directors or managers;
- approve strategic decisions;
- approve amendments to constitutional documents;
- veto significant transactions; or
- otherwise influence the governance and management of the legal person.

Certain rights arise only when specified circumstances occur. Such rights should be taken into account where the relevant circumstances have arisen or where the holder of the rights controls whether those circumstances arise.

Rights that are temporarily incapable of being exercised continue to be taken into account. However, rights exercisable solely by administrators or creditors during insolvency proceedings are generally disregarded for the purposes of determining beneficial ownership.

When assessing beneficial ownership, legal persons should consider the substance and practical effect of the rights held rather than the label attached to those rights.

## 5.7 Rights Held by Way of Security (Regulation 8)

Shares or interests are sometimes pledged as security for a loan or other financing arrangement.

In these circumstances, the person providing the security will generally continue to be treated as holding the rights attached to those shares or interests.

The fact that shares have been pledged as security does not, by itself, change the beneficial ownership analysis.

Example:-

If a shareholder pledges shares to a bank as security for a loan, the shareholder will generally continue to be treated as holding those shares unless the rights attached to them pass to the bank for reasons other than enforcing the security arrangement.

The nature of the security arrangement should therefore be considered when determining beneficial ownership.

## 5.8 Senior Manager

In some cases, it may not be possible to identify a beneficial owner after taking reasonable steps to analyse ownership and control.

Where this occurs, the Act requires a senior manager to be identified.

The senior manager serves as a fallback mechanism to ensure that a natural person can always be identified in connection with the legal person.

A senior manager is identified only where no beneficial owner has been identified through the ownership and control analysis described above.

Where a legal person relies on this provision, it should retain records demonstrating the steps taken to identify a beneficial owner and the basis upon which the senior manager was identified.

## 5.9 Ownership or control through a Trust (Section 6(3))

An individual trustee must be recorded as the beneficial owner where a legal person is owned through a trust and-

No individual meets the conditions in section 6(1)(a)-(c); and

The individual trustee meets one of those conditions and has ultimate effective control over the activities of the trust.

In these circumstances, a senior manager must also be identified and recorded as a beneficial owner.

## 5.10 [SACs and ISACs](#)

### 5.10.1 [SACs](#)

The Act applies to all legal persons. Accordingly, in determining beneficial ownership, it is first necessary to identify the relevant legal person in respect of which beneficial ownership information is required.

A SAC remains a single legal person notwithstanding the creation of one or more segregated accounts. Accordingly, for the purposes of the Act, the SAC is treated as the relevant legal person and beneficial ownership should be determined and filed in relation to the SAC as a whole.

### 5.10.2 [ISACs](#)

An ISAC differs from a SAC in that each ISA has separate legal personality. Accordingly, for the purposes of the Act, each ISA constitutes a separate legal person and beneficial ownership information must be considered separately in relation to each ISA.

The fact that the same beneficial owner, relevant legal entity, director or service provider may be associated with multiple ISAs does not affect the requirement to maintain beneficial ownership separately in respect of each ISA.

## 5.11 [Practical Guidance for Determining Beneficial Ownership](#)

The following steps may assist legal persons and corporate service providers in determining beneficial ownership for the purposes of the B.O. Laws—

Step 1 – Identify any direct interests held in the legal person.

Step 2 – Identify any indirect interests held through one or more relevant legal entities.

Step 3 – Consider whether any shares, interests or rights are held jointly or are subject to a joint arrangement.

Step 4 – Calculate shareholdings and other economic interests in accordance with Regulation 6.

Step 5 – Assess voting rights and any equivalent governance rights in accordance with Regulation 7.

Step 6 – Consider whether any rights are held by way of security and whether Regulation 8 applies.

Step 7 – Identify any relevant legal entities that form part of the ownership or control structure.

Step 8 – Consider whether section 6(3) of the Act applies where ownership or control is held through a trust.

Step 9 – If no beneficial owner has been identified, determine whether section 6(2) requires a senior manager to be identified.

Step 10 – Record the basis for the determination and retain supporting documentation as part of the legal person's beneficial ownership records.

## 6. Filing requirements

### 6.1 [Obligation to File](#)

Section 15 of the Act requires every legal person to which the Act applies to file its minimum required beneficial ownership information in respect of each registrable person with the Registrar through the central register, in accordance with the B.O. Laws.

### 6.2 [Information to be Filed](#)

The minimum required information to be filed is set out in section 10(2) of the Act in relation to each registrable person.

Where subsection 6(2) of the Act applies, the particulars of the senior manager identified as the beneficial owner must be filed. It is recommended that the reasons why no individual was identified under section 6(1) should be recorded and maintained by the legal person.

Where ownership or control of a legal person is held through a trust, the trustee should be recorded as the beneficial owner where the conditions in section 6(3) of the Act are satisfied. In determining whether section 6(3) applies, consideration should be given to whether the trustee is the person responsible for exercising the powers of the trust and making decisions concerning the trust property and affairs.

### 6.3 [Method of Filing](#)

Beneficial ownership information must be filed electronically in the manner specified by the Registrar through the central register.

Local companies and local limited liability companies that are not required to engage a CSP may file directly with the Registrar through the central register.

Where a legal person is required to engage a CSP under the Regulations, filings must be made by that CSP on behalf of that legal person.

### 6.4 [Duty to keep information up to date](#)

A legal person must ensure that the minimum required information filed on the central register is accurate and up to date at all times.

Regulation 10 required a legal person to notify the Registrar of any change affecting a registrable person as soon as practicable and, in any event, no later than 14 days after becoming aware of, or being notified of, the change and confirming the minimum required information relating to that change.

Changes requiring notification may include changes to:

- the identity of a beneficial owner and a relevant legal entity;
- the nature or extent of ownership or control;
- the application of section 6(2) (senior manager)

- the application of section 6(3) (ownership or control through a trust); or
- the cessation of a person as a registrable person.

## 6.5 Record keeping

In addition to filing requirements, legal persons and CSPs (on behalf of their clients) must retain adequate records and supporting documentation relating to beneficial ownership information, including records of steps taken, enquiries undertaken, records of any updates, corrections, or discrepancies reported and the basis or rationale on which determinations were made, in accordance with the B.O. Laws.

## 6.6 Retention of Records Following Strike-Off, Liquidation or Dissolution

Section 12 of the Act requires records relating to a beneficial owner or relevant legal entity to be retained for a period of five years after the person ceases to be a registrable person.

Regulation 15 supplements this obligation by prescribing who is responsible for maintaining the beneficial ownership register where a legal person has been struck off, is in liquidation or has been dissolved.

Where a legal person is being wound up, the liquidator must retain beneficial ownership register provided to him for a period of not less than five years from the date of dissolution.

Where a partnership or other legal person is dissolved or wound up otherwise than by a liquidator, the person or persons responsible for winding up its affairs must retain the beneficial ownership register for a period of not less than five years following the conclusion of the winding up.

## 7. **Corporate Service Providers**

CSPs are regulated financial institutions within the meaning of section 42A(fa) of the Proceeds of Crime Act 1997 and are also subject to prudential oversight under the CSP Act. They are therefore required to comply with Bermuda's anti-money laundering and anti-terrorist financing (AML/ATF) framework.

For the purposes of these Guidance Notes, however, the focus is limited to the role of CSPs fulfilling the beneficial ownership obligations of their clients under the B.O. Laws.

### 7.1 Statutory Basis and Scope

Under Regulation 9 of the Regulations, every legal person to which the Act applies must, for the purpose of filing its minimum required information with the Registrar via the central register, engage a CSP.

This requirement does not apply to: -

- a local company that does not hold a licence under section 114B of the Companies Act 1981;

- a local limited liability company that does not hold a licence under section 13 of the Limited Liability Company Act 2016; or
- a specified person exempted by or under the CSP Exemption Order.

## 7.2 Role of CSPs in Beneficial Ownership Compliance

CSPs play a central role in Bermuda’s beneficial ownership framework. They have their own regulatory obligations under the CSP Act and the POCA Regulations to undertake appropriate customer due diligence related to the legal persons who contract their services and to maintain information relating to their clients, including beneficial ownership information and supporting records. In the context of B.O. Laws, their primary responsibilities in this regard are to-

- identify the beneficial owners of each legal person for whom they act (as per their own regulatory obligations);
- verify the accuracy of beneficial ownership information prior to filing with the Registrar (as per their own regulatory obligations);
- file the beneficial ownership information through the central register;
- maintain up-to-date records and supporting documentation (as per their own regulator obligations); and
- report any discrepancies identified between client records and the information appearing in the central register.

In carrying out these functions, CSPs must take reasonable steps to ensure that the information they submit is adequate, accurate and current and that any changes to beneficial ownership are filed with the Registrar via the central register.

CSPs should advise their clients of their obligations under the Act, including the duty to notify the CSP promptly of any change in beneficial ownership or control and in any change to any minimum required information.

In this regard, CSPs should be mindful of the obligation on legal persons under section 11(1) of the Act to update their beneficial ownership registers as soon as practicable and, in any event, no later than 14 days after it is notified of any change.

## 7.3 Filing and verification

CSPs are responsible for filing beneficial ownership information on the central register on behalf of their clients. Before doing so, they should verify the identity of each beneficial owner using reliable, independent documentation.

Where ownership or control is held through a trust, a CSP should ensure that the trustee is correctly recorded as the beneficial owner where the conditions in section 6(3) of the Act are satisfied. In determining whether section 6(3) applies, consideration should be given to whether the trustee exercises control over the activities of the trust.

## 7.4 Record Keeping

CSPs should maintain records of the beneficial ownership information collected, verified, and filed on behalf of their clients. These records should include-

- copies of identification and verification documents;
- correspondence or declarations supporting the determination of beneficial ownership; and
- records of any updates, corrections, or discrepancies reported.

## 7.5 Good Practice Recommendations

Whilst each CSP and each specified person exempted listed in the Schedule to the Corporate Service Provider Business Exemption Order 2015 may adopt its own internal compliance systems, the Registrar recommends the following good practices-

1. Integrate beneficial ownership due diligence into client onboarding and periodic review procedures.
2. Use standardised forms and declarations to collect and verify beneficial ownership information.
3. Document decision-making, particularly where ownership or control is complex or indirect.
4. Monitor and update records promptly upon notification of any change in beneficial ownership or control.
5. Designate a compliance contact responsible for liaising with the Registrar on beneficial ownership matters.

These measures will assist CSPs and persons specified listed in the Schedule in the Corporate Service Provider Exemption Order 2015 in maintaining high standards of accuracy and reliability, and support Bermuda's ongoing compliance with international transparency obligations.

## **8. Disclosure and Discrepancy Reporting**

### 8.1 Purpose of Discrepancy Reporting

The accuracy and reliability of Bermuda's central register depends on the prompt identification and correction of discrepancies in beneficial ownership information.

Discrepancy reporting is a mechanism to ensure that information filed with the Registrar remains adequate, accurate and up to date, consistent with section 15 of the Act and the objectives of FATF Recommendation 24.

### 8.2 What constitutes a discrepancy

A discrepancy arises where there is a material inconsistency between the beneficial ownership information recorded on the central register and the beneficial ownership information in a person's possession.

Discrepancy may arise, for example, where: -

- beneficial ownership information has changed but has not yet been updated on the central register;
- information previously filed is found to be incomplete, inaccurate or misleading;
- inconsistencies are identified during ongoing monitoring or periodic review; or errors are identified in the filing process.

### 8.3 Obligation to Address and Report Discrepancies

Under Regulation 16, a person who has received information from the Registrar pursuant to section 18 of the Act and who becomes aware, or has reason to believe, that the information disclosed from the central register is materially inconsistent with other information, must report details of the inconsistency to the Registrar.

For these purposes, a material inconsistency is an inconsistency that, having regard to all the circumstances, may reasonably be considered to be connected to money laundering, terrorist financing, proliferation financing, a predicate offence, or an attempt to conceal details of beneficial ownership information.

A report must be made as soon as practicable and, in any event, no later than 30 days after the disclosure of the information by the Registrar. Further guidance on the submission of discrepancy reports, including the form, manner and process for reporting, is/will be set out in the Registrar's Operational Manual.

Upon receipt of a discrepancy report, the Registrar may request clarification or supporting information and take such further steps as may be necessary to determine whether the information held on the central register remains adequate, accurate and current.

### 8.4 Relationship to AML/ATF Obligations

For the avoidance of doubt, nothing in this section affects the separate obligations of CSPs or other regulated person under Bermuda's Anti-Money Laundering and Anti-Terrorist Financing framework, including obligations relating to customer due diligence, ongoing monitoring and suspicious activity reporting.

### 8.5 Disclosure of Beneficial Ownership Information

Section 18 of the Act permits the disclosure of information from the central register to specified persons for the purpose of enabling or assisting the exercise of their statutory functions.

Regulations 11 to 14 prescribe the process by which information may be requested, disclosed and used.

### 8.6 Applications for Disclosure

Applications for disclosure of information from the central register must be made through the Registrar's portal.

Applications must contain such information as may be required by the Act, the Regulations and the Registrar's Operational Manual.

An application may be submitted by the applicant or, where permitted by the Regulations, by an authorized representative acting on behalf of the applicant.

### 8.7 Determination of Applications

The Registrar will review each application and determine whether the applicant is entitled to receive the information requested under section 18 of the Act and the Regulations.

The Registrar may request additional information or clarification where necessary before determining an application.

The Registrar may approve or refuse an application in accordance with the Act and the Regulations and will notify the applicant of the outcome through the portal.

### 8.8 Confidentiality and Use of Information

Information disclosed from the central register may only be used for the purpose for which it was requested and disclosed.

Recipients of beneficial ownership information should implement appropriate measures to safeguard the confidentiality and security of that information and restrict access to those persons who require it for the performance of their statutory functions.

Recipients should also ensure that any personal information obtained from the central register is handled in accordance with applicable legal requirements relating to confidentiality, data protection and record retention.

The unauthorised use, disclosure or retention of information, obtained from the central register may constitute a breach of the Act, the Regulations or other applicable laws.

Further guidance on confidentiality and the handling of beneficial ownership information is set out in section 10 of these Guidance Notes.

## **9. Monitoring and Enforcement**

### 9.1 Statutory basis

Section 20 of the Act provides that the Registrar of Companies (Compliance Measures) Act 2017 (the "Compliance Measures Act") applies to the Act. Accordingly, the Registrar's powers to monitor, investigate and, where necessary, enforce compliance with the Act are exercised in accordance with the Compliance Measures Act.

### 9.2 Registrar's duty to monitor

The Registrar has a duty to encourage and ensure that every legal person to which the Act applies complies with the B.O. Laws and the Compliance Measures Act. In particular, the Registrar must

satisfy himself that every legal person (unless exempted under section 3 of the Act) has complied with its statutory obligations to: -

- (a) obtain information regarding its beneficial owners and relevant legal entities (section 7 of the Act);
- (b) verify the identity of its beneficial owners (section 9 of the Act);
- (c) keep a beneficial ownership register that is adequate, accurate and current (sections 10 of the Act); and
- (d) retain a record of its beneficial owner or relevant legal entity for five years from the date its beneficial ownership ceases (section 12 of the Act).

As a first step, the Registrar may under section 6(1)(a) of the Compliance Measures Act, require a legal person to provide information or documents relating to its beneficial ownership in order to assess compliance with these obligations. This may be done through the completion of a compliance questionnaire, which may also include other questions (for example, relating to records of account).

Monitoring activity may be followed by an inspection under section 8 of the Compliance Measures Act.

In some circumstances, a notice to comply under section 9 of the Compliance Measures Act may operate concurrently with enforcement measures under section 11 of that Act.

### 9.3 Enforcement

Where a legal person is in default or there is a failure to comply with any requirements or contravention of the B.O. Laws, the Registrar may issue a default fine or a civil penalty under sections 10 and 11 of the Compliance Measures Act respectively depending on the severity of the breach.<sup>1</sup>

Failure to comply with any of the requirements or contravention of the B.O. Laws, may result in a civil penalty up to \$250,000 as the Registrar considers appropriate. (Section 11(1) of the Compliance Measures Act). Appropriate means effective, proportionate and dissuasive (section 11(2) of the Compliance Measures Act).

The procedure for imposing a civil penalty under section 11 of the Compliance Measures Act is laid down in section 12 of that Act as follows:-

Where the Registrar proposes to impose a penalty under section 11, he will issue a warning notice to the legal person under section 12(1) of the Compliance Measures Act which must set out-

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<sup>1</sup> Further guidance on the application of default fines and civil penalties under sections 10 and 11 of the Compliance Measures Act is currently under development to ensure consistency, proportionality and transparency in enforcement action.

- (a) his proposal to impose a penalty and the proposed amount having regard to the penalty matrix annexed to these Guidance Notes.
- (b) the reasons for imposing the penalty; and
- (c) the right to make representation within a specified minimum period of 28 days.

Section 11(3) of the Compliance Measures Act provides that if a legal person satisfies the Registrar that it took all reasonable steps and exercised all due diligence to ensure that the requirement would be complied with, the Registrar cannot impose a penalty under section 11(1).

Section 12(2) of the Compliance Measures Act provides that after considering any representations made by the legal person under section 12(1)(c), the Registrar must within three months from the period specified in the Warning Notice, make a decision whether to impose a penalty.

Under section 12(3) of the Compliance Measures Act, a decision notice must set out:-

- (a) the decision not to impose a penalty; or
- (b) the decision to impose a penalty; and
  - (i) the amount of the penalty;
  - (ii) the reasons for the decision.

A person aggrieved by a decision notice may appeal to the Supreme Court within 28 days of the decision notice.

## 10. Confidentiality

Sections 21 and 22 of the Act together with Regulations 13 and 14, establish the framework governing the disclosure, use and protection of beneficial ownership information. These principles safeguard confidentiality and ensure that-

- any disclosure or sharing of beneficial ownership information made in accordance with the B.O. Laws override obligations of confidentiality or restrictions on disclosure arising under any other law, contract or duty;
- any person who, in good faith, discloses information as required or authorised by the B.O. Laws is protected from civil or contractual liability from doing so. In other words, compliance with the Act's disclosure requirements constitutes defence to any claim of breach of confidence or contractual restriction. This ensures the CSPs, legal persons, and the Registrar can exchange information necessary to maintain the accuracy of the central register without fear of breaching other confidentiality duties.
- no person is required to disclose or produce any document, or to answer any question, where the information would be protected by legal professional privilege in proceedings before the Court.

### 10.1 Good Practice Guidance

Persons required to provide or share beneficial ownership information should do so only through authorised and secure channels, namely via the central register.

CSPs and legal persons should retain evidence of the statutory authority under which any disclosure was made, to demonstrate compliance if questioned.

Where there is uncertainty about whether information is subject to legal professional privilege, independent legal advice should be sought before disclosure.

## 10.2 Interaction with the Compliance Measures Act

For the avoidance of doubt, nothing in sections 21 and 22 of the Act restricts the Registrar's powers under section 18(3) of the Compliance Measures Act, which permits the Registrar to disclose information to specified competent authorities for the specified reasons set out therein. Any such disclosure remains subject to the same confidentiality and data-protection safeguards that apply to all information obtained under the Act.

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