GOVERNMENT OF BERMUDA
MINISTRY OF ECONOMY AND LABOUR

Registry General

NOTICE TO CHARITIES

LEGISLATIVE UPDATE

This letter is being circulated further to the outreach that was conducted by the Registry General with the Bermuda charity sector from 19 January 2026 to 2 February 2026. That outreach concerned proposed changes to the Charities Act 2014 (the Act) and the Charities Regulations 2014 (the Regulations) as well as the revocation of the Charities (Anti-Money Laundering, Anti-Terrorist Financing.

The Charities Amendment Act 2026 gained assent on 15 April 2026 and incorporated those amendments to the Act that were identified in our outreach. The Charities Amendment Regulations 2026, however, were delayed and are now being put before Parliament along with additional changes to the Act. The new proposed amendments to the Act, and those proposed for the Regulations beyond those already identified in our outreach, are operational and to that end we are providing you with an informational update of the further changes that will be put before Parliament in the coming months. The details of the proposed changes that were included in the January 2026 consultation have been attached for your reference, adjusted to reflect only those measures that were ultimately kept during the drafting process.

These further changes have been deemed appropriate as the Registry General's ongoing commitment to ensure all legislation is in line with Recommendation 8 of the Financial Action Task Force ahead of Bermuda's Mutual Evaluation taking place in April 2027. The primary changes proposed through these new amendments are to remove specific references to ML and TF as these measures are not strictly relevant to all charities. Further details of all the proposed amendments are set out below.

Should you have any questions or comments please feel free to contact the Registry General's Office through their general email at charityinfo@gov.bm or to Matthew Nester, the Legal & Compliance Officer at mtnester@gov.bm.

The current consolidated acts may be found on www.bermudalaws.bm here:

- Charities Act 2014
- Charities Regulations 2014
- Charities (Anti-Money Laundering, Anti-Terrorist Financing, and Reporting) Regulations 2014

Proposed Amendments to the Act

1. Add a definition to section 2 for 'financial crime'

    a. To comply with the updated guidelines in the FATF's Recommendation 8, the RG should not be making specific references to ML or TF. Only a small number of charities need to be monitored for TF matters. This will be dealt with at a policy level and should not be mentioned in legislation.
    b. Financial crime should be defined along the following lines: "offences including fraud, money laundering, terrorist financing, proliferation financing and related predicate offences".
    c. References made to financial crime will replace existing references to ML/TF.

2. Amend sections 11(1)(da) and (db) to replace references to ML/TF with 'financial crime.'

    a. Section 11 sets out the functions of the Registrar General.
    b. These two parts of section 11 make specific reference to the Registrar putting in place ML/TF monitoring for charities
    c. Because only a small number of charities are considered to be 'at risk' and in need of structured measures to deal with TF risk, requiring the RG to establish a broad ML/TF regime for charities is considered to be over-regulation and should be removed from the Act.
    d. Replacing ML/TF with financial crime in these subsections will help ensure that the RG is not seen to be setting ML or TF policy for the entire charity sector, which is unnecessary due an overall low inherent risk. This will support the risk-based approach we are taking to only target at risk charities and will contribute to a 'Compliant' rating in the 2027 Mutual Evaluation.

3. Repeal section 47

    a. This section was created to mirror similar provisions in the Proceeds of Crime Act 2004 and is more appropriate for a supervisory agency. Specifically, it highlights regulations made to deal with ML/TF on a supervisory basis which require input from NAMLC and the affirmative resolution process in Parliament.
    b. The RG is no longer a supervisory agency and, in compliance with the revised Recommendation 8 guidelines from FATF, does not need to implement specific ML/TF regulations in legislation.
    c. Removing this section will ensure that all future additions and amendments to Regulations only need to be addressed by the negative resolution procedure,

pursuant to section 48(2) of the Act and will allow the proposed Charity Amendment Regulations to be passed entirely by negative resolution.

d. This will also reinforce the RG's change from supervision to oversight and contribute to a 'Compliant' rating in the 2027 Mutual Evaluation.

4. Amend section 47A to replace the flat fees for civil penalties with a scale from $200 to $5,000 to be decided at the discretion of the Registrar General. A further amendment to the criteria that the Registrar General is also needed to take into account "total assets and financial position of the charity" for determining the size of the penalty or whether to waive it.

    a. Criterion 8.4 of FATF's Recommendation 8 states that authorities should have "effective, proportionate and dissuasive sanctions for violations"
    b. The current penalties are applied equally to all charities regardless of individual circumstances or whether a charity is at higher risk for financial crime, including TF.
    c. By creating a range for penalties the Registrar General can apply them proportionally.
    d. The existing appeals process set out in sections 47B-47E still apply.

5. Repeal section 47F

    a. This section was partially repealed with the Charities Amendment Act 2026. The remaining sections deal with exemptions for charities with annual gross income of $50,000 or less from establishing AML/ATF systems and controls and from keeping records for the required period
    b. The RG is moving to a pure risk-based evaluation of
    c. This relates directly to regulations contained in the AML/ATF Regulations, which are being repealed. Because of the repeal, the exemption in section 47F(b) is no longer relevant and can be repealed.

6. Amend section 48 to add a provision for making regulations that deal with financial crime to the existing list.

    a. This will replace the regulations referenced in section 47 that are being repealed so that these types of regulations may still be specified but will be contained within the section that allows for negative resolution to be used.

Proposed additional amendments to the Regulations

1. Repeal Regulation 9(10)(c)

    a. Subsection (10) deals with a charity requesting for an exemption from the requirement from providing audited financial statements if their financial position passe the necessary thresholds and the criteria that must be met for the RG to approve such an exemption
    b. Subsection (10)(c) lists ML and TF as considerations for an exemption. In line with other amendments to the legislation to ensure compliance with the revisions made to Recommendation, references to ML and TF should be removed from legislation as they should only be relevant to those charities that are considered at risk and this is dealt with through policy rather than legislation.

2. Add a definition for 'financial crime' to the Regulations to mean "offences including fraud, money laundering, terrorist financing, proliferation financing and related predicate offences."

Yours sincerely,

Mr Aubrey Pennyman
Registrar General

Dated: 16 June 2026