

WAVERLEY GATEWAY GUIDE

Connecting International Capital with Emerging & Frontier Markets

BERMUDA

America Caribbean

Dialogue | Trust | Partnership

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WHERE AND HOW TO ENTER

KEY INVESTMENT LOCATIONS

Location / Region	Strategic Importance	Priority Sectors
Hamilton (capital & financial district)	Seat of government and the heart of Bermuda's global (re)insurance and financial-services cluster; home to the Bermuda Stock Exchange and most major carriers' headquarters	Reinsurance, insurance-linked securities, financial/fund services, corporate headquarters
Pembroke Parish / Hamilton waterfront	Dense concentration of global reinsurer and insurer offices, legal and actuarial services supporting the (re)insurance sector	Risk/actuarial services, legal and professional services, commercial real estate
L.F. Wade International Airport corridor	Primary air gateway; recently modernized terminal supports both business travel for the financial-services sector and leisure tourism	Aviation services, business-travel infrastructure, logistics
Southampton / Hamilton Parish tourism belt	Established luxury resort corridor supporting Bermuda's smaller but high-value tourism sector alongside its dominant financial-services economy	Luxury hospitality, golf/marine tourism, high-end residential real estate
St. George's (UNESCO World Heritage town)	Historic former capital anchoring heritage tourism and small-scale marine services on the island's east end	Heritage tourism, marine services, boutique hospitality
Bermuda Technology Services / fintech & InsurTech corridor (Hamilton)	Emerging digital-asset and InsurTech cluster building on Bermuda's 2018 Digital Asset Business Act framework and reinsurance-sector data/analytics demand	InsurTech, digital-asset business, fintech, data analytics
Dockyard / West End (former Royal Naval Dockyard)	Cruise-ship terminal and heritage-tourism site supporting Bermuda's cruise and marine-tourism segment	Cruise tourism, marine services, heritage/retail tourism

INVESTOR ENTRY ROUTES

- **BERMUDA BUSINESS DEVELOPMENT AGENCY (BDA):** The principal public-private one-stop shop for investment facilitation, market intelligence and connections across financial services, (re)insurance, and technology
- **BERMUDA MONETARY AUTHORITY (BMA) LICENSING:** The statutory gateway for (re)insurance carriers, banks, trust companies, investment funds and digital-asset businesses
- **EXEMPTED COMPANY INCORPORATION UNDER THE COMPANIES ACT:** The standard vehicle for international business, subject (above the €750m MNE-group revenue threshold) to the new 15% Corporate Income Tax
- **DIGITAL ASSET BUSINESS ACT LICENSING:** Bermuda's dedicated regulatory framework for digital-asset, crypto and blockchain-related ventures
- **ECONOMIC SUBSTANCE ACT COMPLIANCE PATHWAY:** Required substance demonstration for relevant-activity entities to maintain Bermuda's OECD/EU tax-cooperation standing
- **BERMUDA STOCK EXCHANGE (BSX) LISTING:** A recognized, internationally respected exchange for insurance-linked securities (ILS), catastrophe bonds and fund listings

MARKET-ENTRY OBSERVATION

Bermuda enters this guide as a mature, high-income British Overseas Territory whose economy is built overwhelmingly around global (re)insurance and financial services rather than the tourism- or agriculture-led models seen elsewhere in this guide's Caribbean coverage. The October 2025 general election returned the Progressive Labour Party (PLP) to a fourth term under Premier David Burt, but with a genuinely eroded mandate - the PLP's seat count fell from 30 to 25 of 36, its popular-vote share slipped toward 50%, and a record share of voters backed independents or the opposition One Bermuda Alliance, split enough to leave the PLP in control despite broad voter dissatisfaction over crime, homelessness and cost of living. Burt has signaled he will step down as party leader in late 2026, meaning the next 12-18 months bring a leadership transition within the governing party even without a change of government.

The single most consequential development for investors is fiscal rather than political: Bermuda's new 15% Corporate Income Tax, effective January 1, 2025, ends more than a century of zero corporate taxation for the largest multinational enterprise groups (those with consolidated annual revenue of €750 million or more), aligning Bermuda with the OECD's global minimum tax framework. This directly affects Bermuda's dominant reinsurance sector, whose largest carriers sit squarely within scope, though smaller and mid-sized Bermuda businesses remain untaxed. The reinsurance sector itself remains fundamentally strong - Fitch-rated Bermuda carriers posted an 85.3% aggregate combined ratio and 15.7% return on equity in H1 2026, even as softening global reinsurance pricing and reduced exposures pushed net premiums down 9% across the group. Bermuda's core investment proposition - regulatory sophistication, a deep (re)insurance talent pool, and now a credible, internationally compliant tax regime - remains intact, but the end of blanket zero-taxation is a genuine structural shift investors must now model explicitly rather than assume away.

INVESTOR RISK & MARKET ACCESS

KEY ENTRY BARRIERS

Issue	Potential Impact	Possible Mitigation
New 15% Corporate Income Tax for large MNE groups	Effective January 2025, Bermuda businesses in multinational groups with €750m+ consolidated revenue now face a 15% CIT aligned with OECD Pillar Two, ending the island's historic zero-tax status for its largest reinsurers and corporates	Model after-tax returns explicitly under the new CIT for any large-group entity; review eligibility for the Tax Credits Act 2025 credits with Bermuda tax counsel
Eroding but still-functional governing-party mandate	The PLP's October 2025 re-election came with a reduced seat count and a record independent/opposition vote share, alongside a planned PLP leadership change (Premier Burt stepping down) in late 2026	Monitor the PLP succession process through 2026 and its implications for continuity of the CIT and broader economic-development agenda
Economic Substance Act compliance burden	Relevant-activity entities (including most (re)insurance, financing, and holding-company structures) must demonstrate genuine economic substance in Bermuda to maintain the jurisdiction's OECD/EU tax-cooperation standing	Budget for substance requirements (local staff, physical presence, board oversight) when structuring any Bermuda exempted company from the outset
Softening global reinsurance pricing cycle	Bermuda-domiciled reinsurers saw net premiums written fall 9% in H1 2026 amid abundant global capacity and competitive pricing pressure, even as underwriting profitability remained strong	Underwrite new reinsurance-sector investment on a through-cycle basis rather than extrapolating recent hard-market returns
Small market scale and high cost of living/doing business	Bermuda's tiny resident population and import-dependent economy make it one of the most expensive jurisdictions in this guide for labor, real estate and daily operating costs	Size ventures for an internationally-oriented (re)insurance/financial-services client base rather than the small domestic market; budget accordingly for premium operating costs
Hurricane and climate exposure	As a mid-Atlantic island, Bermuda faces recurring hurricane risk, a factor the reinsurance industry itself prices continuously and that affects physical infrastructure and property investment	Build storm-resilient design and standard catastrophe insurance into any physical real estate or infrastructure investment
Domestic crime and cost-of-living concerns	Rising voter concern over crime and homelessness featured prominently in the 2025 election campaign, reflecting underlying social strain even within a high-income economy	Treat as a social-policy and reputational-monitoring item rather than a direct operational barrier for financial-services-sector investment

INVESTOR RISK NOTE

Bermuda's risk profile is distinct from the rest of this guide's Caribbean coverage: there is no acute political-security or sovereign-debt crisis to flag, and the jurisdiction remains one of the world's most sophisticated and respected (re)insurance and financial-services domiciles. The one genuinely structural change investors must underwrite explicitly is the end of unconditional zero corporate taxation for large multinational groups under the new 15% Corporate Income Tax - a shift that brings Bermuda into line with OECD global

minimum tax standards and should, if anything, reinforce rather than undermine its long-term credibility as a compliant international financial center, even as it changes the after-tax economics for the largest in-scope carriers. The PLP's narrowing electoral mandate and an approaching change of party leadership introduce a modest degree of near-term political-continuity uncertainty, but Bermuda's institutional and regulatory framework - anchored by the Bermuda Monetary Authority's internationally recognized supervisory standards - provides strong continuity independent of which party or leader holds office.

MARKET ACCESS

The Bermuda dollar is pegged one-to-one with the US dollar, providing complete currency stability. As a British Overseas Territory, Bermuda operates under UK constitutional oversight for defense and some judicial matters while retaining full fiscal and regulatory autonomy, giving investors a Westminster-rooted legal system combined with bespoke, internationally respected financial-services regulation via the Bermuda Monetary Authority. Bermuda is not an EU or CARICOM member but maintains Solvency II equivalence recognition from the EU for its (re)insurance sector and deep correspondent relationships with US, UK and global capital markets, reflected in the Bermuda Stock Exchange's role as a leading listing venue for insurance-linked securities.

WHO SHOULD THE INVESTOR MEET?

INSTITUTIONAL LANDSCAPE

Actor	Why It Matters	Waverley Engagement Angle
Bermuda Monetary Authority (BMA)	Integrated financial regulator overseeing (re)insurance, banking, trust, fund and digital-asset licensing, holding Solvency II equivalence recognition from the EU	The essential regulatory counterpart for any financial-services, (re)insurance or digital-asset licensing in Bermuda
Bermuda Business Development Agency (BDA)	Public-private investment-promotion body providing market intelligence, introductions and facilitation across (re)insurance, asset management and technology sectors	Primary first point of contact for market-entry guidance and connections to the local professional-services ecosystem
Ministry of Finance / Office of the Tax Commissioner	Administers the new Corporate Income Tax regime and the Tax Credits Act 2025, alongside broader fiscal policy	Essential counterpart for any large MNE-group entity modeling CIT liability and credit eligibility
Association of Bermuda Insurers and Reinsurers (ABIR)	Principal industry association representing Bermuda's global reinsurance carriers in policy and regulatory engagement	Valuable industry-intelligence and policy-engagement channel for (re)insurance-sector entrants
Bermuda Stock Exchange (BSX)	Internationally recognized exchange specializing in insurance-linked securities, catastrophe bonds and fund listings	Relevant listing venue for ILS, cat-bond or fund-related capital-markets activity
Progressive Labour Party (PLP) Government / Premier's Office	Governing party under Premier David Burt (stepping down as leader in late 2026), setting overall economic and tax policy direction	Monitor for PLP leadership transition and its implications for continuity of the CIT and economic-development agenda
Bermuda Chamber of Commerce	Principal private-sector advocacy and networking body spanning financial services, tourism and local commerce	Useful channel for broader business-community engagement beyond the (re)insurance sector specifically

CURRENT INTERNATIONAL BUSINESS CHANNELS

Formal engagement typically runs through the Bermuda Business Development Agency for investment facilitation and introductions, the Bermuda Monetary Authority for any regulated financial-services or digital-asset licensing, and the Association of Bermuda Insurers and Reinsurers for (re)insurance-sector policy engagement. Bermuda's small, highly professionalized business community means law firms, actuarial consultancies and corporate-services providers in Hamilton serve as important informal channels alongside formal government engagement, and the island's deep ties to London, New York and Toronto capital markets mean many transactions are structured with international as well as local counsel.

INVESTOR PROFILE BEST SUITED

The best-positioned investors for Bermuda are established or emerging (re)insurance and reinsurance carriers, insurance-linked-securities sponsors and fund managers, and financial/professional-services firms comfortable operating within a sophisticated, substance-and-compliance-driven regulatory environment. InsurTech and digital-asset ventures aligned with Bermuda's existing regulatory frameworks are also well suited. Investors should enter with full awareness of the new Corporate Income Tax's applicability to large MNE groups, robust Economic Substance Act planning, and realistic operating-cost expectations given Bermuda's small scale and premium cost base; this is not a market for low-cost-labor or mass-market consumer ventures.

FROM INTELLIGENCE TO ENGAGEMENT

STEP 1: Engage the BDA and the BMA in parallel

Approach the Bermuda Business Development Agency for market intelligence and the Bermuda Monetary Authority for any required regulatory licensing discussion from the earliest planning stage.

STEP 2: Model Corporate Income Tax exposure explicitly

For any entity within a multinational group at or above the €750m revenue threshold, build the 15% CIT and potential Tax Credits Act 2025 credits into after-tax return projections before committing capital.

STEP 3: Plan Economic Substance Act compliance from inception

Budget for local staffing, physical presence and board-level oversight requirements for any relevant-activity entity to maintain OECD/EU tax-cooperation standing.

STEP 4: Underwrite the reinsurance cycle conservatively

For (re)insurance-sector investment, model returns through the pricing cycle rather than extrapolating recent hard-market profitability, given early signs of premium softening in 2026.

STEP 5: Monitor the PLP leadership transition

Track Premier Burt's succession process through late 2026 for any implications on continuity of current tax, regulatory and economic-development policy.

WAVERLEY'S ROLE

- Corporate Income Tax and Economic Substance Act structuring advice for large MNE-group entities
- Independent monitoring of Bermuda Monetary Authority regulatory developments and PLP political-transition signals
- Introductions to vetted (re)insurance, ILS and InsurTech counterparties through the BDA and ABIR networks
- Through-cycle underwriting analysis for reinsurance-sector investment given current pricing-cycle softening

INVESTOR CALL TO ACTION

Waverley Gateway advises investors to treat Bermuda as a premier, highly compliant global (re)insurance and financial-services domicile - well suited to carriers, ILS sponsors and InsurTech ventures prepared to model the new 15% Corporate Income Tax and Economic Substance Act requirements explicitly rather than assuming Bermuda's historic zero-tax status still applies unconditionally.

Sophisticated regulatory reputation + new OECD-aligned tax regime → explicit after-tax modeling + substance planning → Waverley-vetted (re)insurance counterparties → durable Bermudian market entry

WAVERLEY INVESTOR INTELLIGENCE & OPPORTUNITY PIPELINE

Near-term opportunities include insurance-linked-securities and catastrophe-bond issuance on the Bermuda Stock Exchange, InsurTech and data-analytics ventures serving the island's dense reinsurance cluster, and digital-asset business licensing under Bermuda's established regulatory framework. Medium-term opportunities depend on how the reinsurance pricing cycle evolves and on continuity of the current tax and regulatory agenda through the PLP's 2026 leadership transition.

POSITIONING

Bermuda should be positioned in this guide as a 'mature financial-center market in structural transition': unlike the acute political or fiscal risks flagged elsewhere in this series, Bermuda's defining 2025-26 story is the orderly, OECD-compliant end of unconditional zero corporate taxation for its largest multinational carriers - a change that should reinforce rather than threaten its long-term standing as a top-tier, internationally respected (re)insurance and financial-services domicile.

Waverley's value for clients here is precision in distinguishing who is actually affected: the new Corporate Income Tax reaches only the largest multinational-group entities, leaving Bermuda's smaller business base and overall regulatory value proposition intact. The opportunity is in helping sophisticated (re)insurance and financial-services investors model this transition accurately rather than either overreacting to 'Bermuda now taxes companies' headlines or underestimating the planning required for in-scope entities.

SELECTED SOURCES

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- MCI Maps, 'Issue #231: Bermuda Election Keeps PLP in Power - but with a Warning from Voters' (2025)
- Bernews, 'PLP to Host Deputy Leadership Discussion' (Aug. 2026)