



Bermuda's Reaction to the Alternative Investment Fund Managers Directive



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[Bermuda takes steps to satisfy third country requirements of Europe's Alternative Investment Fund Managers Directive.](#)

The European Securities Market Authority is currently considering which non EU jurisdictions or 'third countries', may be granted passport rights under the Alternative Investment Fund Managers Directive (AIFMD).

Non-EU fund managers covered by the passport will be allowed to register in one European state and market their products across other member states. Last week, ESMA issued positive advice with respect to Guernsey, Jersey and Switzerland and has indicated it intends to finalise the assessments of further groups of non-EU countries until it has provided advice on all the non-EU jurisdictions that it considers should be included in the extension of the passport. The jurisdictions to be assessed will include Bermuda, the Cayman Islands, the British Virgin Islands amongst others.

Bermuda has a long history of being a robust and highly respected jurisdiction that continuously works to meet international regulations and standards. The Bermuda Monetary Authority is highly respected internationally as a strong, effective and sensible regulator. A draft bill has been introduced which will help to facilitate Bermuda's compliance with the requirements of the AIFMD and further strengthen the Island's ties with Europe. The bill, once in force, will amend the *Investment Business Act 2003* to provide an opt-in framework for the licensing and regulation of alternative investment fund managers (AIFMs) who wish to market their alternative investment funds via the passport in accordance with the terms and conditions set out under the AIFMD.

Currently, Bermuda funds can be marketed to professional investors in EU countries under national private placement regimes and investment managers wishing to market Bermuda funds into the EU are required to comply with certain requirements. The national private placement regime is set to remain in place until 2018.

The amendments are expected to be debated in the House in Bermuda in August when MPs are recalled early, and will add further evidence of Bermuda's strong and effective regulatory base for investment funds and international business acumen.



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