

Bermuda investment funds – Spring 2026 update

Briefing Summary: Our investment funds team outline the latest developments within the investment funds market in Bermuda, including updates to the Beneficial Ownership Regime and the personal declaration forms for directors and officers.

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Bermuda's Beneficial Ownership regime – updates for the investment funds sector

On 3 November 2025, the Beneficial Ownership Act 2025 ("**BO Act**") was officially enacted in Bermuda. The new regime mandates more comprehensive transparency measures concerning beneficial ownership to combat money laundering, tax evasion and terrorist financing.

Investment funds in Bermuda are usually structured as either an exempted company, exempted limited partnership, limited liability company or unit trust registered or authorised in Bermuda as an investment fund. Prior to the enactment of the BO Act, the applicable legislation for each type of legal structure previously exempted investment funds and certain other regulated entities from needing to comply with beneficial ownership requirements.

The BO Act repealed the disparate beneficial ownership regime found in each distinct piece of legislation and consolidated the beneficial ownership regime into the BO Act while also expanding the scope of entities that must comply with the new requirements. As such, funds are no longer exempt and are now considered in-scope (unless listed or a subsidiary of a listed person). This means that investment funds must now:

- Identify their beneficial owners;
- Maintain a beneficial ownership register;
- File beneficial ownership information with the Registrar of Companies ("**RoC**");
- Keep beneficial ownership registers accurate and up to date; and
- Comply with verification and disclosure obligations under the BO Act.

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Similarly, prior to the enactment of the BO Act, under Bermuda's exchange control regime the Bermuda Monetary Authority ("**BMA**") also granted permission for the issue or transfer of the participating shares of a fund or a closed-ended investment company, the units of a unit trust or the limited partnership interests, to persons regarded as non-resident of Bermuda for exchange control purposes without specific consent under the Exchange Control Act 1972 and regulations made thereunder.

The BO Act has repealed the exchange control regime requirement for the BMA's permission to be sought for the issue or transfer of securities in Bermuda entities to non-resident persons (along with the general permissions). The BO Act has not replaced the exchange control regime - it does not require prior-approval by the RoC for the issue or transfer of participating interests in an investment fund. However, investment funds will need to be mindful of additional steps to comply with its applicable beneficial ownership obligations when participating interests are issued or transferred - which may be an adjustment from previously being able to allow participating interests to be freely issued, transferred and sold.

The RoC has announced a 'transition period' until 1 June 2026 before it begins enforcing the new beneficial ownership regime. This area is continuously evolving, and further regulations and guidance notes are expected to be released in the coming weeks. Further, there is some industry discussion as to whether these will contain exemptions or concessions for regulated investment funds, so relevant legal persons should use this period to consider these updates and assess what is required to be compliant before such date.

Updated personal declaration forms for directors and officers

The BMA has updated the personal declaration forms used by firms to be completed in connection with proposed director and officer appointments pursuant to the Investment Funds Act 2006.

The new and updated personal declaration forms can be viewed [here](#).

BMA consultation paper - framework enhancements introducing sustainability disclosures and prohibition on the use of misleading fund names

On 2 September 2025, the BMA issued a consultation paper ("**CP**") as part of its ongoing efforts to embed sustainability and climate-related considerations into prudential frameworks across all sectors. This initiative also involves collaborating with the investment funds industry to assess the creation of an optional 'sustainable fund' designation for Bermuda-registered and authorised funds.

This CP sets out targeted updates to Bermuda's investment funds framework aimed at strengthening sustainability-related disclosure requirements. The proposals aim to:

- Require funds promoting sustainability objectives to provide clear, substantiated disclosures; and
- Prohibit misleading fund names.

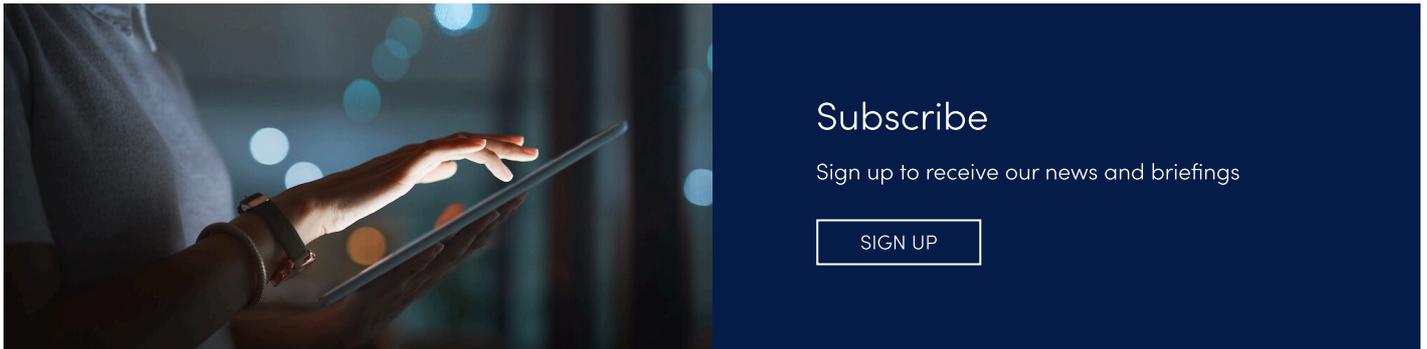
These enhancements are intended to improve transparency and disclosure to investors and support the credibility of sustainable investing in Bermuda.

This CP can be viewed [here](#).

The consultation closed on 25 November 2025 and the industry awaits further updates from the BMA on the impact of the consultation.

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