

A BILL

entitled

**REGISTRAR OF COMPANIES (ANNUAL CORPORATE REGULATORY FEES)
(NO. 2) ACT 2024**

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WHEREAS it is expedient to amend the Companies Act 1981, Limited Liability Company Act 2016, Limited Partnership Act 1883, Exempted Partnerships Act 1992, Overseas Partnerships Act 1995 and Government Fees Regulations 1976 to provide, in accordance with section 3(2) of the Registrar of Companies (Annual Corporate Regulatory Fees) Act 2024, for the new corporate regulatory fees, which are required to offset costs associated with the need to expand the role of the Registrar of Companies in relation to entities registered in Bermuda under company and partnership registers pursuant to the stated legislation. The role of the Registrar of Companies has been expanded in relation to these entities to include regulatory, supervisory and compliance oversight duties so as to meet the demand for greater scrutiny of these entities from international regulatory bodies including the European Union (EU), the Organisation for Economic Co-operation and Development (OECD), the Financial Action Task Force (FATF), the Caribbean Financial Action Task Force (CFATF) and the International Monetary Fund (IMF).

Be it enacted by The King's Most Excellent Majesty, by and with the advice and consent of the Senate and the House of Assembly of Bermuda, and by the authority of the same, as follows:

Citation

1 This Act may be cited as the Registrar of Companies (Annual Corporate Regulatory Fees) (No. 2) Act 2024.

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Amends Companies Act 1981

2 (1) The Companies Act 1981 (in this section referred to as the “principal Act”) is amended in section 121—

- (a) in subsection (1)(a), by deleting the word “and” at the end of the paragraph;
- (b) in subsection (1)(b), by deleting the colon and substituting “; and”;
- (c) by inserting after subsection (1)(b) the following new paragraph—

“ (c) pay the corporate regulatory fee as shown in Part I of the Fifth Schedule.”;

- (d) in the proviso under subsection (1), by deleting the words “fee payable” and substituting the words “appropriate fee payable under paragraph (b)”;
- (e) by repealing subsection (2) and substituting the following—

“(2) If a company fails to comply with the requirements of subsection (1), the company and every officer of the company shall be liable to a default fine.”.

(2) Section 131 of the principal Act is amended—

- (a) in subsection (1)(a)(vii), by deleting the word “and” at the end of the paragraph;
- (b) in subsection (1)(b), by deleting the colon and substituting “; and”;
- (c) by inserting after paragraph (b) the following new paragraph—

“ (c) pay the corporate regulatory fee as shown in Part II of the Fifth Schedule.”;

- (d) in the proviso under subsection (1), by deleting the words “fee payable” and substituting the words “appropriate fee payable under paragraph (b)”.

(3) Section 132C of the principal Act is amended by repealing subsection (3A) and substituting the following—

“(3A) A foreign corporation shall, within one month after the date of registration of the memorandum of continuance under this section in respect of the corporation as an exempted company, pay in accordance with Part II of the Fifth Schedule—

- (a) the appropriate fee; and
- (b) the corporate regulatory fee,

but, in the case of the appropriate fee payable under paragraph (a), where the registration is effected after 31 August in any year, the appropriate fee payable in

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respect of that year shall be half the appropriate fee set out in Part II of the Fifth Schedule.”.

(4) Section 135 of the principal Act is amended—

(a) by repealing subsection (1) and substituting the following—

“(1) Subject to subsection (1A), every permit company shall before engaging in or carrying on any trade or business in Bermuda, and thereafter during the month of March each year, pay in respect of the company in accordance with Part II of the Fifth Schedule—

(a) the appropriate fee, subject to subsection (1B); and

(b) the corporate regulatory fee,

and section 131(1)(a)(i) shall apply *mutatis mutandis*”; to every such company.

(b) by inserting after subsection (1A) the following new subsection—

“(1B) For the purposes of subsection (1), where a permit is issued after 31 October in any year, the appropriate fee payable under subsection (1)(a) in respect of that year shall be half the appropriate fee.”.

(5) The Fifth Schedule to the principal Act is amended—

(a) in Part I, by inserting after paragraph 2(vii) the following new paragraph—

“ 3 The corporate regulatory fee in the case of a local company shall be \$150. ”;

(b) in Part II, by inserting after paragraph 2 the following new paragraph—

“ 3 The corporate regulatory fee in the case of an exempted and a permit company shall be \$500. ”.

Amends Limited Liability Company Act 2016

3 (1) The Limited Liability Company Act 2016 (in this section referred to as the “principal Act”) is amended in section 96 by repealing subsection (10) and substituting the following—

“(10) An exempted LLC shall, within one month after the date on which its continuance is effective in Bermuda, pay in respect of the LLC in accordance with fees prescribed under section 2 of the Government Fees Act 1965—

(a) the appropriate fee; and

(b) the corporate regulatory fee,

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but, in the case of the appropriate fee payable under paragraph (a), where such effective date is after 31 August in any year, the appropriate fee payable in respect of that year shall be half the appropriate fee prescribed under section 2 of the Government Fees Act 1965.”.

(2) Section 253 of the principal Act is amended—

(a) by repealing subsection (1) and substituting the following—

“(1) The certificate of formation filed under section 30 shall be accompanied by—

(a) the certificate of formation fee; and

(b) the corporate regulatory fee,

prescribed by regulations made under section 2 of the Government Fees Act 1965.”;

(b) in subsection (2), in the continuing sentence, by deleting the word “fee” and substituting the word “fees”;

(c) in subsection (3), by deleting the words “fee payable” and substituting the words “the certificate of formation fee payable under subsection (1 (a))”;

(d) in subsections (4) and (5), by deleting the word “fee” and substituting the word “fees”.

Amends Government Fees Regulations 1976

4 The Schedule to the Government Fees Regulations 1976 is amended under Head 40, which provides for the Limited Liability Company Act 2016, by deleting paragraph (2) and substituting the following—

“

(2)	Initial certificate of formation—	
(a)	Filing of initial certificate of formation under section 30(1), or making an application regarding the reservation or change of name under section 7(2)	\$100
(b)	Corporate regulatory fee payable under section 96(10)	\$500
(c)	Corporate regulatory fee payable under section 253(1)	\$150

”.

Amends Limited Partnership Act 1883

5 The Limited Partnership Act 1883 is amended in section 22 by inserting after subsection (3) the following new subsections—

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“(3A) Unless a corporate regulatory fee applicable to a limited partnership is otherwise provided in the First Schedule to the Exempted Partnerships Act 1992, a limited partnership shall pay a corporate regulatory fee of \$150 to the Registrar—

- (a) upon the registration, as provided in section 4, of the certificate specified in section 3; and
- (b) thereafter, not later than 31 March of each year.

(3B) Where in any year a limited partnership fails to pay the corporate regulatory fee, the limited partnership commits an offence and is liable on summary conviction to a default fine not exceeding \$100 for every day during which the default continues.

(3C) Notwithstanding subsection (3B), in any case where a limited partnership fails to comply with subsection (3A) and the Registrar is satisfied that the failure is not due to wilful neglect or default, it shall be lawful for the Registrar to accept payment of the sum due together with a penalty of \$250 and in such case subsection (3B) shall not apply.”.

Amends Exempted Partnerships Act 1992

6 (1) The Exempted Partnerships Act 1992 (in this section referred to as the “principal Act”) is amended in section 11—

- (a) by repealing subsection (3) and substituting the following—

“(3) Subject to subsections (4), (5) and (6) and section 25(3), the fees referred to under subsection (3A) shall apply to the persons seeking to register—

- (a) a partnership as an exempted partnership; or
- (b) a partnership as an exempted partnership and as a limited partnership pursuant to section 9(4).

(3A) The persons referred to under subsection (3) shall pay to the Registrar the registration fee and the corporate regulatory fee specified in Part III of the First Schedule to this Act—

- (a) at the time of registration of that partnership; and
- (b) thereafter, on or before 31 January in each year.”;

- (b) in subsection (4), by deleting “fee payable” and substituting the words “registration fee payable under subsection (3A)”.

(2) The First Schedule to the principal Act is amended by deleting Part III and substituting the following—

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“

PART III	
Fee payable on registration of a partnership as an exempted partnership and on registration of a partnership as an exempted partnership and limited partnership under section 11(3A)(a)	\$2,350
Corporate regulatory fee payable by an exempted partnership and by an exempted partnership registered as a limited partnership under section 11(3A)(a)	\$500
Annual fee payable by an exempted partnership and by an exempted partnership registered as a limited partnership under section 11(3A)(b)	\$2,850

”.

Amends Overseas Partnerships Act 1995

7 (1) The Overseas Partnerships Act 1995 (in this section referred to as the “principal Act”) is amended in section 23—

- (a) by renumbering subsection (2A) as (2B);
- (b) by repealing subsection (2) and substituting the following—

“(2) The persons seeking to register a permit shall pay to the Registrar—

- (a) the fees referred to in subsection (2A)(a) and (b) at the time of registration of that permit; and
- (b) thereafter, the fee referred to in subsection (2A)(c) on or before 31 January in each year.

(2A) The fees payable by the persons referred to under subsection (2), as specified in Part II of the Schedule, are—

- (a) the registration fee;
- (b) the corporate regulatory fee; and
- (c) the annual fee.”;
- (c) in the new subsection (2B), by deleting the words “fee in accordance with subsection (2)” and substituting “fees in accordance with subsection (2)(a) and (b)”;
- (d) in subsection (3), by deleting the words “subsection (2)(a)” and substituting the words “subsection (2A)(a)”;
- (e) in subsection (4), by deleting the words “subsection (2)(b)” and substituting the words “subsection (2A)(b) and (c)”.

(2) The Schedule to the principal Act is amended by deleting Part II and substituting the following—

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“ **PART II**

Fee payable on registration of overseas partnership under section 23(2)(a)	\$320
Corporate regulatory fee payable by overseas partnership under section 23(2A)(b)	\$500
Annual fee payable by overseas partnership under 23(2A)(c)	\$3,350

”.

Commencement

8 This Act shall be deemed to have come into operation on 9 February 2024.

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EXPLANATORY MEMORANDUM

This Bill amends the Companies Act 1981, Limited Liability Company Act 2016, Limited Partnership Act 1883, Exempted Partnerships Act 1992, Overseas Partnerships Act 1995 and Government Fees Regulations 1976 to provide, in accordance with section 3(2) of the Registrar of Companies (Annual Corporate Regulatory Fees) Act 2024, for the new corporate regulatory fees, which are required to offset costs associated with the need to expand the role of the Registrar of Companies in relation to entities registered in Bermuda under company and partnership registers pursuant to the stated legislation. The role of the Registrar of Companies has been expanded in relation to these entities to include regulatory, supervisory and compliance oversight duties so as to meet the demand for greater scrutiny of these entities from international regulatory bodies including the European Union (EU), the Organisation for Economic Co-operation and Development (OECD), the Financial Action Task Force (FATF), the Caribbean Financial Action Task Force (CFATF) and the International Monetary Fund (IMF).

Clause 1 provides a citation for the Bill.

Clause 2 amends the Companies Act 1981 to provide for the payment of an annual corporate regulatory fee of \$150 by a local company under section 121, of \$500 by an exempted company under section 131 and of \$500 by a permit company under section 135. The clause further amends section 132C(3A) to provide for a foreign corporation registered as an exempted company to pay within one month after the date of its registration of the memorandum of continuance a corporate regulatory fee of \$500.

Clause 3 amends the Limited Liability Company Act 2016 to provide for the payment of an annual corporate regulatory fee of \$500 by an exempted LLC under section 96 and of \$150 by a local LLC under section 253.

Clause 4 amends the Government Fees Regulations 1976 to provide for the payment of an annual corporate regulatory fee payable under the Limited Liability Company Act 2016 of \$500 by exempted LLCs and of \$150 by local LLCs.

Clause 5 amends the Limited Partnership Act 1883 in section 22 to provide for the payment of an annual corporate regulatory fee of \$150 by a limited partnership, and where such partnership fails to comply to be liable to a default fine.

Clause 6 amends the Exempted Partnerships Act 1992 to provide for an annual corporate regulatory fee of \$500 payable by an exempted partnership and by an exempted partnership registered as a limited partnership under section 11(3A)(a).

Clause 7 amends the Overseas Partnerships Act 1995 to provide for an annual corporate regulatory fee of \$500 payable by an overseas partnership under section 23.

Clause 8 provides for the Act to be deemed to have come into operation on 9 February 2024.