

A BILL

entitled

FINTECH DEVELOPMENT FUND ACT 2018

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WHEREAS it is expedient to provide for the establishment of the FinTech Development Fund;

Be it enacted by The Queen'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 FinTech Development Fund Act 2018.

Interpretation

2 In this Act—

“Bermudian” means a person who possesses Bermudian status under the Bermuda Immigration and Protection Act 1956;

“community-based organisation” means an organisation that is representative of a community or significant segments of a community and which is registered as a charity under the Charities Act 2014;

“financial technology” (“FinTech”) includes blockchain and digital asset development;

“Fund” means the FinTech Development Fund established under section 3;

“Minister” means the Minister of Finance;

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“sports club” means an organisation dedicated to a particular sporting activity which is regulated by a sport governing body in Bermuda.

### FinTech Development Fund

3 (1) There shall be established a Fund, known as the “FinTech Development Fund” to be administered by the Minister in accordance with this Act.

(2) The Minister shall pay into the Fund all moneys received by the Government for the specific purpose of supporting financial technology education for Bermudians and related moneys received for other purposes, including supporting community based initiatives.

(3) The Minister may pay other moneys into the Fund, including any amounts which may be authorised by the Legislature from time to time as Government’s contribution to the Fund.

### Purpose of the Fund

4 (1) The primary purpose of the Fund is to support—

- (a) educational programmes or initiatives providing financial technology training for Bermudians;
- (b) other educational programmes or initiatives related to the development of financial technology business in Bermuda;
- (c) the development of compliance and regulatory capacity related to financial technology business; and
- (d) the activities of any advisory body appointed under any Act or otherwise in support of financial technology business.

(2) The Minister and the Minister responsible for e-Commerce acting jointly may, after consulting the Minister responsible for workforce development, authorise payments to be made out of the Fund for the purposes listed in subsection (1).

(3) The Minister, after consulting the Ministers responsible for youth development, health and sports, may also authorise payments to be made out of the Fund to support—

- (a) community-based organisations promoting youth development, healthcare or the care of seniors in Bermuda; and
- (b) sports clubs.

### Management of the Fund

5 (1) The moneys paid into the Fund shall be invested in accordance with the Public Funds Act 1954 and the interest and other income earned on such investments shall be paid into the Fund.

(2) The Minister may direct the Accountant General to pay out of this Fund such sums of money to such entities as may be authorised in accordance with section 4.

(3) The Accountant General shall maintain a record of transactions of the Fund and shall ensure that—

- (a) all moneys received are properly brought to account; and
- (b) all payments out of the Fund are correctly made and properly authorised.

(4) The financial year of the Fund shall end on 31st March of each year.

#### Annual report on the Fund

6 (1) The Accountant General shall prepare and submit to the Minister, within six months after the end of the Fund's financial year, an annual report on the operations of the Fund containing—

- (a) the financial statements of the Fund during the preceding financial year; and
- (b) such other information as the Minister may direct in writing.

(2) Within seven months after the end of the Fund's financial year the Minister shall send to the Auditor General a copy of the annual report of the Accountant General on the operations of the Fund.

(3) The Auditor General shall examine the annual report of the Accountant General and shall prepare a report in writing on the annual report of the Accountant General, and submit it to the Minister within three months of receiving the annual report from the Minister.

(4) The Minister shall cause copies of the annual report of the Accountant General, together with the report of the Auditor General, to be laid before the Legislature as soon as practicable.

#### Dissolution of the Fund

7 (1) The Minister may dissolve the Fund if he determines that there is no object to which the Fund could lawfully be used.

(2) If the Fund is dissolved under subsection (1), any moneys in the Fund at the time of the dissolution shall be paid into and form part of the Consolidated Fund.

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### EXPLANATORY MEMORANDUM

This Bill seeks to provide for the establishment of the FinTech Development Fund.

Clause 1 is self-explanatory.

Clause 2 defines “financial technology” (“FinTech”) and other expressions for the purposes of the Act.

Clause 3 establishes the FinTech Development Fund (the “Fund”) to be managed by the Minister of Finance in accordance with this Act, and describes the funds to be paid into it.

Clause 4 sets out the purposes for which the Fund may be used. The primary purpose of the Fund is to support educational programmes or initiatives providing financial technology training for Bermudians, other educational programmes or initiatives related to the development of financial technology business in Bermuda, development of compliance and regulatory capacity related to financial technology business, and the activities of any financial technology advisory bodies. The Minister of Finance and the Minister responsible for e-Commerce acting jointly may, after consulting the Minister responsible for workforce development, authorise payments to be made out of the Fund for the primary purposes. The Minister of Finance, after consulting the Ministers responsible for youth development, health and sports, may also authorise payments to be made out of the Fund to support community-based organisations promoting youth development, healthcare or the care of seniors in Bermuda, and sports clubs.

Clause 5 contains administrative provisions in relation to the management of the Fund.

Clause 6 requires annual reports on the Fund to be prepared by the Accountant General and Auditor General, submitted to the Minister of Finance, and laid before the Legislature.

Clause 7 provides for dissolution of the Fund if the Minister of Finance determines that there is no object to which the Fund could lawfully be used, in which case funds will be paid into the Consolidated Fund.