

A BILL

entitled

CHARITIES AMENDMENT ACT 2025

WHEREAS it is expedient to amend the Charities Act 2014 to provide measures for privately funded charities in relation to the exemption from registration and to provide for connected purposes;

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, which amends the Charities Act 2014 (the “principal Act”), may be cited as the Charities Amendment Act 2025.

Amends section 18

2 Section 18 of the principal Act is amended—

(a) by repealing subsection (4)(a) and substituting as follows—

“(a) in the case of a trust—

(i) at least one of the trustees is licensed under the Trusts (Regulation of Trust Business) Act 2001; or

(ii) that is administered by a trust company which is a non-licensed AML/ATF regulated financial institution registered under section 9 of the Proceeds of Crime (Anti-Money Laundering and Anti-Terrorist Financing Supervision and Enforcement) Act 2008; or

(iii) that is administered by a trust service provider, who has received an unlimited trust licence under section 11 of the Trusts (Regulation of Trust Business) Act 2001;”;

(b) by repealing subsection (4)(b) and substituting as follows—

“(b) in the case of a company or other legal person—

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- (i) that the company or other legal person has a registered office with, and is subject to, compliance by a person licensed under the Corporate Service Provider Business Act 2012 with respect to applicable laws, regulations or other requirements; and
 - (ii) that the company or other legal person can demonstrate that an adequate level of AML/ATF systems and controls will be exercised through the nature of the business relationship with the person who carries on the corporate service provider business under subparagraph (i).”;
- (c) in subsection (5)(a) by deleting “and” at the end of the sentence and inserting after subsection (5)(a) the following—
 - “(aa) supply the Registrar with a copy of the service agreement between the charity under subsection (4)(b) and the person who carries on a corporate service provider business licensed under the Corporate Service Provider Business Act 2012;”.

Amends section 21

3 Section 21 of the principal Act is amended—

- (a) in subsection (1)(a) by deleting the words “but not including any entry relating to a charity that is privately funded”;
- (b) by inserting after subsection (3) the following—

“(4) For the avoidance of doubt, the register in respect of charities that are privately funded is not available for public inspection.”.

Amends section 47A

4 Section 47A of the principal Act is amended—

- (a) in subsection (2) by inserting after the word “amount” the words “under subsection (1);
- (b) by inserting after subsection (2) the following—

“(2A) Where a charity has failed to notify the Registrar of a change in circumstances that affects its eligibility to qualify for an exemption under section 18, the Registrar may impose a civil penalty in the amount of \$200.

(2B) Where a charity fails to notify the Registrar under subsection (2A), the Registrar shall take into account the following in determining whether to impose a civil penalty—

- (a) the extent of the changes to the service agreement with the corporate service provider business;

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- (b) the length of delay in notifying the Registrar;
- (c) the good faith efforts to notify the Registrar of changes to the eligibility to qualify as an exempted charity.”.

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EXPLANATORY MEMORANDUM

This Bill seeks to provide measures for privately funded charities in relation to the exemption from registration and to provide for connected purposes.

Clause 1 provides the citation.

Clause 2 amends section 18 of the Act to expand the categories of privately funded charities to be exempted from registration under subsection (4) and where the charity is required to be registered, to expand the information required for registration under subsection (5). Under subsection (4)(a), where the privately funded charity is a trust, the charity may be exempted from registration where at least one of the trustees is licenced under the Trusts (Regulation of Trust Business) Act 2001, or the charity is administered by either a registered trust company or a licensed trust service provider. Where the privately funded charity is a company or other legal person under subsection (4)(b), the charity may be exempted from registration where it has a registered office with a person licensed under the Corporate Service Provider Business Act 2012 and the charity can demonstrate an adequate level of AML/ATF systems and controls will be exercised through the nature of the business relationship with a person who carries on a corporate service provider business licensed under the Corporate Service Provider Business Act 2012. If a charity is required to be registered under subsection (5), a new paragraph (aa) requires that the privately funded charity under subsection (4)(b) supply the Registrar with a copy of the service agreement with their corporate service provider.

Clause 3 amends section 21 of the Act to clarify that for the avoidance of doubt, the register in respect to charities that are privately funded is not available for public inspection.

Clause 4 amends section 47A of the Act to provide for the issuance of a civil penalty where a charity has failed to notify the Registrar of a change in circumstances that affects its eligibility to qualify for an exemption under section 18. In determining the civil penalty, the Registrar shall take into account the extent of the changes to the service agreement with the corporate service provider, the length of delay in notifying the Registrar and any good faith efforts made to notify the Registrar of the change of eligibility.