



Ministerial Statement

By

The Hon. C. Walton D. Brown, Jr., JP, MP

Minister of Home Affairs

Friday, September 22, 2017

Update on Investigations - Alleged Schemes for Land Ownership by Non-Bermudians that contravene the Bermuda Immigration and Protection Act 1956

Mr. Speaker, Honourable Members will remember that my Ministerial Statement from the 15th September was titled “The Next Wave of Changes to Immigration Policies and Procedures”. I am about to describe another component of this “next wave”. I rise today to provide an update on investigations into alleged schemes for non-Bermudians to own land without the benefit of a land licence.

Mr. Speaker, prior to the enactment of the Bermuda Immigration and Protection Amendment Act 2007 (“the 2007 Act”) non-Bermudians were utilising schemes - including Bermuda Trusts - to acquire an interest in Bermuda real estate without obtaining a licence in accordance

with the Bermuda Immigration and Protection Act 1956 (“BIPA 56”). These schemes are referred to as fronting arrangements.

Mr. Speaker, there are approximately 120 properties that are being investigated. While properties may be in contravention of the 2007 Act, it may be determined that not all are, by definition, “fronting” arrangements. The use of these fronting arrangements are estimated to have cost the Government approximately \$40 million during the 10 years preceding the enactment of the 2007 Act.

Mr. Speaker, the 2007 Act sought to criminalise fronting arrangements by introducing severe penalties for those who contravened its provisions. Simultaneously, the 2007 Act granted a 3 year amnesty period for non-Bermudians caught by its provisions to either obtain licences or dispose of their interest in the Bermuda real estate. While some of those affected complied within the 3 year amnesty period, others did not, despite the dire consequences of non-compliance.

The Attorney General’s Chambers have undertaken to identify those non-Bermudians who continue to flout the law and to ultimately make recommendations to the Director of Public Prosecutions to be prosecuted to recoup some of the estimated \$40 million referred to above.

Mr. Speaker, in order to progress this work quickly, the Government will be allocating dedicated resources to this project. We will be

working with the Attorney General's Chambers to ascertain the most cost-effective method for completing this initiative.

Thank you, **Mr. Speaker.**