

A NEW GOVERNMENT IN BERMUDA

Tom McMahon, of Citadel Risk, discusses the recent election in Bermuda and outlines the new government's key intents which the international business sector should pay attention to

On 19 July 2017, The Hon. David Burt, JP, MP, leader of the Progressive Labour Party (PLP), was sworn in as premier of Bermuda by the governor, Mr John Rankin. The swearing in followed his party's landslide victory in the general election held the previous day where the PLP took 24 of the 36 seats available and thus brought an end to the four and half years of the One Bermuda Alliance (OBA) government. A notable casualty of the election was the island's finance minister, Mr Bob E.T Richards, who lost his parliamentary seat to the PLP. He has subsequently announced his retirement from politics. Outgoing premier Michael Dunkley retained his parliamentary seat but resigned as leader of the OBA in the aftermath of the election.

At 38, David Burt is the youngest to hold the office of premier. He is a graduate of the George Washington University in Washington where he graduated *cum laude* with a bachelor of business administration with a double major in finance and information systems. He has served on the Bermuda Tourism Board, National Training Board, was a director of the Bermuda Chamber of Commerce and also a director of the Bermuda Economic Development Corporation. He was appointed a member of the Bermuda Senate and junior minister for Finance and Environment Planning and Infrastructure Strategy in November 2010, was first elected to the Bermuda Parliament in the general election of 2012 and was elected leader of the PLP in 2016.

Tom McMahon



Tom McMahon, president of Citadel Management Bermuda Limited, graduated with honours as a bachelor of commerce from University College Galway, Ireland in 1983 and is a Fellow of the Institute of Chartered Accountants in Ireland. He is a past president of the Bermuda Insurance Management Association, the immediate past chairman of the Bermuda Captive Conference and is a member of the Insurance Advisory Council, a statutory body advising the Ministry of Finance on matters relating to the Bermuda insurance market.

The PLP fought the election with a platform "an agenda for a better and fairer Bermuda". Included in its platform was an aggressive commitment to execute a number of plans in its first 100 days. While a number of the plans deal specifically with "local" issues such as education, providing capital to local entrepreneurs, and job training for locals – there are a number of initiatives which those in the international business sector would be specifically interested in. These are:

- A commitment to reestablish an advisory group consisting of local and international business and community leaders to develop a long-term economic and social vision for the island
- Continue negotiations with public sector unions to ensure continued provision of high-quality public services
- Establish a bipartisan committee on immigration reform to ensure fairness

in the immigration system

- Establish a tax reform commission to make Bermuda's tax system fairer and increase the island's global competitiveness
- Update the Ministerial Code of Conduct to ensure the cabinet is held to the highest ethical standards.

Some of these issues were referenced in a statement from Brad Kading, president of the Association of Bermuda Insurers and Reinsurers (ABIR), wherein he commented on the substantive issues which Bermuda must continue to address, and stated that ABIR looked forward to a dialogue with the new government on matters including financial stability, education, employment, immigration and tax.

As happened in 1998 and again in 2012, the transition to a new government was seamless, reflecting the mature and stable structure of the political landscape in Bermuda, and by the end of the week of the general election, the entire new cabinet was sworn in and had its first cabinet meeting. Premier Burt and his cabinet colleagues wasted no time and immediately arranged meetings with the various stakeholders including the unions, the Bermuda Chamber of Commerce, the Association of Bermuda International Companies and ABIR.

International business, and specifically the international insurance and reinsurance sector, provides a significant amount of employment – both directly and indirectly – on the island and is the largest contributor to the island's GDP. All stakehold-



ers recognise the importance of the island's compliance with international regulatory and anti-money laundering/anti-terrorism financing standards and legislation – not to mention the Organisation for Economic Co-operation and Development (OECD) tax transparency and cooperation initiatives. Failure to comply with these international requirements could have a significant negative impact on the island – an observation not lost on the previous administration and certainly not lost on the new PLP administration.

Recognising that Bermuda is facing a number of immediate assessments from the OECD, the European Union and Financial Action Task Force, the new premier announced that his government was taking an active and aggressive approach to ensure Bermuda was ready for the coming assessments. He has commissioned a cabinet committee to oversee the preparation of more than a dozen government agencies as well as a number of private sector associations. The premier will personally chair the committee and it

will include the attorney general and minister of legal affairs and the ministers for home affairs, economic development and tourism and national security.

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In a statement, the premier noted that Bermuda already has a comprehensive legislative framework that has been developed and updated over many years, but the complexity of the standards against

which Bermuda will be evaluated means that there are still some outstanding legislative initiatives that have to be focused on and addressed. In closing his statement, he advised that he would be recalling parliament in early September to enable these and other issues to be dealt with.

All new administrations have a honeymoon period to get accustomed to being in government and to set out their priorities. It is clear that a key priority for the new administration is to ensure that the island's reputation is safeguarded in any pending assessment. Premier Burt and his team have hit the ground running on this matter and wasted no time in getting up to speed. They have set an aggressive agenda, even for their first 100 days in office. And with the mandate that the people gave them on election day, and the words of support and encouragement from the various stakeholders, the upcoming months are going to be very exciting in Bermuda.

And we all thought the month of the Americas Cup was exciting! 