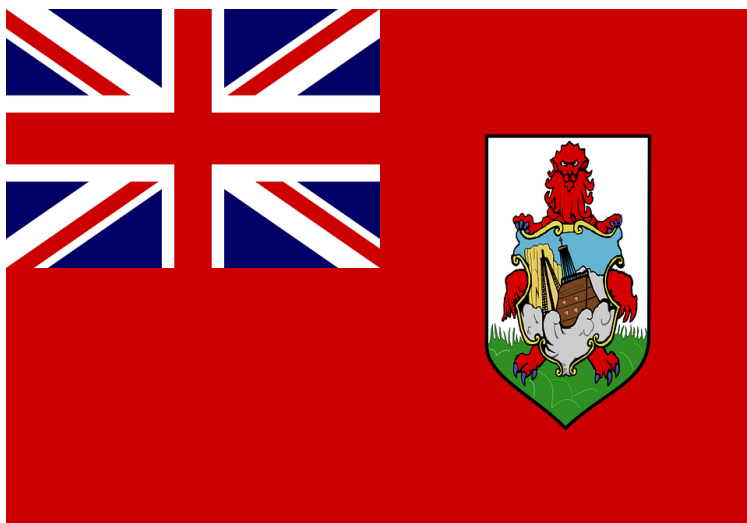


## Bermuda: A transparent failure of governance

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Of all the Caribbean islands that serve as tax havens and offshore domiciles for the elite, Bermuda is perhaps the most notorious due to its hosting of Appleby, the law firm at the centre of the infamous Paradise Papers leak of 2017 that served the biggest notice yet of the commitment to as little transparency as possible on the part of the islands, and the craven facilitation of authorities, lawyers and accountants that made it possible. Five years on, little has changed and there is no reason to suspect that it ever will.



Bermuda's reputation has long been known as one where shell companies can be created in dizzying networks and anonymity granted through nominees, ultimate beneficial owners and recursive ownership, with the ultimate aim being to prevent people from finding out what your assets are, how much they are worth, or even that they are your assets at all. While we must state that there are perfectly legal reasons to possess offshore accounts and the like, it is becoming increasingly difficult to justify, and it is fair to say that Bermuda has a territory for skirting the law, pushing at the boundaries of what corruption and nepotism will allow.

There are two major problems here. The first is permissiveness: the system has been built to allow for opacity and to act as encouragement for those looking for somewhere to do the modern-day equivalent of burying pirate treasure. The second is laxity: safeguards are either non-existent or ignored, and the regulatory framework through successive governments has never climbed to the standards it should in order to be fully comprehensive in tackling potential laundering or hiding the proceeds of criminality. Both of these are entirely by design: with little other business to offer outside of tourism (and Covid-19 proving that that can never be guaranteed), the argument runs that Bermuda needed to find something on which to base its economy, and that criticisms are merely modern-day Western imperialism. These do not hold water. Setting out to deliberately create a system that can be exploited by the wealthy and powerful, while enriching oneself in the process, speaks volumes about how little Bermuda thinks of fairness and transparency.

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Ex-Premier Dr. Ewart Brown was charged last year with thirteen separate counts of corruption upon leaving office and the systems of internal governance and law enforcement in general are understood as susceptible to bribery, embezzlement and fraud. However, Bermuda is of more importance as a destination for facilitating wider corruption rather than necessarily a destination for corruption in and of itself.

Bermuda's latest wheeze is to become the 'crypto hub' of the Caribbean, offering fourteen licences thus far for firms that 'maintain the quality name of the jurisdiction'. Given that cryptocurrencies themselves have an extremely poor reputation in terms of being used in frauds and by bad actors, and Bermuda's facilitation of these by certain parties, marrying the two seems a move designed only to appeal further to those who disdain transparency. Already, concerns have been raised about the implementation (or lack of), of regulations in the crypto sector, fears which are in truth no different to those already extant regarding Bermuda's financial sector in general. Some things just never change.

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