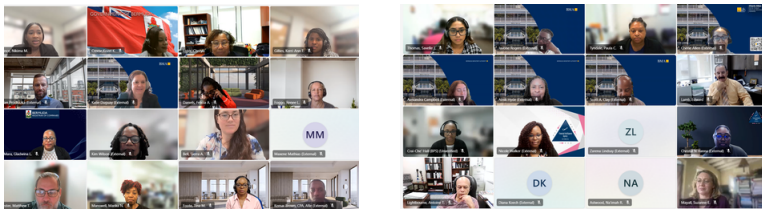


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YEAR END NEWSLETTER

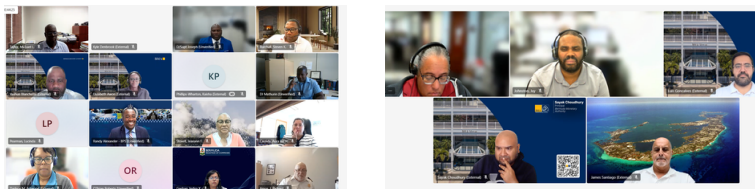
DECEMBER 2025

PRESENTATION OF FINDINGS OF BERMUDA'S 2025 PROLIFERATION FINANCING NATIONAL RISK ASSESSMENT (PF NRA)



On October 22 & 23, 2025, the National Anti-Money Laundering Committee hosted the Presentation of Findings of the 2025 PF NRA.

A total of 255 participants attended the sessions which were conducted virtually, with bespoke sessions for the public sector and private sector.



**GOVERNMENT OF BERMUDA
Ministry of Finance**

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Presentation of Findings of Bermuda's 2025 PF NRA:

Background and Context

The revised Financial Action Task Force (FATF) Recommendation 1 (R.1) now requires countries to identify, assess and understand PF risks, taking coordinated actions to assess risks, and to apply resources aimed at ensuring the risks are mitigated effectively. In the context of R.1, PF risk refers strictly and only to the potential breach, non-implementation or evasion of the targeted financial sanctions (TFS) obligations referred to in FATF Recommendation 7 (R.7).

R.7 requires countries to implement TFS to comply with United Nations Security Council Resolutions (UNSCRs) relating to the prevention, suppression and disruption of proliferation of weapons of mass destruction and its financing.

The implementation of TFS related to proliferation and its financing is essential for a stronger Counter-Proliferation Financing (CPF) regime. Effective CPF systems result in persons and entities designated by the UNSCRs on proliferation of weapons of mass destruction being identified, deprived of resources and prevented from raising, moving and using funds of other assets for the financing of proliferation.

Bermuda's level of effectiveness in respect of TFS will be measured against FATF's Immediate Outcome 11 (IO11) which provides that:

"Persons and entities involved in the proliferation of weapons of mass destruction are prevented from raising, moving and using funds, consistent with the relevant United Nations Security Council Resolutions (UNSCRs)."

The PF NRA, which was launched on January 15, 2025 was led by the National Anti-Money Laundering Committee (NAMLC), and was carried out as part of Bermuda's efforts in ensuring compliance with the revised FATF R.1.

Several working groups consisting of representatives from NAMLC agencies led the process with support from other public authorities to assess the individual components of the NRA.

As this was Bermuda's first PF risk assessment, consultants with expertise in CPF measures assisted the jurisdiction with the assessment. Bermuda's Competent Authorities and other relevant stakeholders were trained on key concepts of PF as well as the background to and nature of the assessment, the coordination required and the methodology to be employed.

The PF NRA assists Bermuda as a whole in effective coordination and resource allocation to combat PF. It informs risk management by the both public and private sectors. The provision of information on their risks allows them to implement measures, having regard to the context, risk profile and materiality of different sectors.

2025 PF NRA Preliminary Findings

Overview

On October 22 & 23, 2025, the National Anti-Money Laundering Committee (NAMLC) hosted the Presentation of Findings of the 2025 PF NRA, Bermuda's inaugural assessment of PF risks. A total of 255 participants attended the sessions which were conducted virtually, with bespoke sessions for the public sector and private sector.

The sessions commenced with opening remarks on the NRA process and overall conclusions. An outline was provided of the consultants' methodology applied to the assessment which considered PF risk as a combination of PF threats, vulnerabilities and consequences, and which integrated the FATF requirements in assessing mitigations.

It was highlighted that the assessment considers Bermuda's national context. This included factors such as the jurisdiction's geography and demographics, socio-cultural characteristics, economic features and criminological features. Additionally, the period under assessment was January 1, 2020 to December 31, 2024.

The preliminary findings of the 2025 PF NRA provided an opportunity for detailed discussions about the findings, the analysis and the conclusions reached.

PF Threat Assessment

The preliminary results of the national PF threats assessment were presented. The goal of the PF threat assessment was to identify any potential PF threat actors that could have a nexus with Bermuda having regard to the actor's capacity on a global level, as well as scope and scale of activity within Bermuda, to determine the sectors which have greater levels of exposure to the activities of the identified PF threat actors and their network.

A scoping exercise was conducted to identify any potential PF threat actors that could have a direct or indirect nexus with Bermuda. The threat actors scoped into the assessment were the Democratic People's Republic of Korea (DPRK), Iran, Russia and Syria, taking into account Bermuda's risk and context.

Preliminary Findings of the PF threat assessment show that the overall PF threat from the jurisdictions in scope were rated as posing a medium or low PF threat to Bermuda. Some threat actors had a higher capacity to exploit the financial system in terms of their sophistication as a PF actor and resources. However, factors such as the extent of network of supporters and collaborators in Bermuda contributing to PF activities and estimated value of revenue raised, transited or held in the Bermuda related to PF, were generally rated low.

2025 PF NRA Preliminary Findings

PF Sectoral Vulnerabilities Assessment

The sectoral vulnerabilities assessment determined the sectors in Bermuda which have greater levels of exposure to the PF threat actors, considering how the sectors could be exploited for PF purposes.

The preliminary findings of the sectoral inherent vulnerabilities assessment were that Bermuda's regulated sectors, in general have low or medium levels of inherent vulnerability to PF, having regard to the following factors:

- Sector's inherent characteristics
- Nature of products and services provided by the sector
- Nature of the clientele
- Geographic reach of sector's activities
- Nature of Delivery Channels

An assessment was also carried out in respect of inherent vulnerabilities of legal persons and arrangements which exist in Bermuda.

The factors assessed included:

- Population size
- Ease of Formation
- Geographic links to high risk jurisdictions
- Type of activity
- Nature of products and services
- Ability to conceal beneficial ownership information

The preliminary findings also show that, legal persons and arrangements within Bermuda have an overall low to medium inherent vulnerability rating for PF.

Bermuda's PF National Action Plan

Based on the findings of Bermuda's PF Risk Assessment, a proposed National Action Plan has been developed to further reinforce the jurisdiction's CPF framework. The Action Plan adopts a targeted, risk-based approach to address vulnerabilities linked to complex PF and sanctions-evasion schemes, in alignment with the FATF Recommendations and Immediate Outcomes.

This Action Plan builds on Bermuda's existing anti-money laundering, anti-terrorist financing, counter-proliferation financing (AML/ATF/CPF) framework and seeks to further enhance Bermuda's compliance with the FATF Standards.

The measures contained in the Action Plan represent the most critical steps identified to address PF threats and vulnerabilities and to enhance Bermuda's overall resilience to PF risks. They are designed to:

- apply a robust, risk-based approach to PF risk mitigation,
- strengthen national cooperation, coordination, and information-sharing,
- enhance supervisory oversight across key sectors,
- reinforce enforcement powers for non-compliance with PF obligations, and
- improve the availability and use of PF relevant data.

These actions will also feed into Bermuda's 5th Round Mutual Evaluation process which commences in 2026.

Bermuda Prepares for its Upcoming 5th Round Mutual Evaluation

Bermuda's NAMLC is spearheading the island's preparations for the country's 5th Round Mutual Evaluation including ensuring alignment of laws with the updated FATF Standards and strengthening the framework against ML, TF and PF.

The FATF and its FATF-Style Regional Bodies such as the Caribbean Financial Action Task Force (CFATF), of which Bermuda is a member, monitor the progress of its members by way of the Mutual Evaluation (ME) process.

The ME process is a mutual "peer review" system to determine the levels of compliance with the FATF's Forty (40) Recommendations and the level of effectiveness of the AML/ATF/CPF systems of each jurisdiction assessed, having regard to Eleven (11) Immediate Outcomes. Additionally, the process provides recommendations on how the systems could be strengthened.

The ME process is conducted in a series of distinct rounds carried out in a cycle over a determined number of years. Each round is based on an updated assessment methodology that reflects the evolving global standards for AML/ATF/CPF.

The 5th Round of ME for CFATF jurisdictions begins in 2026. Demonstrating successful outcomes in the FATF 5th Round will require providing concrete evidence that a country's AML/ATF/CPF system is effective in practice, as well as that the necessary laws and regulations have kept pace with changes to the FATF's Recommendations from a Technical Compliance (TC) perspective.

A key part of the ME process is the 'on-site visit' on which the assessment team travels to the country being assessed to verify and assess the real-world effectiveness of its AML/ATF/CPF system, focusing on meeting FATF Standards, clarifying findings from prior analysis, and interviewing government officials, financial institutions, and other key stakeholders over approximately 13 to 16 working days.

Bermuda's on-site visit is scheduled for April 2027. The evaluation process however, begins well before the on-site visit, with the country submitting updated information on risks, context, and information relevant to the TC assessment.

The TC assessment in this round will focus on Recommendations Under Review (RURs). RURs are those FATF Recommendations for which the country has made material legal, regulatory or operational framework changes since the previous Mutual Evaluation Report (MER) and Follow Up Report (FUR), the FATF has made changes for which the country has not previously been assessed, or the country has a current rating from the previous MER/FUR of non-compliant or partially compliant. Assessors can however still revisit the previous assessments and ratings for Recommendations not under Review, if they have reasonable basis to conclude that changes made by the country raise doubt about the rating.

Bermuda's TC submissions are due in October 2026, with risk and context information due prior to that, in about mid 2026.

Assessors will conduct a desk-based review of these updated areas, prepare a scoping note based on risk and materiality, and then examine effectiveness through data, case studies, and evidence of real-world implementation. This leads to a focused, risk-based on-site visit, during which assessors meet authorities and private-sector stakeholders to validate findings.

Following the on-site, assessors draft the Mutual Evaluation Report (MER), the Key Recommended Actions (KRA) and KRA Roadmap, and the Executive Summary. These documents go through review by Mutual Evaluation Reviewers and then discussion and adoption by the CFATF Plenary.

NAMLC Q4 HIGHLIGHTS



Asset Recovery Inter-Agency Network of the Caribbean (ARIN-CARIB) Annual General Meeting (AGM) [Barbados, September 9 - 12, 2025]



Acting Detective Inspector Zoenique Williams of the Bermuda Police Service (BPS) represented Bermuda at the Annual General Meeting of the ARIN-CARIB, held in Barbados from the 9th to 12th of September, 2025. The meeting brought together regional law enforcement officers, financial investigators, and legal professionals to strengthen collaboration in asset recovery and the fight against financial crime.

Acting Detective Inspector Williams delivered a presentation highlighting Bermuda's continued efforts to integrate financial investigations into traditional policing and to take proactive measures to enhance legislative and operational frameworks, in order to strengthen asset recovery and management. Key discussions also focused on trends observed in criminal asset seizures and strategies to improve regional cooperation in asset recovery.

In a notable development, Bermuda was elected to the ARIN-CARIB Steering Group, an achievement that grants Bermuda a formal leadership role in shaping the network's regional priorities and strategic initiatives. This appointment underscores Bermuda's strong commitment to international standards, transparency, and effective financial crime enforcement.

Bermuda's participation, as well as its new position on the Steering Group reaffirm the island's dedication to advancing best practices in asset recovery and fostering stronger partnerships across the Caribbean region.

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NAMLC Q4 HIGHLIGHTS



CFATF Steering Group and 17th Council of Ministers' Meeting [Panama, October 1 – 3, 2025]

The CFATF Steering Group and Council of Ministers' meeting held at Holiday Inn, Panama from the 1st October and 2–3 October 2025 respectively, discussed the operational matters relative to the CFATF Secretariat for the 2024/2025 and 2026 and approved various reports presented by the working groups to the Council of Ministers for decision.

A delegation from the Ministry of Finance, comprising Ms. Cheryl-Ann Lister, Chair, NAMLC, and Ms. Kozel Creese, National Coordinator, represented Bermuda at the meetings.

The FATF President, Elisa de Anda Madrazo, visited the CFATF Council of Ministers meeting and brought, key FATF updates, especially regarding upcoming mutual evaluations and strengthening AML/ATF/CPF frameworks, following the June 2025 FATF Plenary held in Paris. The FATF President also spoke to the Council of Ministers about contributions by FSRBs in the implementation of the Standards which aim to ensure global response to ML/TF/PF and emphasized the need for the continued collaboration in this work.



Financial Action Task Force (FATF) Plenary & Working Group Meetings [Paris, France, October 20 – 24, 2025]



Chris Brown, Director of AML and Conduct at the BMA, attended the FATF October Plenary in Paris in his role as Chair of the International Association of Insurance Supervisors (IAIS) Financial Crime Forum. The IAIS is an Observer to the FATF and a recent strategic review of the role of Observers prompted his attendance at this particular Plenary.

The 5th Round MERs from Malaysia and Belgium were presented at the Plenary, constituting the first 5th Round reports for FATF itself. The overarching theme of ensuring a “risk-based approach” across all the Immediate Outcomes was underscored in the discussion of key issues. Fellow CFATF member Jamaica (in addition to Nigeria) joined the FATF's Guest Initiative, for the first time. This initiative allows guests to participate in meetings and share regional challenges, fostering inclusiveness in the global network.

In addition to the Plenary, several other meetings were convened. Some key outcomes from the Policy Development Group (PDG) included Plenary approval for publication of Asset Recovery Guidance and Best Practices to complement the recent changes in standards and methodology. In addition, the implementation plan for developing guidance for FATF's Recommendation 16 (payment transparency) was agreed.

The Risk, Trends and Methods Group (RTMG) secured Plenary approval for publication of a horizon scan report arising from work done to date on the broad topic of the impact of digitalisation and ML/TF/PF risks. This report focuses on Artificial Intelligence (AI) and Deepfakes and will examine a few case studies for countries and the private sector to consider as they strengthen their safeguards and harness AI responsibly to protect against criminal activity.

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NAMLC Q4 HIGHLIGHTS



Terrorist Financing & Sanctions Investigation Course [Bermuda, November 17 – 21, 2025]



As part of the jurisdiction's continued effort to ensure its AML/ATF/CPF systems remain robust, the Bermuda Police Service in conjunction with the United Kingdom National Terrorist Financing Investigations Unit (UKNTFIU), the UK's national terrorist financing investigations unit, conducted an in-person training course on countering TF as part of a collaborative effort to enhance ATF knowledge and expertise within Bermuda. The course was held at the Police Recreational Club. Participants attended from the Bermuda Police Service, Attorney-General's Customs, Financial Intelligence Agency, Department of Public Prosecutions, Judiciary and O/NAMLC. Also in attendance was a representative of the Financial Crime Unit of the British Virgin Islands Police Service.



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NAMLC Q4 HIGHLIGHTS



Caribbean Financial Action Task Force (CFATF) Plenary & Working Group Meetings [Barbados, November 24 – 28, 2025]

A delegation represented by several agencies and departments within Bermuda attended the CFATF Plenary. The discussions and presentations provided guidance to its members on updates to FATF requirements and underscored the importance of proactive preparation for successful navigation of the 5th Round of Mutual Evaluations.

In addition to the Plenary, several other meetings were convened, including the Working Group on FATF Issues (WGFI), Heads of FIU Forum, CFATF Risks, Trends, Methods Group (CRTMG), and the International Co-operation Review Group (ICRG). This was the first Plenary in which Bermuda's Christal Hanna, Director, Financial Intelligence Agency, served as Co-Chair to the CRTMG, alongside Juliana Alfred, Permanent Secretary, Attorney-General's Chambers, St. Lucia.



L - R: Mr. O'Brian Roberts, Customs, Mr. Richard Amos, Customs, Mr. Chris Brown, BMA, Ms. Tarita Cartwright, MoNS, Ms. Cindy Dookeran AGC, Mr. David Roberts, PS, MoJ, Mr. Aubrey Pennyman, Registry General, Ms. Cheryl-Ann Lister, O/NAMLC, Ms. Suella Matthews, FIA, Mr. Jason Smith, BPS, Ms. Danielle Babb, BMA, Ms. Kozel Creese, O/NAMLC, Ms. Liana Nanang Omodele, MoJ



L - R Front: Mr. O'Brian Roberts, Customs, Mr. Richard Amos, Customs, Ms. Cheryl-Ann Lister, O/NAMLC, Ms. Kozel Creese, O/NAMLC, Ms. Nikima Prince, O/NAMLC

L - R Rear: Mr. Aubrey Pennyman, Registry General, Mr. Jason Smith, BPS, Ms. Christal Hanna, FIA, Mr. Randy Alexander, BPS



L - R Front: Ms. Juliana Alfred, Permanent Secretary, Attorney-General's Chambers, St. Lucia, Ms. Christal Hanna, Director, Financial Intelligence Agency, Bermuda, Ms. Berdie Dixon-Daley, Principal Director, Financial Intelligence, Financial Investigations Division, Jamaica, Mr. Jefferson Clarke, Law Enforcement Advisor, CFATF

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Season's Greetings from NAMLC

NAMLC thanks all public and private stakeholders for continued collaboration in the fight against illicit financial activities.

We look forward to seeing you in the new year, and to your continued support!



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