



NEW BERMUDA COOPERATIVE POLICY



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0. Executive Summary

- This document sets out the background and research concerning the need for cooperative legislation for Bermuda.
- It sets out the history of cooperatives in Bermuda, the objectives of the cooperative policy for Bermuda and their current legal status.
- It also provides an overview of what cooperatives are and why they are important.
- It provides a review of cooperative legislation globally, with a particular focus on UK legislation.
- It provides a brief review of how cooperatives support related Government policies (economic recovery, youth employment, etc.).
- It provides an argument for standalone cooperative legislation based on ILO best practices for cooperative legislation and provides a general overview of what such legislation should cover.
- It notes that the proposed legislation excludes financial cooperatives as it is considered that the Credit Union Act 2010 sufficiently governs financial cooperatives in Bermuda at this time.
- For avoidance of doubt, it is expected that any cooperatives formed in Bermuda will abide by the 60/40 rule in terms of ownership (and thus membership), and in line with any future amendments to the relevant legislation (i.e. Companies Act, etc.).
- It does not go into detail (drafting instructions) for such cooperative legislation; instead it provides a high-level overview.
- Cooperatives are a for-profit autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise. Additionally, they differ from other business models in their commitment to cooperative values and principles. While they are for profit enterprises, the maximization of profit is not their primary focus.
- Cooperatives have existed in Bermuda previously, although the only current cooperative in Bermuda is the Bermuda Credit Union, a financial cooperative.
- The Government has committed to supporting cooperatives in Bermuda, to which end they have formed the Economic & Cooperative Development Unit within BEDC and in their 2020 Election Platform committed to: “Introduce comprehensive cooperative legislation to strengthen the development of cooperatives in Bermuda to facilitate a more equitable distribution of benefits and combat social exclusion.”
- Additionally, there are many synergies between establishing cooperatives (and the legislative framework to support this) and various other Government policies, which are outlined in this document.

- Many countries throughout the world have specific cooperative legislation to support the establishment of cooperatives, setting out their regulation and minimum requirements concerning structure, governance and financial operations. The ILO also provides a guide to best practice for cooperative legislation which may inform the formation of Bermudian legislation for this purpose.

1. Background of Cooperatives in Bermuda

Cooperatives have a long history in Bermuda, dating back to the post-emancipation Friendly Societies which operated on a cooperative basis to provide training, insurance and other services for their members. More recently, the 20th Century saw the Ireland Island Cooperative (1900s-1950s) formed by workers building and operating the main UK naval base at Dockyard, the Bermuda Credit Union Co-op Society (1972 to present) (BCU) and the Bermuda Industrial Union Cooperative Co-op Society (BIU Coop) (1970s to 1990s). Additionally, there have been, and exist, semi-cooperatives or cooperative initiatives – for example, Flanagan’s Pub & Restaurant, Red Laser and the (now defunct) Bermuda Dairy Goat Cooperative.

Historically, the labour movement, especially the Bermuda Industrial Union (BIU) has been an advocate of cooperatives, seeing the value of cooperative principles to empower workers while also providing quality services for their members – this can be seen, for example, in the role of the BIU, which was pivotal in setting up the BCU and the BIU Coop.

Globally, however, cooperatives are seen as a business model that provides economic, social and environmental sustainability. The current Bermuda Government, the Progressive Labour Party (PLP), recognizes cooperatives as a critical component in pursuit of its national, social and economic objectives, of rapid economic growth and equitable and sustainable development.

While cooperatives are an established internationally recognized business model, in Bermuda they remain a relatively unknown phenomenon to the general public, in more recent times. It is intended by the Government that every effort will be made to continue to raise awareness, notwithstanding that an adverse stigma may still exist relating to cooperatives in Bermuda relating to the now defunct BIU Coop. This may influence public perception about the proposed initiative; however, it is expected that the public consultation, together with the educational component planned around the cooperatives, will mitigate any potential negative perceptions going forward.

1.1. Cooperative Policy Development

It is evident that cooperatives feature heavily under the Government's list of priority commitments. A fundamental step to realizing such priority would be to create the legal and regulatory framework, to accommodate this new product offering, with the intention of creating and expanding the opportunities to boost community-based economic empowerment, as highlighted in the proposed suite of policies introduced by the Government in its 2020 Election Platform and November 2020 Throne Speech. The 2025 PLP election platform reiterated this commitment to supporting cooperatives in Bermuda, and the subsequent Throne Speech included the commitment to:

“Complete the implementation of cooperative legislation and establish a Registrar for Cooperatives, supported by a dedicated Government department to administer and promote the sector.”

By this proposed new Cooperative Policy, it is intended to provide the underlying basis for establishing a new cooperative legal and regulatory framework. The framework for this initiative is a tool for creating an enabling environment for all types of cooperative initiatives and in enhancing the development benefits of investment in Bermuda. In this way, the framework also aims to advance the implementation of sustainable development goals and to help mobilise financing for development.

The Economic & Cooperative Development Unit (ECDU) was established by the Bermuda Economic Development Corporation (BEDC), to carry out the Government's vision to help to create an expanded pool of inspired entrepreneurs to run successful businesses that fuel Bermuda's economy. Since its establishment, the ECDU has prioritized the development of its internal capacity, by the appointment of a Director of Economic and Cooperative Development, the hiring of an Economic and Cooperative Development Officer, and raising awareness about cooperatives, locally. This has involved workshops, guest speakers of international cooperative experts, connecting cooperative experts with key Government, private and third sector stakeholders, webinars, stakeholder meetings, developing an online resource library and conducting research on international cooperative policy.

1.2. The Bermuda Economy Recovery Plan

As a result of the COVID-19 pandemic, the Government has had to accelerate its efforts to mitigate the devastating economic downturn and social impact. It implemented policies to assist businesses and persons to survive in the short term, particularly during the period where business activity was significantly curtailed due to lockdowns and other covid-related restrictions that had to be imposed, to ensure the health and safety of Bermuda's residents. Notwithstanding, the proactive and timely action taken by the Government, the overall economic impact on Bermuda of the COVID-19 pandemic was still significant.

The Ministry of Finance (“MOF”) had extensive discussions within Government and with Government agencies, as well as with various external advisers, all of whom played an important role in developing policies that address the various and complex areas that make up the Bermuda

economy. As a result, the Economic Advisory Committee (EAC) was formed in May 2020, comprising a group of government, union and industry experts who gave their time to provide insight and advice, aimed at protecting and growing jobs and stimulating economic activity during and after the pandemic. The EAC played a key role in recommending

initiatives that the Government needed to consider in building its economic recovery plan, one of which was the cooperative initiative. In their work, the EAC has been ably supported by the Association of Bermuda Insurers and Reinsurers (ABIR), who provided secretariat services and EY who assisted in project management.

The MOF, in joint consultation with such stakeholders, developed the Bermuda Economic Recovery Plan (“ERP”).¹ The underlying policy of the ERP aims to combine fiscal responsibility with a clear path to growth, employment and greater economic equity, as highlighted in the proposed suite of governmental policies introduced in 2020. Advice on modelling the impact of COVID-19 to the Bermuda economy and possible components of the ERP was provided by the IMF’s Caribbean Regional Technical Assistance Centre and two internationally based consulting firms. A copy of the ERP accompanies this policy paper for ease of reference, as *Annex 1*.

In addressing the challenges caused by the pandemic, including the development of the ERP, the MOF was also able to draw on input from the Financial Policy Council and the Fiscal Responsibility Panel, as well as members of Bermuda First. The Bermuda Monetary Authority (BMA), the Bermuda Business Development Agency (BDA) and Bermuda Tourism Authority (BTA) also have provided very helpful advice and assistance during this period, including support with the bond issuance. This was further supplemented with work done by the agencies themselves to assist entities and residents in addressing the COVID-19 challenges. In addition, the MOF, with his team, also undertook a program of one-on-one engagements with entities in both the domestic and international business sector, and feedback from those sessions have also been considered in this work.

In light of the above, it is recognized that internal and external consultation and collaboration are key components to ensuring the success of Bermuda’s economic recovery.

The ERP refers to cooperatives only explicitly in reference to Government support for the creation of a food cooperatives to boost domestic food production, and also for a potential shoreside fish processing facility for pelagic fish to support and expand the pelagic fishing industry. However, BEDC is of the opinion that support for cooperatives more generally is in line with the overall ethos of the ERP, particularly through the diversification of Bermuda’s economy through the growth of new industries; as a measure that helps deliver the skills, employment and economic security needed in Bermuda’s future economy; and as a legal and regulatory framework that enables innovation on the island to thrive. Additionally, as outlined further below, there are synergies between cooperatives and the Youth Employment Strategy component of the ERP.

1.3. Objectives of the Cooperative Policy

The primary objectives of this policy are intended to provide the underlying basis for establishing a new cooperative regime in Bermuda, that allows for the registration of cooperative entities, guided by cooperative values and principles, in an expedient, affordable and efficient manner. This

is in line with the seven main themes as set out on page 18 of the ERP, one of which includes strengthening the cooperative regime, in order to play a leading role in poverty eradication, employment creation and socio-economic transformation of the island.

The specific objectives are:

- a) building the cooperative regime to efficiently and effectively respond to member needs;
- b) advancing supportive legal and regulatory framework that enable innovation while ensuring cooperatives follow international best practice for cooperative structure and governance;

¹Bermuda's Economic Recovery Plan 2021/2022



- c) promoting and enhancing good governance in the cooperative regime;
- d) developing the capacity of cooperatives to compete in the domestic, regional and international markets;
- e) improving capitalization and developing financing tools appropriate for the cooperative regime;
- f) facilitating improved supply chain efficiencies and marketing infrastructure;
- g) diversifying the type and range of enterprises that cooperatives undertake;
- h) strengthening technical capacity of the ECDU and government agencies;
- i) building an efficient and modern cooperative management information system; and
- j) addressing the crosscutting issues of gender balance and fair representation of marginalized groups and sustainable natural resource use.

It is important to note that this policy paper and the proposed Cooperative Legislation is specifically for non-financial cooperatives. Bermuda already possesses the Credit Union Act 2010 which provides the relevant statutory and regulatory framework for credit unions which is thought to be applicable for the establishment of financial cooperatives at this time. It is acknowledged that this Act speaks specifically to credit unions as opposed to mutual insurance cooperatives, however for the sake of advancing a cooperative legislation for Bermuda, it has been determined that the financial cooperatives should be subject to the Credit Union Act 2010 for the time being. A review of the Credit Union Act 2010 and its application for financial cooperatives generally are outside the scope of the existing policy paper and proposed cooperative legislation, however the potential for developing specific policies and legislation/amendments to address non credit union financial cooperatives is a future objective. As such, this policy paper and proposed cooperative legislation, is explicitly for non-financial cooperatives, which should be reflected in the legislation itself to avoid any confusion. Nonetheless, it is expected that non-financial cooperatives will still be bound by best practice in line with other corporate forms, as regards matters such as anti-money-laundering and anti-terrorism financing.

As a result of this priority, the BEDC, as a Bermuda Government quango, was delegated the overall responsibility of:

- a) promoting cooperatives;
- b) facilitating better coordination between various government initiatives and developing new partnerships to explore novel solutions and social innovations;
- c) transitioning to a more inclusive and sustainable local development model, for small and medium size business; and
- d) developing a dedicated strategy and action plan.

1.4. Legal Status: Cooperatives

The objective of this policy is to focus on developing the cooperative regime in Bermuda and also to ensure that all corporate entities registered as cooperatives are recognized and given full legal equality with other existing corporate entities. In addition, and to ensure equality, the special values and principles of cooperatives must receive full recognition as being desirable and beneficial to society generally and that appropriate measures are taken to ensure that their special qualities and practices are not the cause of discrimination and disadvantage of any kind.² Therefore the underlying objective of the cooperative policy is to provide a foundation and framework for cooperatives as a vibrant national product offering that will facilitate the advancement of such entities and, provide a platform to advance local initiatives (in partnership with any local or international businesses, as may be determined to be in line with cooperative principles) that would ultimately benefit Bermuda.

By this policy it is intended to formally introduce the cooperative regime and structure to: (i) conduct business in Bermuda; (ii) encourage infrastructure investment and participation; (iii) provide the proper mechanisms that will aid in fostering economic sustainability; (iv) by taking advantage of any growth opportunities that have not as yet been explored within our own local industries; and (v) shore-up Bermuda's reputation as a premier jurisdiction.

This policy also identifies contemporary challenges that inhibit the growth of cooperative societies and facilitates a paradigm shift, by establishing more proactive engagement between the Government and other public and private sector stakeholders in addressing these challenges. Consequently, it is intended to place the cooperative initiative at the forefront of Bermuda's society/economy for the purposes of:

- a) mobilizing savings;
- b) enhancing productivity and value addition in the provision of decent and affordable products and services;
- c) participating in wealth creation and empowerment;
- d) providing a framework for mobilizing financial and technical assistance for cooperative development;
- e) encouraging public/private partnerships in the area;
- e) marketing of cooperative goods and services; and
- g) promoting of cooperative education, training and research.

Cooperatives are recognized as private organizations. This puts enormous responsibility on the leadership of such entities to embrace good governance to meet local and global standards of compliance prescribed for these types of entities.

The Government therefore undertakes to work closely with the BEDC, among other internal and external stakeholders, to promote a truly autonomous and independent cooperative framework in Bermuda, as cooperatives contribute significantly to economic and social development in virtually all countries. The second part of the 20th century saw cooperative laws to either support or to

hinder this development. That is why governments in other countries have been revising their cooperative laws over the past fifteen years with a view to bringing them in line with universally recognized cooperative values and principles, whilst responding to the challenges of an even harsher competition among businesses at all levels.

² See Annex II, 2001 United Nations “Draft guidelines aimed at creating a supportive environment for the development of cooperatives. <https://www.un.org/esa/socdev/social/documents/AnnexE200168.pdf>



1.5. Why Cooperatives Are Important

The International Cooperative Alliance (ICA) is one of the largest non-governmental organisations in the world today by the number of people it represents - more than 1 billion cooperative members from any of the 3 million cooperatives worldwide.³ Cooperatives are not a marginal phenomenon but globally recognized legal structures, that are also recognized by all global standard-setting bodies as compliant structures.

Additionally,

- a) more than 12% of humanity is part of any of the 3 million cooperatives in the world!;
- b) the largest 300 cooperatives and mutuals report a total turnover of 2,146 billion USD⁴; and
- c) cooperatives contribute to sustainable economic growth and stable, quality employment, providing jobs or work opportunities to 280 million people across the globe, in other words, 10% of the world's employed population.

As an example of the importance of cooperatives, in one geographical area alone, there are 250,000 cooperatives in the EU, owned by 163 million citizens (one third of EU population) and employing 5.4 million people. Further breakdown of the EU cooperative regime is as follows:

- a) Market share – cooperatives hold substantial market shares in industries.
- b) Agriculture - 83% in the Netherlands, 79% in Finland, 55% in Italy and 50% in France.
- c) Forestry - 60% in Sweden and 31% in Finland.
- d) Banking - 50% in France, 37% in Cyprus, 35% in Finland, 31% in Austria and 21% in Germany.
- e) Retail - 36% in Finland and 20% in Sweden.
- f) Pharmaceutical and health care - 21% in Spain and 18% in Belgium.⁵

Also using the EU example above, there are 2.8 million social economy entities, accounting for 6.3% of EU employment, but their impact goes far beyond those numbers, as explained more fully below.

Ultimately, cooperatives are an alternative business model that exist globally, and are based on the cooperative values and principles (see below). In as much as they offer an alternative way of doing business that may appeal to persons not otherwise interested in more 'traditional' business models, and in as much as cooperatives have demonstrated greater resilience and potential benefit transfers to society more widely beyond the business sphere itself (in particular as regards their development of democratic governance skills and support for community), it is the position of this paper that cooperatives offer important benefits to Bermuda as a whole.

³ <https://www.ica.coop/en/cooperatives/facts-and-figures>

⁴ according to the ([World Cooperative Monitor](https://monitor.coop/sites/default/files/2021-11/WCM_2020_WEB%20FINAL.pdf)) 2020: https://monitor.coop/sites/default/files/2021-11/WCM_2020_WEB%20FINAL.pdf

⁵ https://ec.europa.eu/growth/sectors/proximity-and-social-economy/social-economy-eu/cooperatives_en

1.6. Cooperatives and the Social Economy: Current and Future Roles

Consideration might be given to the wider direction taken by other jurisdictions in embracing the concept of an overarching all inclusive “social economy” society⁶. For clarification, the social economy society includes associations, cooperatives, foundations and other types of social enterprises¹. Relying on decades of experience and its specific features and underlying principles, the social economy, expanded beyond cooperatives to include entities such as social enterprises, can inspire models of social innovation and a sense of purpose to entities operating in the market economy.⁷

Social economy actors are found in most sectors of the economy—from health and education to banking and utilities. Some are small non-profits, but others are large enterprises with international outreach. In the Bermuda context, only cooperatives are being advanced at this time, however, it is important to understand that consideration should be given in the future to other types of entities that have similar socio-economic foci and may also be given the same recognition and legal status as cooperatives, going forwards.

As member-owned, member-run and member-serving businesses, cooperatives empower people to collectively realise their economic aspirations, while strengthening their social and human capital and developing their communities. The distinctive feature of the social economy is its focus on economic practices that are sustainable and inclusive:

- (i) by addressing societal (i.e., social and/or environmental) needs;
- (ii) by organizing economic activities building on local roots, as well as using participatory and democratic governance; and

⁶ It is important to stress that enterprises falling under the general term ‘social economy’ include for-profit entities such as cooperatives as well as organizations in the charity sector that are non-profits. The key aspect defining them as part of the social economy is that they share the objective of putting people first, producing a positive impact on local communities and pursuing a social cause. In the case of those entities in the social economy that are for profit, this involves the entity reinvesting most (or a significant degree) of the profits back into the organization or social cause and having a participatory/democratic form of governance (in cooperatives this is

¹ Additionally, this paper takes note of the ILO Resolution concerning decent work and the social and solidarity economy adopted by the International Labour Conference by the tripartite constituents of the ILO in 2022, which provides guidance to ILO members for supporting the social and solidarity economy (SSE). Importantly, this resolution also offers a formal definition of the SSE, inclusive of cooperatives, mutual societies, foundations, social enterprises, self-help groups and other entities operating in accordance with the values and principles of the SSE. This definition has since been adopted by the UN General Assembly resolution A/77/L.60 (2023) and A/RES/79/213 (2024). See https://www.ilo.org/sites/default/files/wcmsp5/groups/public/%40ed_norm/%40relconf/documents/meetingdocument/wcms_848633.pdf

guided by the cooperative principles, in particular principle two (democratic member control) and principle seven (concern for community). For avoidance of doubt, this paper – and the cooperative framework as a whole – in referencing the social economy does so explicitly only as regards those entities that are for profit. Non-profit entities are regulated under alternative legislation (such as the Charity Act 2014) and are outside the legislative remit of the BEDC. See also https://ec.europa.eu/growth/sectors/proximity-and-social-economy/social-economy-eu_en

⁷ OECD Tackling Coronavirus (Covid-19): Contributing to a Global Effort (Social Economy and the COVID-19 Crisis: Current and Future Roles © OECD 2020)



- (iii) by working in close co-operation with other economic actors and relevant stakeholders.

Recently, the demand globally for the social economy has never been greater. Social economy organizations have been trusted partners, operating at the forefront of the Covid-19 crisis to address urgent social needs. However, they are also facing the consequences of the pandemic like other economic participants, including falling revenues. Further, certain social economy legal forms (such as associations and foundations) may encounter obstacles to accessing government support measures available to other entities during the crisis. The object is to remove as many obstacles as need be to facilitate successful implementation and sustainability.

As per the ERP, the COVID-19 crisis calls for a re-balancing of efficiency and resilience throughout the economy. The social economy can develop a much larger role in the post-COVID phase to inspire transformation to a more inclusive and sustainable economy and society. The social economy has proven to be a pioneer in identifying and implementing social innovations and alternative ways of organising economic activities. These innovations have often been subsequently mainstreamed and adopted by the rest of the economy (such as fair trade, organic foods or ethical finance). These innovations contributed to social and economic transformation and will be much needed in a post-COVID world.

Social economy organisations also have the potential to expand social innovation to address pressing environmental and societal challenges. They do so by focusing on social impact and working with local stakeholders (citizens, civil society, policymakers, entrepreneurs and researchers) in collaborative ways that promote the use of new practices. Concrete policy measures, in the form of legal frameworks and resources, are needed to support these new forms of social experimentation and collaboration, with impact then scaled up.

2. Advancing the Cooperative Initiative: Underlying Policy Objective

The underlying policy objective is to provide a statutory and regulatory framework to enable and support non-financial cooperatives in Bermuda. As noted above, for the purposes of this paper, financial cooperatives (inclusive of credit unions and mutual insurance cooperatives) are considered outside the scope of this paper and related proposed cooperative legislation – the existing Credit Union Act 2010 is considered sufficient for financial cooperatives at this time.

It is the intention that any cooperative legislation follow international best practice for cooperatives, while also complying with existing Bermudian legislation (such as the Companies Act 1981, the Consumer Protection Act 1999 and any other Acts as applicable). A particular focus is to guard against pseudo-cooperatives, which are companies that are cooperatives in name only, for the sake of exploiting the general positive perception of cooperatives from consumers. Pseudo-cooperatives also seek to gain undue advantages under labour, social security or tax law, or in public funding and public procurements. It is for this reason that ILO Recommendation 193 (para 8b) calls for national policy to “*ensure that cooperatives are not set up for, or used for, non-compliance with labour law or used to establish disguised employment relationships, and combat*

pseudo-cooperatives violating workers' rights, by ensuring that labour legislation is applied in all enterprises."

It is also worth noting that it is not expected that existing large international cooperatives (such as Mondragon in Spain) would seek to become 'brass plaque' cooperatives, that is, formally being registered in Bermuda for corporate tax purposes. In general, such actions would be in contravention of the cooperative principles that govern cooperatives (specifically principle seven 'concern for community'). Instead, it is expected that all cooperatives established in Bermuda under the proposed cooperative legislation be in accordance with the 60/40 rule, in that at least 60% of all cooperative members must be Bermudian (or Spouse of Bermudians or PRC holders), along with any future amendments to the relevant Acts such as the Company Act.

Ultimately this policy paper takes the view that cooperatives are private business organizations which no longer have to be formed by private Act or informally structured business arrangements. It is intended that cooperatives are recognized as legal corporate structures instead. As a result, to become responsible corporate citizens, cooperatives will be expected to promote good governance practices that will ensure their sustainable growth and development. In this respect the policy proposes a new legal framework that promotes integration and enhances self-regulation within existing local legal and regulatory regimes. The new framework should also increase the visibility of Bermuda both locally and internationally by strengthening its corporate product offering and by ensuring that only socioeconomically viable cooperatives are registered.

Further, the policy objective is intended to promote a sustainable and competitive cooperative regime and for cooperatives to play an enhanced role in improving Bermuda's socioeconomic development. It identifies the challenges facing cooperatives including the lack of a specific legal framework, low market access, technology adoption and ever evolving governance issues.

In order to achieve these objectives, the Government must focus on creating and maintaining, as conditions change, an enabling environment for cooperative development. As part of such an environment, an effective partnership between Government and cooperative interest groups must be forged.

Cooperatives are just one of many corporate types. However, the comparative competitive advantages are, as are those of any corporate entity, relative to the objectives pursued through the enterprise by those who control it. These objectives are diverse. Therefore, the world of cooperative type business entities should be diverse as well. Besides, diversity is a prerequisite for the development of corporate entities, including cooperatives.⁸ In fact it is a condition of sustainability, the now universally accepted development paradigm.⁹

This policy is also intended to give:

- 1) a concise introduction to cooperatives – what they are;
- 2) an overview of the research conducted by the ECDU on cooperative legislation;
- 3) an assessment of potential growth areas for cooperatives in Bermuda; and
- 4) proposed recommendations for the way forward.

In formulating the underlying policy for this distinct and marketable corporate product, the ECDU

has already held consultative fora with several external stakeholders, taking into account the diversity of their perspectives and activities. It is their view that the implementation of the policy will require similar cooperation from various governmental internal and other external stakeholders in order to ensure its successful implementation and continued sustainability.

3. Why Cooperatives? Small and Medium Size Local Businesses

The Government recognizes cooperatives as a critical component in pursuit of its national, socio-economic objectives, and has undertaken to work closely with BEDC, among other internal and external stakeholders, to promote a truly autonomous and independent cooperative society in Bermuda. From a practical perspective, the BEDC's mandate, in accordance with its general statutory duties and responsibilities, pursuant to the Bermuda Economic Development Corporation Act 1980, is to establish, among other things, new processes and procedures for the purpose of assisting local small and medium size businesses in mobilizing financial and technical assistance more specifically for cooperative development; encouraging public private partnerships in the area of value-addition, marketing of cooperative goods and services; and the promotion of cooperative education, training and research. It is also worth noting that the BEDC is legislatively restricted to assisting only Bermudians (or Spouses of Bermudians or PRC holders), as well as only assisting with for-profit entities. Non-profit entities are not part of BEDC's remit, and as such the cooperative legislation excludes non-profit cooperatives.

The historic background of cooperatives and the scope of BEDC's involvement in developing the cooperative policy and its specific role in providing ongoing administrative services to such local entities, is set out below. It is noted that it may also be necessary to amend the BEDC Act, as may be determined, as part of the integration of the cooperative regime into Bermuda's existing legal and regulatory framework, as appropriate.

⁸ See for example ILO R. 193, Paragraph 6 *et passim*.

⁹ Guidelines for Cooperative Legislation, third revised edition by Hagen Henry, attached to this Policy Paper

3.1. Cooperatives – What are they?

Cooperatives as an economic and business model, originated in mid-nineteenth century England in response to the abuses of the Industrial Revolution, then spread to countries such as France, Italy, and Germany. The ICA, as the international umbrella group for cooperatives worldwide, defines a cooperative as follows:

“an autonomous association of persons, united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise.”

While there can be non-profit cooperatives, in general – and in the Bermuda context – cooperatives are a for-profit business owned by its membership. The reason for the focus on ‘for profit’ cooperatives in Bermuda is largely due to the Bermuda Economic Development Corporation Act 1980 which restricts BEDC to providing services solely to ‘for profit’ entities, with ‘non-profit’ entities being governed under other Acts. Where cooperatives do differ from traditional ‘for profit’ business models however is that, rather than being focused on profit maximization, cooperatives are governed by values and principles (see below) – indeed, this is a key distinction between the cooperative business model and other business models. In fact, a distinctive feature of cooperatives is that profit (or surplus) is generally used only in a limited way to compensate members, and otherwise is often invested back to the cooperative and its development, or into the local community in which the cooperative exists². While widespread and established globally, many people in Bermuda know little about the cooperative model, its underlying philosophy, and the characteristics that set cooperatives apart from ordinary companies.

Historically, cooperatives generally operated as networks. Long before the notion of networking came into fashion, cooperatives were able to break their isolation, build synergies, and take advantage of economies of scale by joining together in sectoral, regional, and national networks. Internationally, sectoral cooperative federations and associations implement joint strategies to support and develop cooperatives in their respective sectors. They also provide specialized services that play an important role in ensuring the growth and survival of cooperative enterprises. In general, any business may be operated as a cooperative, provided it consists of at least three members. However, some businesses may not be appropriate for a cooperative when such a business goes against the cooperative principles – for example, cooperatives may choose not to operate in the fossil fuel or weapons industry out of concern for community (contributing to global warming or deaths and/or other adverse impacts).

The cooperative is a participatory corporate body comprised of a group of individuals and/or corporate entities who are owner-members that use the services of the cooperative, unlike other corporate structures which are owned by an individual or share/stockholders. This distinction is key because it constitutes the very essence of cooperative purpose and function. The cooperative

² Section 2.1.1 of the ILO’s Guidelines for Cooperative Legislation speaks more specifically to this: “The question is therefore not “(for) profit” or “not (for) profit”. The question is rather about the purpose of profit seeking. Is profit seeking the main purpose of the activity or is profit seeking a means to pursue the betterment of the situation of the beneficiaries of the entity or a means to attain even broader social ends?”

is also unique and original in that its principal mission is to meet the needs of the members who created it, as opposed to maximizing profit creation. These needs could be to obtain goods and services at lower cost (consumer goods, housing services, social services, cable, funeral services, etc.); to create jobs through a work cooperative; or to transform and market products through a producer cooperative. Although the cooperative's main mission is to meet member needs, this does not prevent it from generating profits that can be used to support further growth, distribute dividends to its members, or for any other purposes.

The relationship between cooperatives and their members is based on usage rather than investment – each member has an equal vote rather than any one member having a greater voting power than others, and an emphasis is placed on member economic participation with the cooperative. More specifically, people must do business with the cooperative — or act as users, so to speak — to become members. Since the performance of cooperatives depends on the level of use, surpluses are allocated to members based on their participation. Cooperatives are democratically operated according to the principle of “one member, one vote.” It is impossible for any single individual to take control of a cooperative. Decisions regarding the cooperative are made by the majority of its members at the general assembly, although day-to-day operations are managed by the general manager, who reports to the Board of Directors, in between general assemblies of members.

The cooperative is a business vehicle that has a legal existence separate and distinct from its owners. Owners and managers are, consequently, not personally liable for the company's debts and obligations. This limitation on personal liability compares with the limitation on personal liability currently enjoyed by shareholders of limited liability companies. As such, it is considered a hybrid business vehicle that combines some of the best features of companies, partnerships and charities, the latter being based on principles and values. The responsibility of members to the cooperative is therefore limited to the value of their subscribed shares or interests. This notion is like that which exists for companies where shareholder liability is limited to the amount of subscribed shares or interest. (See Appendix 2, Comparative Table: Cooperatives, Companies, and Nonprofit organizations).

The operation and management of a cooperative is also similar to an existing Bermuda limited liability company and partnership, whereby specific terms and conditions embodied in a written agreement, are composed by its owners. This allows the parties to define their aims and objectives, management and business relationship in a written agreement, that is, freedom of contract, but within the principles of any applicable overarching legislation – which govern the entity from registration to termination. The parties will also be able to avail themselves of Bermuda law remedies when its members request dispute resolution and/or mediation. A cooperative will be required to be regulated under cooperative legislation.

The following is an illustration on the differences between cooperatives, corporations and non-profit organisations – although it is important to note this is from a US/global perspective and is used solely for illustrative purposes here:

4. Cooperative Values and Principles

4.1. Cooperative Values

Unlike other limited liability entities, a cooperative is based on six cooperative values and seven cooperative principles as follows:

- a) **Self-help** – In cooperatives, people help each other while helping themselves by working together for mutual benefit;
- b) **Self-responsibility** – Individuals within cooperatives act responsibly and play a full part in the organization;
- c) **Democracy** – A cooperative is structured so that members have control over the organization – one member, one vote;
- d) **Equality** – Each member has equal rights and benefits (according to their contribution);
- e) **Equity** – Members are treated justly and fairly; and
- f) **Solidarity** – Members support each other and other cooperatives.

4.2. Cooperative Principles

Traditionally, what makes cooperatives so different from any other business enterprise is the principles they are founded on. These principles define and guide cooperatives. The seven cooperative principles recognized by the ICA are:

- a) **Voluntary and open membership** – Cooperatives are voluntary organizations, open to all persons are able to use their services and willing to accept the corresponding responsibilities of membership, without gender, social, racial, political or religious discrimination.
- b) **Democratic member control** – Cooperatives are democratic organizations controlled by their members, who actively participate in setting their policies and making decisions. Members serving as elected representatives are accountable to the membership. In primary cooperatives, members have equal voting rights (one member, one vote) and cooperatives at other levels are also organized in a similar democratic manner.
- c) **Member economic participation** – Members contribute equitably to, and democratically control, the capital of their cooperative. At least part of that capital is usually the common property of the cooperative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: (i) developing their cooperative, possibly by setting up reserves, part of which at least would be indivisible; (ii) benefitting members in proportion to their transactions with the

cooperative; and (iii) and supporting other activities approved by the membership.

- d) **Autonomy and independence** – Cooperatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their cooperative autonomy.
- e) **Education, training, and information** – Cooperatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their cooperatives. They inform the general public – particularly young people and opinion leaders – about the nature and benefits of cooperation.
- f) **Cooperation among cooperatives** – Cooperatives serve their members most effectively and strengthen the cooperative regime by working together through local, national, regional and international structures.
- g) **Concern for community** – Cooperatives work for the sustainable development of their communities through policies approved by their members.

All cooperatives are required to operate within these principles and values and further required to include a statement of conformity with these principles in their annual audited financial statements. Therefore, cooperatives are, above all, enterprises in which members take part in operations in one of three ways:

- a) participation in ownership;
- b) participation in control; and
- c) participation in surpluses based on usage.

5. The Need for a Cooperative Framework

The commitment of cooperatives to cooperative values and principles makes them different from any other legal form. Additionally, cooperatives are required to meet a series of prescribed standards to:

- a) ensure that the social purpose for which the organisation has originally been established is attained and sustainable activity is created;

- b) protect the organisation's equity and ensure it operates within the principles of a going concern as established in company law through an 'asset lock' approach;
- c) create structures for the entity to be bankable; and
- d) protect the independence of the operation ensuring that no member can have a controlling interest in the management of the organisation.

Cooperatives provide an effective instrument that assures that funds invested are dedicated to the objective for which they have been intended and that there is focus on the mission they were built to achieve from inception. Effectively, cooperatives can use existing legal forms to create a separation between the voluntary organisation element of their operation whilst investing in shares or interests of their commercial operation in the form of a social or other enterprise in order to hedge for the commercial risk, ensure continuity and build a distinct brand culture.

Within the Bermuda regime, the advent of a cooperative framework is intended to:

- a) establish a new legal form within the social economy with a clear commercial orientation that promotes sustainability of operations;
- b) ensure that cooperatives are properly capitalised and that an agreed portion of the profits generated are re-invested within the organisation itself or in support of the declared social objective;
- c) support the growth of an equity/asset-base that will make these cooperatives more bankable and enable them to procure financing from the market on their own merit;
- d) provide opportunities to start-up cooperatives by providing clear direction to help develop their idea and implement it successfully within the community.

6. Types of Cooperatives

There are many different types of cooperative structures based on the needs of their members. All of them, however, share the same ideology of providing and procuring goods and services. Profit is never a top priority, although patronage (an equity share proportionate to use) is often paid from the available budget. Usually, profit accumulates over a specific period and then is allocated among the members according to their participation. The range of industries covered by cooperatives is vast: from providing, among other things, utilities, groceries, labour services, housing to credit unions and agricultural cooperatives.

The five main types of cooperatives, among others, are:

- a) **Consumer** – Consumer cooperatives belong to their members, whom they provide with a variety of products and services. These cooperatives are usually created to provide members with goods or services at lower cost by increasing their purchasing power or simply to provide access to goods or services not readily available on the market or in the

local area. Consumer cooperatives exist for housing, food, healthcare, recreation, educational goods and services, funeral services, cable, etc. Financial services cooperatives and insurance mutuals are also examples of consumer cooperatives.

- b) **Producer** – These cooperatives belong to their producer members, to whom they provide goods and services related to their occupation. They may supply members with goods and services required for work purposes or process (as value added products) and market member products. Producer cooperatives are found mainly in the agri-food industry, the taxi industry, and the business services sector. More and more professionals and specialized workers are also forming cooperatives to access professional services, including opticians, jewelers, designers, artists, computer specialists, etc.
- c) **Worker** – Worker cooperatives belong to their member workers, who operate a business to provide themselves with employment. They give members the opportunity to control their working conditions and work environment. As with all cooperatives, membership is based on the principle of usage. In the case of work cooperatives, this means that members must be employees of the enterprise.
- d) **Purchasing** – Owned by independent businesses or municipalities to improve their purchasing power.
- e) **Hybrid (or Solidarity)** – A combination of cooperative types, where people with common interests band together. These cooperatives are characterized by the diversity of their membership and their interest in partnerships. In addition, individuals and corporate bodies that share the cooperative's economic and social objectives are eligible to become supporting members. Solidarity cooperatives are particularly active in the areas of homecare, social services, recreation and tourism, and other services.

Further examples of cooperatives may be housing cooperatives where residents own and maintain housing complexes/apartment buildings; financial cooperatives that provide insurance or banking services for their members; etc.



7. Cooperative Capitalization and Financing

7.1 Technical Assistance

Experience has shown that cooperative momentum can be reinforced by effective technical assistance and startup services for new cooperatives, as well as support and consulting services for existing cooperatives.

7.2 Startup Assistance

At the startup stage, cooperatives differ from private companies in terms of the large number of owner-members and the democratic nature of company decision making. Because of these two factors, general startup assistance and support services might not fully meet the needs of cooperatives. For this reason, the Government and BEDC are in the process of establishing a cooperative development programme to potentially provide bespoke and specific startup assistance and support.

This program should have, among others, three main objectives³:

- a) to promote the cooperative form;
- b) to foster cooperation among cooperatives in Bermuda; and, above all,
- c) to provide technical assistance attuned to the needs of cooperatives at startup.

Such assistance provides financial and technical support to develop cooperatives, in line with BEDC's existing mandate. Which should help speed the startup of new cooperatives and, as a result, job creation, maintenance and self-financing, thus encouraging the survival rate of such supported cooperatives, by following up on these businesses. This would help not only to increase the survival rate of cooperatives, but also to expedite their development once they reach the growth stage.

As the ERP indicates, the Government is committed to making financial markets work better for businesses and consumers. This will include measures to lower interest rates charged on mortgages; and continued support, through the BEDC, for small businesses struggling with the challenges caused by the pandemic.

7.3. Specialized Oversight and Networking

The cooperative experience shows that businesses need specialized sectoral oversight after starting up. In sectors without a sectoral federation or group to provide such services, the failure rate of cooperatives is much higher, while cooperative liquidations are quite rare in sectors that network and enjoy the support of sectoral services. It is worth noting here though that, on average, cooperatives do demonstrate a greater resilience in times of economic crisis, in part due to the

³ The ILO has a number of potentially useful tools that have been created for many of these same purposes, such as Think.Coop, Start.Coop and Manage.Coop which may potentially be informative or utilized by BEDC to facilitate these ends.

nature of democratic control helping with mitigating risk through buy-in and understanding of owner-members. Nonetheless, it is important to be aware that until cooperatives are established in Bermuda to a sufficient degree, it will not be unexpected that there will be the potential for a higher rate of failure than other business forms. Only once a de facto cooperative ecosystem has been developed would it be expected that the greater resilience of cooperatives vis-à-vis other business forms would emerge.

8. Research Conducted by ECDU

8.1. Overview

The ECDU has conducted research on international best practice regarding cooperative legislation and needs. This has consisted primarily of:

- a) Meetings with international experts on cooperatives, including:
 - i. The National Cooperative Business Association Cooperative League of the USA (NCBA- CLUSA) – The umbrella body for cooperatives in the USA;
 - ii. The ILO Cooperative Unit. The UK (and its overseas territories) became a member of the ILO on 28 June 1919;
 - iii. Discussions with cooperative experts in the USA, UK, and Canada; and
 - iv. Attendance and networking at the NCBA-CLUSA’s¹⁰ annual Impact Conference since 2018.
- b) Collection and initial review of other countries’ legislation regarding cooperatives – see **Table 1** below. The focus has been on countries comparative to Bermuda (such as the English-speaking Caribbean), countries with long-established cooperative ecosystems, and countries with unique and pioneering cooperative legislation.
- c) A detailed review of key documents relating to cooperative legislation, namely:
 - i. ILO Promotion of Cooperatives Recommendation 2002 (No. 193) – the international standard on cooperatives; and
 - ii. ILO’s Guidelines for Cooperative Legislation, 3rd Revised Edition – the gold standard for cooperative legislation.

¹⁰ The NCBA-CLUSA is the umbrella organization for cooperatives in the USA.

- d) A review of the NCBA-CLUSA's State Cooperative Statute Library – A resource maintained by NCBA-CLUSA of all US (federal and state) cooperative legislation (see **Table I** below for link);
- e) A legal review of Bermuda's legislation as regards cooperatives. (See attached – Bermuda Legislation: Preliminary Analysis for Cooperative Development Opportunities); and
- f) A review of other Bermudian legislation, including the Charity Act 2014, the Credit Union Act 2010, and the Friendly Societies Act 1930.

Table 1 - List of international cooperative legislation reviewed by the ECDU. This list is not exhaustive of legislation throughout the world, only those of which the ECDU has reviewed and considered. Jurisdictions considered are either comparable to Bermuda (i.e., English speaking Caribbean), share a similar Commonwealth legislative system (Australia, Canada, New Zealand, the UK), have notable established cooperative ecosystems, or have unique cooperative laws of note.

Regional Group	Country	Date	Name
Caribbean	Antigua & Barbuda	2010	Cooperative Act
	Bahamas	2008	Cooperative Law
	Barbados	1995	Cooperative Act
	Belize	2000	Cooperative Act
	Dominica	2011	Cooperative Law
	Grenada	2011	Cooperative Law
	Guyana	2012	Cooperative Law
	Jamaica	1992	Cooperative Law
	Puerto Rico	2003	Cooperative Act
	Puerto Rico	2004	Cooperative Law (Spanish only)
	St. Kitts	2011	Cooperative Act
	Trinidad & Tobago	1979	Cooperative Act
Europe	Finland	2001	Cooperative Law
	Norway	2007	Cooperative Act

	UK	2014	Cooperatives & Community Benefit Societies Act
Asia	Australia	2017	Cooperative Law
	Mauritius	2016	Cooperative Act
	New Zealand	2014	Cooperative Act
	Singapore	2018	Cooperative Act
Americas	Canada – Alberta	2015	Cooperative Act
	Canada – Prince Edward Island	2012	Cooperative Law
	USA	Various – see NCBA-CLUSA Statute Library - https://ncbaclusa.coop/resources/state-cooperative-statute-library/	

9. An Analysis of the Evolution of UK Cooperatives Model

It is important to explore at least one cooperative model in-depth to get a sense of how this type of regime has evolved and operates.

Cooperatives in the UK are primarily regulated by the Co-operative and Community Benefit Societies Act 2014 (the 2014 Act) which applies in England, Wales and Scotland, but also to those societies in Northern Ireland that choose to record their rules in England. The Registrar for Cooperative and Community Benefit Societies established under the 2014 Act is the Financial Conduct Authority (FCA), and its functions in relation to registered societies are as a Registrar, rather than a regulator.

There was no express reference to the ICA Principles in the 2014 Act. However, they became relevant through the Registrar's Guidance. The Guidance sets out the Registrar's approach to its role as registering authority for societies under the 2014 Act. The Registrar generally expects to verify and validate whether Principles 1 to 4, as set out above in paragraph 4.2 above, have been met through the rules and governance arrangements of a cooperative society. As a consequence, the following was ascertained:

- a) **Cooperative Friendliness:** The national expert concludes that the UK is cooperative unfriendly. There is no recognition of cooperatives as a distinct and legitimate type of organisation, with a wide range of legal forms available for cooperatives. Because there is no recognition of a cooperative as a distinct type of enterprise, there is no statutory definition of a cooperative, and the only protection that the law provides is through the function of the Registrar.

- b) **Key recommendations for improvement:** The national expert recommends a statutory definition of “cooperative” which is linked to the ICA principles, as well as enhanced powers for the registrar such that it acts as a regulator to ensure only cooperatives meeting the definition are registered. A replacement of withdrawable share capital with a type of share which can be repaid by the cooperative, enabling the society to maintain control over its own capital, is also recommended. Among its recommendations, Co-operatives UK argues that the Department for Business, Energy and Industrial Strategy should be responsible for legislative and policy-making for societies, and also for registration to be more closely linked to the department.
- c) **Conclusions:** Since its origins in the nineteenth century, there has never been a formal and proper review of UK cooperative law with a view to optimising the contribution it can make to the common good in the UK. As a result, although it is widely regarded as the birthplace of modern cooperatives, UK cooperative law remains comparatively under-developed, with the result that the territory is an unfriendly environment for the establishment and promotion of cooperatives.¹¹

Based on the UK model of cooperatives, a body wishing to function as a cooperative is free to use any legal form it chooses. That includes registering under the Companies Act 2006 or the Limited Liability Partnerships Act 2000 or operating as a partnership under the Partnership Act 1890, subject to restrictions on the use of the word “co-operative” in an organisation's name. The use of the word "co-operative" in the name of a business registered as a company or a limited liability partnership (LLP) requires the approval of the Registrar. In practice, this allows the Registrar to apply the test used by the FCA for the registration of an industrial and provident society as a co-operative before a company or LLP registration is permitted with the word "co-operative" in the name. The same obligation is imposed on anyone using the word in the name of an unregistered partnership established by agreement between individuals without registration under the Partnership Act 1890 (Companies Act 2006 ss 55(1) & 1194(1) and the Company, Limited Liability Partnership and Business Names (Sensitive Words and Expressions) Regulations (SI 2009/2615) schedule 1).

The Co-operative and Community Benefit Societies Act 2014 (“CCBSA 2014”) provides a legal structure specifically designed for cooperatives. The FCA is responsible for the registration of cooperative and community benefit societies – a function similar to that performed by the Registrar of Companies for companies registered under the Companies Act 2006. Further information about the FCA and its role as the registry for mutual societies can be found on its website¹² and in the information that it publishes on that site and in print.

Additionally, credit unions, a form of savings and loan co-operative, must register under the CCBSA 2014 as adapted by the Credit Unions Act 1979 and are prohibited from otherwise

¹¹ UK Legal Framework Analysis National Report

¹² <http://www.fca.org.uk/firms/firm-types/mutual-societies>

registering under the CCBSA 2014. Similarly, an organisation using any other legal structure (including the European Co-operative Society form) is prohibited from using the words “credit union” as part of its name (Credit Unions Act 1979, ss 1 to 3). Like other bank businesses, credit unions are also subject to regulation by the Prudential Regulation Authority (PRA) as authorised deposit takers under the Financial Services and Markets Act 2000. For that reason, the report makes no further reference to the law governing credit unions.

As is generally the case in UK business organisation law, the emphasis of the CCBSA 2014 is on providing default rules and so maximising the freedom of those using the legal structure to develop and apply their own rules. Subject to compliance with the FCA's view of the nature of a bona fide cooperative society or a community benefit society, the governance structure, rights and duties of members, elements of the capital structure and rules about the return to members can be dealt with by the rules of each society. The “rules” of a registered society are the governing constitutional document for registered societies. They are equivalent to the articles of association of a UK company, the charter or by-laws of a US corporation. Such documents are commonly referred to as the “statutes” of an organisation in continental Europe but in the UK that word is used for primary legislation. This freedom for organisations to devise their own provisions within the framework of legislation reflects the system applicable to companies and partnerships in the UK.

9.1. Summary of the Main Features of UK Cooperative and Community Benefit Society Law

A cooperative or community benefit society is registered on the basis of being and remaining either a cooperative or a community benefit society. Registration is with the FCA. That function is separate from the FCA's role as the regulator of financial services firms and involves ensuring that societies conform to registration requirements.

A registered society is a corporate body with perpetual succession and its members enjoy limited liability for business debts. Contractual formalities and powers are broadly similar to those applicable to companies. Societies are largely governed by their rules which are required to deal with certain *matters* and which contractually bind the society and its members. Their accounts must be published and are filed with the Mutual Societies Register of the FCA.

Member control of the society is a central feature of a co-operative society and should involve some community of interest among the members. Control of the society by the members should not be by reference to their level of shareholding. Directors or officers are elected, directly or indirectly, by members under the society's rules. ***Co-operatives benefit their members. Community benefit societies benefit a community.*** Both usually operate businesses.

Limitation on the return available to share capital is a central concern for both co-operative and community benefit societies. Society shares may be withdrawable or transferable or neither. Interest on society shares should be limited and, in a co-operative, any surplus distribution to individual members should be proportionate to their transactions with the society as buyers, sellers or employees and not their capital stake. In the case of community benefit societies there should be no such distribution. Community benefit societies may register as charities and may choose to restrict the use that can be made of their assets.

A number of means of consolidation and transformation are open to societies on the basis of passing appropriate resolutions at members' meetings so that they can transfer their engagements with or without assets, amalgamate and convert into companies.

The UK legislation has been drawn in a way that gives full legal recognition of social economy entities and, indeed, providing a legal and regulatory framework within which to operate. It is expected that based on the above UK precedent and other jurisdictional legislative framework, it would be prudent for Bermuda to consider including into the proposed new legal and regulatory framework the registration of community benefitting societies and clubs, similar to those identified by the proposed initiatives mentioned below – that is, making the distinction between cooperatives that benefit their members and community benefit societies that benefit a community.

9.2. Proposed Bermuda Cooperative Model

For the time being, Bermuda will need to modernize its existing legal and regulatory regimes to accommodate cooperatives. This is necessary for cooperatives to operate in line with local and international best practices and compliance standards instituted by local and global standard-setting bodies.

The operation and management of a cooperative should also be in line with any existing Bermuda limited liability company and partnership, save for the provisions that are germane to cooperatives, as such entities are expected to observe all appropriate ownership, licensing, or any other requirements; be able to use their services; and be willing to accept the corresponding responsibilities of membership, without gender, social, racial, political or religious discrimination. Cooperatives are democratically operated according to the principle of “one member, one vote.” It would therefore be impossible for any single member to take control of a cooperative, as key decisions regarding the cooperative are made by the majority of its members at general meetings. Written agreements govern and define business relationships, that is, freedom of contract and, as a result, empower people to collectively realise their economic aspirations, while strengthening their social and human capital and developing their communities. Bermuda law remedies will be available when members request dispute resolution and/or mediation.

It is anticipated that all cooperatives will require to be regulated in order to prevent the emergence of false or pseudo cooperatives. Further, the pricing of such product can be determined based on the corporate legal form chosen (and relevant fee schedules in place), as required and with the approval of the Registrar of Companies. At the present time, there are no active cooperatives, other than the Bermuda Credit Union, despite historical examples of cooperatives, although there are currently businesses that are unofficially using the cooperative structure to operate their lines of businesses as stated previously.

10. Key Discussions

In discussion with those interested in forming cooperatives in Bermuda, and in discussion with international cooperative experts and research of cooperative best practice, it has been identified that the lack of explicitly enabling legislation for cooperatives is a particular impediment to seeing

the development of cooperatives in Bermuda – and thus realizing the Government’s policy priorities.

An early review of Bermuda’s existing legislation by legal experts at the State University of New York, see attached as “***Annex I***” concluded that existing Bermudian legislation does not prevent the creation of cooperatives in Bermuda, however the legislation does not explicitly speak of cooperatives or is designed to do so. This leads to ambiguity and challenges in setting-up and regulating cooperatives, which has inhibited those expressing an interest in forming cooperatives from doing so.

Additionally, in communication with international cooperative experts and a review of cooperative best practice, the need for standalone legislation designed to facilitate and govern cooperatives in Bermuda has been identified as a priority to expedite the development of cooperatives in Bermuda. The primary aim of the proposed Act is to reproduce a framework similar to existing corporate legislation, in a logical, accessible, clear and modern form to govern cooperatives. Having recognized that, it would prudent for the BEDC to defer to the Attorney General on the most appropriate legislative framework required in order to accommodate this new corporate product offering.

Research conducted elsewhere has demonstrated that people prefer to support cooperatives over alternative business models providing the same service/commodities¹³. This is based on the perception that cooperatives are a more ethical business model, provide quality services and products, support the community, and treat their workers less exploitatively. Due to this, it has been found that some companies falsely advertise themselves as cooperatives while not actually being cooperatives – a phenomenon known as pseudo-cooperatives (described further below).

10.1 Weaknesses

From research conducted of the operations of cooperatives in some countries, it is recognized that there are inherent risks in cooperative regimes, for example:

- a) **Pseudo-cooperatives** - These are businesses that are not cooperatives but seek to exploit the goodwill that people generally have for cooperatives by falsely claiming to be cooperatives. Such pseudo-cooperatives risk undermining public trust in cooperatives generally, and, as a result, a key focus of cooperatives internationally is ensuring that cooperatives are properly defined and regulated by law to prevent pseudo-cooperatives from exploiting the cooperative brand.

¹³ Research presented at NCBA-CLUSA Impact Conferences; see also <https://www.forbes.com/sites/devinthorpe/2019/08/16/people-love-coops-but-dont-really-know-what-they-are/?sh=5de3559b5648>

- b) **Leadership gaps** – Although cooperatives are democratic in nature, the membership of some has not always taken advantage of this democracy to elect good leaders. Election of leaders is not necessarily a reflection of the required leadership competencies or commitment to the cooperative business. One of the consequences of this practice is the dominance of a few members which undermines sustainability of the cooperatives.
- c) **Inadequate knowledge on Cooperatives** - Some potential cooperative members may not be adequately educated and trained in cooperative matters. This leads to risks of member exploitation, low patronage and poor accountability which negatively impacts on cooperative business. This weakness may be compounded by scarcity of supportive infrastructure in the form of internet access, computer hardware and software, and electric power back-ups. Despite several strategies to address information needs there may remain inadequate knowledge on the formation of cooperatives, leadership and governance, markets, supply sources and cost analysis, capitalizing the cooperative, member investment, sources of debt capital, conduct member meetings and this continues to hamper proper planning for the benefit of members of the cooperative and the development of cooperatives generally.
- d) **Inadequate Human Resources** – Cooperatives may sometimes be faced by inadequacies of staff in terms of numbers, skills and experience. Therefore, structures which are not adequately facilitated and equipped to effectively service the entire cooperative regime may exist. Due to various constraints within cooperative societies and competition in the labour market, many cooperatives may not attract and retain highly qualified personnel which results into hiring less qualified ones or none at all.
- e) **Negative Image and Weak Advocacy**- Cooperatives have sometimes suffered a real and perceived negative image. This is attributed to various disadvantages suffered by cooperatives such as crop failure, market and price fluctuations, political instability, loss of assets and weak advocacy by the cooperative itself. Other internal weaknesses amongst particular cooperatives and the failure of some have seriously dented the public perception of cooperatives making it sometimes difficult to attract new and energetic members to the cooperative.
- f) **Inadequate Formal Cooperative Education** - In some countries current education curriculum provides inadequate cooperative knowledge and offer only certificates and diplomas which do not match the ever-changing global business environment. This leads to persons not knowing of the existence of cooperatives as an alternative business structure.
- g) **Lack of Statistics** – Statistics on cooperatives are essential for quantifying the impact of cooperatives on their members and the economy as a whole. Despite this, at a global level there is a lack of reliable and comparable statistics relating to cooperatives. This not only leads to a lack of appreciation of the role that cooperatives play but also limits policy creation to support cooperatives and contributes to a lack of knowledge or valuing of cooperatives as a business model.

11. Risk Mitigation

Cost of business transactions can be enormous for one small business, and, without cooperation and proper investment, very little is possible to achieve. Moreover, it can be intimidating to face major business organizations and compete with them in the big market on your own. That is why farmers, etc. form cooperatives, so that by joint effort and investment, they could create a formidable economic power to access competitive markets and secure fairness of transactions. Big corporations might not be interested in individual small businesses, but large agricultural cooperatives will definitely attract their attention. Since, in a cooperative, members support each other, as they can spread or “pool” the risk connected to a single transaction evenly among themselves. One for all and all for one. Bermuda, as a jurisdiction, over the years has undergone various peer evaluations, (for instances, by the FATF, OECD, EU, etc.), wherein its legal and regulatory and other systems and practices have been placed under microscopic scrutiny, for compliance with international standards. It is expected therefore that the vetting of this proposed new cooperatives regime by local authorities will also take place in accordance with such standards, prior to being approved.

- A) **Pseudo-cooperatives** – By introducing legislation specifying the requirements to be recognized as cooperatives, complete with a regulatory framework to ensure compliance, the risk of pseudo-cooperatives may be mitigated. Entities not complying with the statutory requirements may be prosecuted as false cooperatives accordingly.
- B) **Leadership Gaps** – BEDC has already conducted, and will continue to do so, workshops and training courses on cooperatives, as well as built useful connections with cooperatives overseas, primarily through the NCBA-CLUSA. These resources and connections will continue to be leveraged by BEDC to develop leadership skills for cooperatives in Bermuda.
- C) **Inadequate Knowledge on Cooperatives** – BEDC has already organized several workshops, webinars and other outreach activities to raise awareness about cooperatives and the cooperative model. This will continue and, following the passing of relevant legislation, can be increased as demand may warrant, to raise the general level of knowledge about cooperatives within the Bermudian population.
- D) **Inadequate Human Resources** – BEDC will continue to provide training opportunities to build up the infrastructural capacities of cooperatives in Bermuda. Additionally, BEDC will provide resources and assistance to cooperatives in a similar manner as BEDC currently provides to small, medium and micro businesses as is.
- E) **Negative Image and Weak Advocacy** – Through BEDC’s awareness raising activities aspects of negative images concerning cooperatives may be mitigated. Additionally, there is scope for producing cooperative histories for Bermuda, providing more detailed information about now defunct cooperatives (such as the BIU’s grocery cooperative) which, through providing of context, may counter negative images relating to cooperatives. Additionally, as the cooperative ecosystem in Bermuda develops, there is the potential for an umbrella advocacy group similar to the NCBA-CLUSA to emerge for Bermuda.
- F) **Inadequate Formal Cooperative Education** – BEDC could work with the Ministry of Education to develop curriculums for entrepreneurialism and cooperative education and

develop youth focused cooperative products or education services. See Section 12.2 below.

- G) **Lack of Statistics** – It is recommended that legislation concerning cooperatives for Bermuda includes guidelines for the collection of statistics relevant to cooperatives. To this end, this paper takes note of the Guidelines Concerning Statistics of Cooperatives⁴ developed by the International Conference of Labour Statisticians as the gold standard for incorporation into such legislation⁵.

12. Assessment of Potential Cooperative Growth Areas in Bermuda

12.1. Potential Growth Areas

As noted above, cooperatives can theoretically exist in any industry, and, as such, there is potential growth for cooperatives in all areas of Bermuda's economy. However, it is recognized that some industries or sectors represent particular growth potential for cooperatives in the immediate term. The ECDU recommends, based on review of the economy, discussion with stakeholders, and expressions of interest around cooperatives, that the following are opportune growth areas for cooperatives in Bermuda:

- a) **Agriculture and Fisheries** – Including community gardens, small farms, farms in general and fisheries in general. Potential cooperatives could be purchasing cooperatives (both of equipment and marketing) and processing and distribution (such as a fisheries shore-side facility). The Government's commitment to developing a cannabis industry for Bermuda is a potential growth area – both in terms of production and for sale (i.e. a cooperative of cannabis growers forming a dispensary/café for sales).

Agricultural producers, suppliers and traders form cooperatives to get access to more supplies and markets at a reasonable cost. Their goal is to reduce cost by increasing the scale of their economies. In other words, the more agro-producers combine their efforts in a coop, the cheaper the total cost of production becomes. Similarly, the traders united under a cooperative can better compete in an open market with large industrial corporations in a fair way.

- b) **Sports Clubs** – In general these already exist as membership organizations and can be restructured as cooperative entities to provide a host of benefits to serve their members and

⁴ See

https://www.ilo.org/sites/default/files/wcmstp5/groups/public/%40dgreports/%40stat/documents/meetingdocument/wcms_648558.pdf

⁵ In addition to the guide, the ILO has produced an information guide concerning cooperative statistics that should be consulted. See <https://www.ilo.org/publications/measuring-cooperatives-information-guide-ilo-guidelines-concerning>

the community. This model is widespread in Germany and Spain (such as Real Madrid or Barcelona); another example of a sport cooperative is the NFL Green Bay Packers.

- c) **Regional small businesses** – In particular, the Economic Empowerment Zones, and in terms of pooled marketing or purchasing cooperatives to benefit their mutual needs.
- d) **Industry related small businesses** – Small businesses in the same industry competing against larger businesses may be able to better compete with larger businesses through the cooperative model:
 - i. **Small businesses** of all types can join their efforts to lower overall production and distribution costs, and form cooperative businesses. These can be retail stores, taxi owner cooperatives and other types.
 - ii. **Retail Cooperatives** benefit for members include discounts and more control over sale policies. Interestingly, retail cooperatives sell consumer goods to the non-members as well. The accumulated earnings can turn into patronage refunds for a specific period of time paid back to the members.
 - iii. **Arts and Crafts Cooperatives** is another example, members (artisans and performers) combine their financial and artistic effort to obtain needed but otherwise unattainable services and supplies, as well as moral support. Such cooperatives provide their members with studio spaces and various specific tools at a reduced cost. Additionally, the democratic principle guarantees artistic freedom and independence.
 - iv. **Childcare and preschool cooperatives** is another association which is usually formed by students, to provide affordable childcare to the community. What makes such cooperatives so attractive is that parents can be members as well, and, consequently, have a say in many decisions. The childcare cooperatives after provide high quality preschool programmes and services.
- e) **Energy Cooperatives** – In particular, neighborhood cooperatives to take advantage of large-scale solar power, or integrated neighborhood grids, as well as purchasing of energy-efficient appliances.
- f) **Purchasing Cooperatives** – In a general sense, such as neighborhoods or organizations (religious congregations, unions, etc.) exploiting economies of scale to provide commodities for their members at a cheaper rate than existing retail options.
- g) **Financial Services** – While this policy paper is not focused on financial cooperatives, recognizing that the Credit Union Act 2010 already exists, this paper nonetheless notes the potential for growth in this sector in the form of credit unions, cooperative banks, and insurance cooperatives:
 - i. **Credit Unions** are a type of cooperative that specializes in providing financial services (savings, loans) at the lowest possible cost. Members are employees, pensioners, and even family members over the age of [18]; and
 - ii. **Insurance Cooperatives** – all members of such a cooperative are policyholders, and their primary goal is to provide insurance services. Their secondary goal is to

generate revenues that will reduce cost of providing the services. As usual, members receive the patronage dividends from the available profit and have an owner-control over the cooperative.

- h) **Technology Cooperatives** – These are worker-owned for profit businesses that operate in the information technology industry to create a technology-focused community that will provide computer-related technology access and awareness. They may also provide a collaborative workspace for the members willing to donate time to provide free technical learning activities, consultation and mentoring.
- i) **Fintech Cooperatives** - Provide a new radical and innovative solution for both personal and business banking. The model would be premised on offering a cooperatively owned and operated alternative to the current fintech market, premised on low-risk long term investment models and transparency and accountability for its members.
- j) **Housing Cooperatives** – These are often condominium or apartment complexes owned and run by the residents themselves. Of particular note is the USA’s Tenant Opportunity to Purchase Act (TOPA) as a model to facilitate housing cooperatives in Bermuda. In general, TOPA allows tenants of a property (apartment buildings or condominium complexes) the first opportunity to purchase the property for purposes of creating a housing cooperative; this Act has been prominent in preventing gentrification in cities where it has been enacted.
- k) **Worker Cooperative** - To facilitate the creation of worker cooperatives, through workers of businesses having the first opportunity to purchase a business and convert it into a worker cooperative. In theory a version of the aforementioned TOPA legislation could be adapted for workplaces.
- l) **Prison Cooperative** - The development of prison cooperatives in Bermuda as a pathway for rehabilitation and self-employment. As such, relevant provisions should be included in Bermuda’s cooperative legislation to enable such and may require amendments of legislation related to prison operations¹⁴.

¹⁴ The 1994 Puerto Rican General Law on Cooperative Societies prohibited prisoners to be part of cooperatives; amendments were made in 2003 to change this and enable prison cooperatives there. See <https://geo.coop/story/worlds-first-prisoner-worker-coop>

12.2 Cooperatives & Bermuda's Youth Employment Strategy

The Government of Bermuda released its Youth Employment Strategy in June 2022. It aims to address unemployment by facilitating greater opportunities and educational pathways for all young Bermudians between 18 and 26 years old, and is based on 9 goals and 16 strategic initiatives. Of these, the following have been identified as the most relevant as regards synergy with cooperatives¹⁵:

- Goal #6 – Support & Promote Youth Entrepreneurship
 - o Strategic Initiative #11 – Support organizations currently providing services to young entrepreneurs.
 - o Strategic Initiative #12 – Expand programs to promote entrepreneurship amongst young Bermudians.
 - o Strategic Initiative #13 – Provide business mentorship opportunities for young persons participating in entrepreneurial endeavors.
- Goal #9 – Facilitate the Repatriation of Young Bermudians
 - o Strategic Initiative #16 – Incentivize young Bermudians to return home to live and work.

As noted in the 2015 ILO Brief 'Cooperatives & the World of Work No.4 – Rediscovering Cooperatives – Young People Finding Work the Cooperative Way'¹⁶ cooperatives can:

- Help young people both to find work and gain work experience;
- Offer opportunities for professional and vocational training;
- Are more attractive than conventional business models which are seen as overly profit-driven as opposed to the value-based for-profit cooperative model.

One of the key challenges noted is the importance of raising awareness of cooperatives as a viable business model within education. Many curricula simply do not cover cooperatives, leaving youth unaware of their potential as an alternative to conventional business models. Aside from simply including cooperatives into curricula, schools cooperatives¹⁷ are noted as a successful way provide youth with a practical experience with cooperatives.

¹⁵ The Youth Employment Strategy provides greater detail on these Goals and Strategic Initiatives. See https://www.gov.bm/sites/default/files/Youth_Employment_Strategy_Report.pdf

¹⁶ See https://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/---coop/documents/publication/wcms_391216.pdf

¹⁷ These are essentially cooperatives run by students themselves, and are often in the form of consumer cooperatives making school supplies, uniforms and books available at reasonable prices, and can also be involved

Additionally, cooperative models such as the US based Freelancer Guided Cooperative¹⁸, provide youth with cooperative services such as contract management, invoicing, guaranteed payments and health care, in this case for freelance artists.

Ultimately, there is potential for cooperatives to support and facilitate the goals of the Youth Employment Strategy going forward. To this end, BEDC looks to working with relevant Government Departments and stakeholders to support the goal achievements of the Youth Employment Strategy as it relates to cooperative potential.

13 Proposed Recommendations for the Way Forward

13.1 Key Priorities – Legislative Initiatives

Based on the research and consultation undertaken by the ECDU to date¹⁹, the following recommendations are proposed aimed at realizing this desire through the creation of good governance standards and quality legislation. It is believed that these recommendations will align our cooperative regime with the best practice found in other successful jurisdictions, namely:

- a) Prioritize the development of cooperative legislation to define, regulate and expedite the formation of cooperatives in Bermuda. This to be based on international best practice and will provide the key legislation governing cooperatives in Bermuda going forward. It is expected that this will take the form of standalone legislation along with amendments to existing legislation where necessary.
- b) Consider the future review of various legislation for amendments to expedite industry specific cooperatives (i.e., Electricity Act 2016 for energy cooperatives; Agriculture Act 1930; Fisheries Act 1972, etc.), and also the Credit Union Act 2010. The ECDU considers that the priority is on establishing best practice base cooperative legislation at this time but does not preclude that industry existing cooperatives may require subsequent amendments to specific private Acts or relevant legislation in the future.
- c) Make consequential changes to all other existing legislation, as may be determined.

in organizing cafeterias, snack shops or production of goods for sale, or offer basic financial services for savings and micro-credit, in the process introducing basic financial literacy.

¹⁸ See <https://www.guilded.coop/>

¹⁹The ECD's Engagement Memorandum regarding cooperatives is attached as *Annex II*.

13.2. Government Initiatives as Cooperatives

It should also be noted that the Government, in its 2020 election platform, had identified the following priority initiatives, that may be cooperatives or cooperative adjacent:

- a) **Bermuda National Digital Bank** – While not necessarily a financial cooperative, it is described as intended to be ‘owned by Bermudians’ and could thus be developed as a financial cooperative initiative.
- b) **Create a Food Cooperative** – Create a Food Cooperative that will support by technology, such as vertical farming and aquaponics, as stated previously.
- c) **Fisheries Shore-side Facility** – To focus on developing the pelagic fishery; a cooperative model is referred to for this (renamed by the Steering Committee to Fisheries Development Centre). Complete the Shore-side Facility to process fish caught in Bermuda, while supporting a cooperative purchase of larger shipping vessels to increase the domestic capture of fish, reducing imports and providing the option for exporting fish.
- d) **BEDC Online Market** – While not explicitly a cooperative, this may be developed as a marketing cooperative.
- e) **Green Energy Fund** – While not explicitly related to cooperatives, this can be used to facilitate the growth of energy cooperatives.
- f) **Financial Assistance** – Support startups, cooperatives, and Bermuda Market participants who are looking to supply foods at lower prices by partnering with the financial assistance programme to reduce costs not only to taxpayers but also to the general public.
- g) **Affordable Housing** – The 2020 platform makes references to increasing affordable housing, especially in the Economic Empowerment Zones, which may benefit from the development of housing and construction cooperatives. Housing cooperatives may play a key role in this area.

13.3. Legislation Development

In drafting the cooperative legislation, it is advised that the ILO’s (and EU’s) Guidelines for cooperative legislation be relied on. These are the ‘gold standards’ for cooperative legislation and sets out the key aspects of any cooperative law, as more particularly prescribed in Part 3 of the attached ILO Guidelines. Again, this is of course within the jurisdiction of the Attorney General as to whether or not such legislation can be used to determine the choice of legal framework law for cooperatives.

13.4. Advantages

Advantages of standalone legislation:

- a) The existing legislation (Companies Act, the Limited Liabilities Companies Act, The Friendly Societies Act and the Credit Union Act), while not prohibiting the formation of cooperatives also do not facilitate the formation of cooperatives in Bermuda. Establishing a proper legal and regulatory framework will correct this.
- b) Comprehensive cooperative legislation will define, among other things:
 - i. What cooperatives are;
 - ii. organizational structure;
 - iii. internal governance (annual general meetings, board of directors, supervisory committee, etc.);
 - iv. financial structure and requirements;
 - v. obligations to members and the public; and
 - vi. regulation and oversight.
- c) Through this, cooperative legislation will:
 - i. seek to prevent the formation of false cooperatives;
 - ii. expedite the formation of cooperatives by providing clear, easy to read guidelines for cooperative formation and operation;
 - iii. give cooperatives the legal grounding and confidence to form that existing legislation does not;
 - iv. provide a foundational cooperative legislation that future industry specific future cooperative legislation can build on: and
 - v. outline the regulation and oversight of cooperatives into a responsible public body.

13.5. Disadvantages

Disadvantages of standalone cooperative legislation will:

- a) create additional legislation; and
- b) require additional administrative support to ensure adequate regulation and oversight of cooperatives in order to enforce the legislation.

14. Post Registration – Role of BEDC

The 2025 Throne Speech committed the Government to:

“Complete the implementation of cooperative legislation and establish a Registrar for Cooperatives, supported by a dedicated Government department to administer and promote the sector.”

As such, it is expected that the cooperative legislation will include directives to support the establishment of a Registrar for Cooperatives and assign responsibilities to the responsible Government department to administer and promote the sector. To that end, BEDC’s responsibilities for cooperatives will serve as a complement to the Government department responsible. It is anticipated that the Registrar for Cooperatives and responsible Government department will oversee:

- Registration of the cooperative with the Registrar for Cooperatives, with the sanction of the Bermuda Monetary Authority⁶, whenever appropriate.
- Ensure that the cooperative in question is indeed a cooperative on application and then on an ongoing basis.
- Receive annual reports from the cooperative, including any amendments to the cooperative’s by-laws as needed.
- Oversee/enforce sanctions against any abuses of the name ‘cooperative’ or any administrative penalties for non-compliance with statutory obligations.

BEDC’s role would subsequently be to:

- Provide assistance to persons wanting to start a cooperative
 - o Assisting with business planning;
 - o Assisting with cashflow planning;
 - o Assisting with drafting by-laws.
- Meet regularly with registered cooperatives to review and assist the cooperative with its operations and financials.
- Continue to hold educational events and workshops to raise awareness of cooperatives and support cooperatives as needed, similar to existing educational events and workshops BEDC holds regularly for other business models.

15. General Considerations

Legislation on its own cannot bring about the development of the cooperative sector in Bermuda.

⁶ Although, as the proposed cooperative legislation excludes financial cooperatives at this time, leaving those to be governed by the Credit Union Act 2010, it is envisioned that the BMA will have little involvement at this time.

This has to be supplemented by the right policies and policy actions to help achieve this objective.

These policies need to be developed in a cohesive manner, with broad stakeholder participation, to devise actions that would identify educational, financial and legal tools to support the sector's development.

Ultimately, the creation of a legislative and regulatory framework for cooperatives is only one step in the development of the cooperative sector in Bermuda. It is not envisioned that a vibrant cooperative ecosystem will emerge immediately or even shortly after the creation of cooperative legislation, only that the existence of such legislation is foundational for such an ecosystem to ultimately develop upon. Continued education and training efforts through the ECDU of the BEDC will be central to the development of the cooperative sector, working in conjunction with such a legislative and regulatory framework.



Key sources that should be consulted during the drafting of cooperative legislation for Bermuda included, but are not limited to”

- The ILO's Guidelines for Cooperative Legislation, 3rd Revised Edition by Hagen Henry;
- ILO Promotion of Cooperatives Recommendation 2002 (No. 193)
- Guidelines Concerning Statistics of Cooperatives, ILO Department of Statistics, ICLS/20/2018/Guidelines

Additionally, while the creation of this policy paper was subject to input from multiple Government Departments, Quangos and related stakeholders⁷, it is envisioned that the subsequent draft legislation should similarly be shared for stakeholder consultation with those same entities, as well as employer and worker's organisations and the public in general prior to tabling in parliament.

⁷ These included the Ministry of Economy & Labour, the Ministry of Finance, the Ministry of Home Affairs, the Bermuda Monetary Authority, the National Anti-Money Laundering Committee (NAMLC), the Economic Development Department (EDD), the Business Development Agency (Legal Focus Group) and the International Labour Organisation (ILO).

