Establishing Bermuda Residence
Preface

This publication has been prepared for the assistance of anyone who is considering establishing residence in Bermuda. It deals in broad terms with the requirements of Bermuda law. It is not intended to be exhaustive but merely to provide general information to our clients and their professional advisers.

We recommend that our clients seek legal advice in Bermuda on their specific proposals before taking any steps to implement them.

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1. ABOUT BERMUDA

A solitary outpost of beauty and civility in the mid-north-Atlantic, Bermuda enjoys a delightful sub-tropical climate entirely incongruous with its northerly latitude. The proximity of the Gulf Stream accounts for the mild temperatures which, combined with fertile soil, have produced a verdant island, ablaze with the colours of ever-present flowers and shrubs.

Abundant natural beauty has been equally matched by significant economic success so that Bermuda can also boast a highly educated and professional work-force, backed by a sophisticated, well developed infrastructure of physical and support services, which have combined to transform what was once merely an idyllic holiday retreat into a dependable centre for international offshore business.

First settled in 1609, Bermuda has its own democratically elected Parliament dating from 1620, the oldest in the British Commonwealth outside the United Kingdom. As Britain’s oldest existing colony, Bermuda has close ties with the United Kingdom which is responsible for the foreign and defence affairs of the island and provides a valuable frame of reference for the local legal system. While the latter is independent, English cases are of strong persuasive authority before the Bermuda Courts and, indeed, final appeal lies to the Judicial Committee of the Privy Council.

The eastern seaboard of the United States is less than two hours flying time from Bermuda with daily flights to major cities. There are flights to London of approximately seven hours duration most days each week. Ease of access is complemented by efficiency and comfort on arrival. First rate hotels and restaurants and easily available water and land sports afford enjoyment and relaxation to the visiting business people already attracted by the reliable communications and commercial expertise of the Island.
2. RESIDENCE IN BERMUDA

For an individual who is not Bermudian and wishes to take up residence in Bermuda but does not wish to be employed in Bermuda, traditionally the only option was to acquire Bermuda real estate. This option provided some real challenges. Ownership of Bermuda real estate is restricted in Bermuda to its citizens, and only a limited inventory is excepted. Typically that inventory is very expensive. Further, acquisition of Bermuda real estate required the application and purchase of a one-off license to purchase real estate in Bermuda, the cost of which – at one point, since reduced – was 25% of the value of the property.

Whilst acquisition of Bermuda real estate continues to be an attractive option to many foreign clients, since 2012 the Government has undertaken a review of Bermuda’s immigration policy with regards to residency in Bermuda by non-Bermudian citizens. The principal legislation in Bermuda is the Bermuda Immigration and Protection Act 1956 (“BIPA”). So long as a non-Bermudian is not actively employed in Bermuda, and can meet certain requirements, then there are two attractive options to establish residency in Bermuda. First, an application can be made for Permission to Reside on an Annual Basis or, second, an application can be made under the recently amended provisions for a Residential Certificate.

2.1 Permission to Reside on an Annual Basis

Persons wishing to reside in Bermuda must apply for permission to the Minister responsible for Immigration. Permission to Reside on an Annual Basis allows an applicant to reside in Bermuda on an annual basis and can be renewed at least 3 months in advance of expiry of the one year term. Applicants must be over the age of 18, and they are prohibited from engaging in employment in Bermuda, although they can work remotely from Bermuda for any position held outside Bermuda (i.e. where the employer is not operating in Bermuda and there is no contact with clients in Bermuda). When applying for renewal of permission, the applicant must demonstrate good character, adequate financial resources, and continued medical insurance coverage.

There is no requirement to purchase property if one only wishes to rent, and renting can be the more expedient option when acquiring residence. If the applicant wishes to rent, we would suggest that he/she contact a rental agent, who can then write a letter to confirm that they are assisting in securing a rental property for the client pending the approval of the application.
Permission to reside on an annual basis is an ideal option for those who may not intend to reside in Bermuda for the longer term, such as those who wish to come for an extended visit to see family members. Or this option could be used for persons new to Bermuda who may wish to “get their feet wet” for a year or two.

2.2 Residential Certificate

A Residential Certificate pursuant to section 32 of the BIPA grants the right to the holder to live in Bermuda without the right to work and to enter and exit freely for so long as the Certificate is in existence. In essence, the Certificate holder is free to come and go from Bermuda without restriction.

A non-Bermudian wishing to apply for a Residential Certificate must be over the age of 18, of good character, not convicted of an indictable or dishonesty offence and possess valid health insurance. The applicant must also demonstrate that he has sufficient means and/or a continuous source of annual income without the need to engage in gainful employment in Bermuda.

It should be noted that although an applicant is prohibited from engaging in employment in Bermuda, this does not prohibit the applicant from sitting on Boards as a director and receiving remuneration for that position, provided he is not involved in the day to day operation of the business.

As with Permission to Reside on an Annual Basis, there is no obligation to purchase property to secure a Residential Certificate.

Residential Certificates are issued without time limit and are subject to revocation by the Minister responsible for Immigration subject to the rules of natural justice.

2.3 The Application Process

The application process for a Residential Certificate takes approximately 12 weeks. The same application and documentation is also required for Permission to Reside on an Annual Basis although the fees are different. The following must be submitted when making an application:
• Completed Application for Residence Form¹;
• Three (3) passport-size photographs;
• Notarised copy of the passport cover and data page;
• Notarised copy of marriage certificate (if applicable);
• Two Character Letters of Reference;
• Evidence of health insurance coverage;
• An original Police Certificate²;
• Evidence of financial means, e.g. Bank Statements, Investment Accounts or any account statement that shows that the applicant has sufficient means to sustain his stay in Bermuda;
• Confirmation from a Rental Agency that they are assisting in locating a rental property (we can assist in obtaining the letter) or copy of the approved Land License;
• Original Medical Certificate³

The government fee for the Residential Certificate if one does not own property is $2,000, but there is no government fee for an owner of property. The fee for Permission to Reside on an Annual Basis is $161.

2.4 Dependents

The spouse or partner and any sponsored dependent children listed on the application by the Certificate holder will be granted a Residential Certificate entitling them to reside in Bermuda without the right to work. To be eligible, spouses, partners and children must similarly not have been convicted of offenses in or outside of Bermuda, be of good character, conduct and health, and have adequate health insurance.

Absent special circumstances, the right of a dependent child to reside in Bermuda continues until the child completes full time, tertiary education or reaches the age of

¹ The Application for Residence Form is available online at https://www.gov.bm/online-services/apply-residence or, alternatively, please contact a member of our Trust & Private Client Department for more information.
² The police certificate can be obtained from the local police precinct/department and note that there is no standard reporting. This must be obtained from the applicant’s place of residence for the past twelve months.
³ There is no standard form for the medical certificate; the physician can merely state that one has been examined and is in good health.
25, whichever occurs first. Such dependents are not permitted to attend Bermuda’s public schools.

Upon the death of, or separation or divorce from, a Certificate holder, the right of the surviving or former partner or spouse to continue residing in Bermuda may be revoked. Application may be made within three months for the surviving or former partner or spouse to obtain a Residential Certificate in their own right. The same eligibility requirements set out above will apply.

2.5 Ongoing Duty

Residential Certificate holders have an ongoing duty to inform the Minister of Immigration via letter to the Chief Immigration Officer of any change in circumstances under which the Residential Certificate was originally granted. This must be done as soon as practicable possible after the relevant change in circumstances. Failure to notify can result in revocation of their Certificate and possibly a fine of up to $25,000.

Further reading and a copy of the latest government policy can be found here:

https://www.gov.bm/residential-certificate-policy
This publication should not be construed as legal advice and is not intended to be relied upon in relation to any specific matter. It deals in broad terms only and is intended merely to provide a brief overview and give general information.

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