



Bermuda Exempted Companies

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Preface

This publication has been prepared for the assistance of those who are considering the formation of companies in Bermuda. It deals in broad terms with the current requirements of Bermuda law for the establishment and operation of such entities. It is not intended to be exhaustive but merely to provide brief details and information which we hope will be of use to our clients. We recommend that our clients and prospective clients seek legal advice in Bermuda on their specific proposals before taking steps to implement them.

Before proceeding with the incorporation of a company in Bermuda, persons are advised to consult their tax, legal and other professional advisers in Bermuda and their respective jurisdictions.

Copies of the Bermuda Companies Act 1981, as amended, have been prepared and are available on request.

Persons considering establishing companies to carry on insurance, investment business or mutual fund business should request separate publication prepared by Conyers on these topics.

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1. INTRODUCTION

Modern company, trust, banking, insurance and other related laws have made Bermuda a leading offshore financial centre and the government's open communication with the private sector encourages the promotion and maintenance of Bermuda's offshore business. The island enjoys a sophisticated telecommunications system, an abundance of professional service providers, as well as economic and political stability.

The principal statute governing the formation and operation of Bermuda companies is the Companies Act 1981 (the "**Act**") as from time to time amended.

Bermuda law distinguishes between those companies which are owned predominantly by Bermudians ("**local companies**") and those which are owned predominantly by non-Bermudians ("**exempted companies**"). Only local companies are permitted to carry on and compete for business which is in Bermuda. Exempted companies may be resident in Bermuda and carry on business from Bermuda in connection with transactions and activities which are external to Bermuda or with other exempted companies. In practice, the activities of most exempted companies are unlikely to infringe this requirement.

In certain cases, the Act imposes different requirements on local companies and exempted companies. Further, in prescribed circumstances an exempted company may obtain a licence to carry on its business activities within Bermuda. This publication is concerned principally with the formation and operation of exempted companies which are not regulated by the Bermuda Monetary Authority (the "**BMA**").

There is no formal distinction under the Act between the notion of a public company and a private company. However, certain provisions of the Act are expressed to apply exclusively to companies, the shares of which are listed on certain appointed stock exchanges (such companies are sometimes referred to in this publication as "**public companies**").

Shelf companies are not available in Bermuda. It is, therefore, necessary for prospective subscribers to incorporate a company for their purposes.

2. PRE-INCORPORATION MATTERS

2.1. The Registrar of Companies – Onboarding of Registrable Persons

Application must be made to the Registrar of Companies (the "**Registrar**") for the incorporation of all Bermuda exempted companies.

Prior to incorporation, each of the registrable persons of the proposed company must be onboarded via the online beneficial ownership portal (the "**Portal**") maintained by the Registrar. The registrable persons include any individual ("**beneficial owner**") who will (a) directly or indirectly own or control 25% or more of the shares, interests or voting rights of the proposed company, (b) otherwise exercise ultimate effective control over the management of the proposed company, or (c) exercise control by other means over the proposed company, and any legal entities ("**relevant legal entities**") which would be a beneficial owner if it were an individual. To onboard the registrable persons the Registrar must be provided with the minimum required information as set out in the Beneficial Ownership Act 2025. The Registrar also

requires that each beneficial owner of the proposed company sign a personal declaration and provide a certified copy of their passport or other official identification. By a declaration, each beneficial owner attests to his or her good standing in any other Bermuda operations and generally. The beneficial owners' identity must in all instances be disclosed to the Registrar.

For more information regarding beneficial ownership requirements in Bermuda, please refer to Conyers' [Beneficial Ownership Register Requirements](#) Publication.

2.2. Company Name

If time permits, the proposed name of the company can be reserved with the Registrar. The name reservation can usually be confirmed within 24 hours.

The Registrar will refuse reservation if there is likely to be an obvious conflict with an existing registered name. Formal clearance cannot be obtained until incorporation, but reservation will ensure that no other person can use the name or another similar name. The reservation lasts for three months and may be renewed.

Bermuda companies may adopt a secondary name in non-roman script with the approval of the Registrar. The Registrar will require an electronic copy of the secondary name, together with a certification by a notary public fluent in the language and script in question attesting to the accuracy of the English translation of the secondary name.

2.3. Pre-incorporation Contracts

Where a person purports to enter into a contract in the name of a company or on behalf of a company which has not yet been incorporated, he or she will be personally liable under the contract unless the agreement itself provides otherwise. After incorporation, the company may unilaterally adopt such a contract and will become a party thereto to the same extent as if the contract had been made after the incorporation. Such adoption by the company will discharge the person who purported to act on its behalf.

3. REQUIREMENTS OF BERMUDA LAW

The Act provides for four types of company, each having different constitutional characteristics, as follows:

Company Limited by Shares: The liability of the company's members will be limited by the memorandum to any amount, if any, that remains unpaid on the shares held by them. This is, of course, the most common form of company.

Company Limited by Guarantee: The liability of the company's members will be limited by the memorandum to an amount as the members may undertake to contribute to the company's assets in the event of it being wound-up. These companies are used for charitable or "social" purposes and do not pay dividends.

Unlimited Liability Company: The liability of the company's members will be unlimited. While the company has all the usual characteristics of a company (such as a board of directors, etc), it has the partnership characteristic of unlimited liability.

Limited Duration Company: This type of company will have a fixed duration and will automatically dissolve on the expiration of a period, or upon the occurrence of a specific event, as stated in its memorandum of association. The event may be a “simple” event (such as a fixed date) or a “complex” event (such as the death of a shareholder but subject to an extension or confirmation procedure).

3.1. Memorandum of Association

The memorandum of association and the bye-laws together form the constitution of a Bermuda exempted company. The memorandum of association is on file with the Registrar. It is a matter of public record and available for inspection by the public at the offices of the Registrar.

The memorandum of association will generally contain the names of the initial subscribers. It is usual to provide for nominee subscribers to the memorandum of association.

The memorandum of association may provide that the objects of the company are unrestricted, or it may set out the specific objects of the company. The objects clause may be restricted to permit only certain kinds of transactions or to permit only a single transaction if required. A Bermuda company has the capacity, rights, powers and privileges of a natural person, subject to any specific provisions in its memorandum of association.

Notwithstanding that a company now has the capacity of a natural person, there are certain circumstances where a statutory power must be reaffirmed in the constitutional documents of a company. Specifically, a Bermuda company does not generally have the power to redeem or re-purchase its issued shares. Where the company requires the ability to issue redeemable preference shares which are redeemable only at the option of the company or on specified terms, the power to do so may be provided for in the bye-laws alone. However, where the company proposes to issue redeemable preference shares which are redeemable at the option of the holder, a specific power to do so must be included in the memorandum of association. A company may also, if authorised by its memorandum of association or bye-laws, re-purchase its own shares.

A Bermuda exempted company may, if so authorised by its memorandum or bye-laws, hold its own shares in treasury. Shares redeemed or re-purchased can also be cancelled and such redemption or re-purchase does not constitute a reduction of authorised share capital. The shares redeemed or re-purchased are available for re-issue.

The memorandum of association must set out the authorised share capital of the company and the division thereof into shares of a fixed amount. There is no statutory minimum (save for insurance companies). The authorised share capital may subsequently be increased by resolution of the company in general meeting. Shares of no par value and bearer shares are not permitted.

3.2. Bye-Laws

A Bermuda company having a share capital must file extracts of certain of its bye-laws with the Registrar. The bye-laws are not subject to scrutiny by the BMA, the Registrar or the Ministry of Finance nor are they available for public inspection. The information that the company is required to include in its bye-laws relates to the:

- (a) transfer of shares and the registration of estate representatives of deceased shareholders;
- (b) keeping of its accounts and making available the financial statements to the members;
- (c) audit of the accounts of the company once at least in every year by an independent representative of the shareholders;
- (d) duties of the secretary to the company; and
- (e) number of shareholders required to constitute a quorum at any general meeting of the shareholders of the company.

The bye-laws will set out the rights and duties as between the company, the shareholders and the directors. In particular, if the company is to have various classes of shares with differing rights, the rights attaching to each class of shares may be set out in the bye-laws.

3.3. Registered Office

A Bermuda company must have a registered office in Bermuda, the address of which is registered with the Registrar. A post office box cannot be used as a registered office. In general, the share register and records of the company must be kept at the registered office. A company must also maintain its beneficial ownership register at the registered office unless the company is exempted from this requirement under the Act. Duplicate records may be kept at any other office outside Bermuda.

3.4. Requirements for Officers or Representatives in Bermuda

Each Bermuda exempted company is required to have at least one director and a secretary. A secretary of an exempted company may be an individual or a company. A director of an exempted company may be an individual or any type of legal person (including any company or association or body of persons, whether corporate or unincorporate). For practical reasons, it is most common for the office of director to be filled by an individual.

To satisfy the residency requirement contained in the Act, an exempted company must have either a director, secretary or resident representative who is ordinarily resident in Bermuda.

Alternate directors may be appointed with power to act in the place of an absent director. An alternate director has the full authority of a director and is entitled to exercise the full powers of such office at any time when the director for whom he is alternate is not present. It is usual to provide for alternate directors in respect of, at least, any Bermuda resident directors.

Neither directors nor alternate directors need hold any shares in the company in order to act as such.

No person may, in any circumstances, be appointed to be a nominee director of a company.

A Bermuda company must maintain a register setting forth the names and addresses of its directors and officers. It must also state whether the director holds the position as an alternate director and, if so, the particulars of the existing director for whom the alternate director is appointed. The register of directors and officers must be kept at the registered office and must be available for inspection by the public.

A Bermuda company must file with the Registrar a list of directors containing the names and addresses of its directors. A Bermuda company must also notify the Registrar of any change in directors within 30 days of any such change.

Auditors may not be directors of companies which they audit.

Conyers Corporate Services (Bermuda) Limited (“**Conyers Corporate Services**”) can provide the registered office and assist with maintaining the various registers. It can also provide one or more of the required offices identified above.

3.5. Officers

A Bermuda company may have officers who may or may not be directors of the company. A Bermuda company must appoint a secretary of the company. The secretary is required to attend all meetings of the directors and shareholders of the company and to keep the records of the company. Assistant and/or acting secretaries may also be appointed.

3.6. Bankers

A Bermuda company may open and maintain bank accounts in or out of Bermuda.

3.7. Books of Account

A Bermuda company must keep proper records of account with respect to its business activities. These records must be kept at the registered office or at such other place as the directors think fit. The records are required to be available for inspection by the directors or the resident representative at any time. Where the books of account are kept outside Bermuda, the company must maintain sufficient records in Bermuda as will enable the directors or the resident representative to ascertain with reasonable accuracy the financial position of the company at the end of each quarter. If the company is listed on an appointed stock exchange, it must maintain sufficient records that enable the financial position of the company to be ascertained at the end of each six month period. The records of account must be kept for a period of five years from the date on which they were prepared.

3.8. Seal

Bermuda companies may, but need not, have a common seal and one or more duplicate common seals in or out of Bermuda. If the seal is to be affixed, it shall be attested to by one director or the secretary of the company, or a person expressly authorised to sign, or in such other manner as the bye-laws of the company may provide.

3.9. Financial Year End

A Bermuda company must set a date as its financial year end. The bye-laws will usually authorise the directors to change this date.

3.10. Auditors

The shareholders of a Bermuda company must appoint auditors of the company and must fix the remuneration of the auditor or delegate authority to fix such remuneration to the board of directors.

However, this requirement may be waived if all of the shareholders and all of the directors, either in writing or at a general meeting, agree.

3.11. Shareholders

A Bermuda company must have at least one shareholder. A shareholder may, however, hold its shares as nominee for another person. The names and addresses of the shareholders must be entered on a register of members kept by the company. In addition, the register must set out the number of shares held by each member, and, in respect of any share that is not fully paid, the amount paid. The register of members must be kept at the registered office (or, upon filing an appropriate notice, at some other address in Bermuda) and must be available for inspection by the public. Bearer shares are not permitted under Bermuda law, but shares may be registered in the name of a nominee.

A public company may maintain a branch register of members outside Bermuda on notice to the Registrar.

4. INCORPORATION

4.1. Application

An application to incorporate a Bermuda exempted company (together with the memorandum of association) is submitted to the Registrar. For a company proposing to carry on restricted business activities, consent of the Ministry of Finance or BMA will be required. On receipt of such consent, if needed, the memorandum of association is registered with the Registrar who issues a certificate of incorporation. Once the company is incorporated, the organisational meetings must be held.

4.2. Provisional Directors' Meeting

The subscribers to the memorandum of association constitute the provisional directors of the company upon incorporation. Their powers are limited by the Act, and they hold office until a board of directors is appointed by the shareholders. In general, they will perform the following functions:

- (a) allot the shares to the proposed shareholder(s);
- (b) call the statutory general meeting of the shareholder(s); and
- (c) approve the bye-laws of the company, subject to confirmation by the shareholder(s) at the statutory general meeting.

A director of Conyers and manager in Conyers Corporate Services will act as the provisional directors for companies being incorporated by Conyers Corporate Services.

4.3. Statutory General Meeting

As soon as it is convenient after any of the share capital has been subscribed, a statutory general meeting of the shareholders must be held. The purpose of the meeting is to elect the first board of directors. At least five days' notice of the meeting must be given unless all of the shareholders agree to waive such notice. This meeting is deemed to be the annual general meeting for the year in which it takes place. Generally, the shareholders:

- (a) adopt the bye-laws of the company;
- (b) appoint the directors; and
- (c) appoint the auditors.

The shareholders also have the opportunity at this meeting to waive the requirement to conduct annual general meetings going forward, either for a specified period of time or indefinitely.

4.4. First Meeting of Directors

This meeting normally occurs immediately after the statutory general meeting. There remain various other matters, some of which are administrative in nature, which must be done before the company commences operation. The directors will, amongst other things, usually deal with the following:

- (a) elect or appoint such officers as may be required;
- (b) appoint a secretary and, if relevant, a resident representative of the company;
- (c) establish the registered office of the company;
- (d) make a call upon the issued shares (usually 100%);
- (e) approve the payment of the Bermuda Government fee;
- (f) adopt the seal of the company, if there is to be one;
- (g) approve the application for the tax exemption certificate;
- (h) authorise the opening of bank accounts; and
- (i) appoint accountants to maintain the financial records.

The company is thereafter in a position to commence its business activities.

4.5. Registrable Persons

Certain information regarding the registrable persons (beneficial owners and relevant legal entities) of a Bermuda company must be entered in its beneficial ownership register and filed with the Registrar.

5. OPERATION OF A BERMUDA COMPANY

5.1. General

The management of a Bermuda company is the responsibility of its board of directors (or sole director, as the case may be). Except as may be expressly provided in the company's bye-laws, the shareholders' only control over the management of the company is through their power to appoint and dismiss the directors.

A company has the capacity to effect any transaction which falls within its objects and powers, subject only to any express limitation in the objects or powers and provided that the transaction is not itself illegal.

However, the directors of the company owe a duty to the company to ensure that transactions of the company are for the purposes of the company even where they are clearly within its corporate capacity. Where a third party dealing with the company has notice of any breach of this duty the transaction may be avoided by the company and the third party will be liable to account to the company for assets received or profits made. This general rule of law is of particular significance in cases where companies are providing guarantees and/or security in respect of the obligations of third parties.

5.2. Directors' Meetings

The bye-laws of a Bermuda company generally provide that the directors may meet for the transaction of business and regulate their affairs as they see fit. Notice of a meeting of the directors must be given to all directors. Such notice must be given in accordance with the provisions of the bye-laws and may be given by telephone, electronic record or otherwise. In order validly to transact business, a quorum must exist throughout the meeting of the directors. Unless bye-laws otherwise provide, meetings of the directors may be held by telephone or other electronic means. Further, the bye-laws may provide for the transaction of business by a written resolution signed by all of the directors in lieu of a meeting. Unless precluded by the bye-laws, a director may appoint another director to represent him and to vote on his behalf at a directors' meeting.

A director must disclose at the first opportunity, at a meeting of the directors or in writing to the directors, any interest in any material contract, or any material interest in any other person with whom the company has dealings. It is usual for the directors to make a general disclosure of such interests at the first directors' meeting.

5.3. Contracts

Any third party dealing with the company in the ordinary course of its business will, generally, be entitled to rely on any written or oral contract or agreement executed or entered into by any person acting with the ostensible authority of the company. However, it is usual to present most major contracts to the board of directors for approval by resolution prior to execution. In general, the company may authorise any person as its agent to sign or execute contracts or other documents. A company may, but need not, have a common seal. If it does have one, the board of directors may authorise the execution by the affixing of the company's seal over the signature of a director, or the secretary, or a person expressly authorised to sign, or in such other manner as may be provided in the bye-laws.

5.4. Shareholders' Meetings

The minimum notice with respect to the calling of the annual general meeting or any special general meeting is five days. The bye-laws may further extend this notice period.

However, the annual general meeting may be called on shorter notice if such shorter notice is agreed to by all the shareholders entitled to attend and vote at such a meeting. Further, any special general meeting may be called on shorter notice if this is agreed to by a majority of the shareholders holding at least ninety-five per cent in nominal value of the shares giving such holders the right to attend and vote at general meetings.

Notice of all general meetings must specify the place, day and time of the meeting.

A Bermuda company must hold an annual general meeting once in every calendar year unless that requirement is waived by resolution of the members. There is no other requirement with respect to the time between two annual general meetings. The statutory general meeting held in the year of incorporation is deemed to be the annual general meeting for that year.

At the general meeting of a company any matter which may properly come before the shareholders may be dealt with. The following matters must be dealt with at the annual general meeting:

- (a) consideration of the auditors' report, unless this has been waived;
- (b) appointment of the directors for the next year (unless another manner of appointment or term is specified in the bye-laws); and
- (c) appointment, or waiver of such, of the auditors for the next year.

Unless the bye-laws provide otherwise, the shareholders will also determine the level of the directors' fees, if any.

Shareholders may vote at general meetings in person (which includes by telephone or electronic access) or by proxy. The holder of a proxy may, but need not, be a shareholder. A corporate shareholder of a Bermuda company may appoint such person as it thinks fit to be its representative at general meetings.

Where annual general meetings have been waived by resolution of the company, any one member may, by notice to the company, terminate such waiver and trigger the resumption of annual general meetings. As such, the waiver mechanism is best suited to single shareholder or closely held companies that are not particularly active (such as holding companies).

6. TRANSACTIONS INVOLVING SHARES OF A BERMUDA COMPANY

6.1. Issue of Shares

Where the company is regulated by the BMA, the issue of shares to persons after the incorporation of the company may require the prior approval of the BMA. The power to issue shares of the company rests with the directors unless they delegate that power to some other body.

Shares may not be issued at a price per share less than the par value per share.

Premium arising on the issue of shares must generally be credited to a statutory account known as the share premium account. That account may be used by the company in certain capital transactions, including a bonus issue of shares of any class.

6.2. Transfer of Shares

Unless the bye-laws provide otherwise, shares of a Bermuda company may be transferred by a standard instrument of transfer. As with the issue of shares, where the company is regulated by the BMA, transfers of shares to persons after the incorporation of the company may require the prior approval of the BMA. Paperless transfers of shares are allowed for listed companies, in accordance with the rules of the relevant appointed stock exchange.

The bye-laws may contain provisions restricting the right and/or ability of a shareholder to transfer shares and generally require that the board of directors approve all share transfers. If the directors refuse to register a transfer, notice must be given to the transferor and the transferee.

6.3. Redemption and Re-Purchase of Shares

Where the company has the power to redeem its shares, the manner of effecting such redemptions must be set out in the bye-laws. No redemption or re-purchase of shares may take place if, as a result of such redemption or re-purchase, the issued share capital of the company would be reduced below the minimum share capital as set out in the memorandum of association.

Except in the case of mutual fund companies, the redemption or re-purchase may only be effected if:

- (a) the par value of the shares to be redeemed or re-purchased is paid out of the capital paid up thereon, or out of funds otherwise available for dividend or distribution or out of the proceeds of a fresh issue of shares made for the purpose of redemption or re-purchase; and
- (b) any premium payable on the redemption or re-purchase is paid out of the share premium account, or out of funds otherwise available for dividend or distribution.

Shares redeemed or re-purchased may be cancelled or held in treasury, if permitted by the bye-laws. The authorised share capital in respect of any shares redeemed or re-purchased and subsequently cancelled may be later used in connection with the issue of new shares.

No approval of the BMA is required in connection with the redemption or re-purchase of shares.

6.4. Contributed Surplus

Any person, including a shareholder, may make a contribution to the company. Any such contribution must be in the form of an un-related gift of cash or other property to the company. If an issue of shares is connected with the making of the contribution, the amount of the contribution may be deemed a premium on the issue of shares and thus must be treated as capital.

No approval of the BMA is required for the making of contributions.

6.5. Dividends and Distributions

A Bermuda company may not declare and pay a dividend, or make a distribution out of contributed surplus, if there are reasonable grounds for believing that:

- (a) the company is, or would after the payment be, unable to pay its liabilities as they become due; or
- (b) the realisable value of its assets would thereby be less than its liabilities.

7. REGISTER OF CHARGES

The Registrar maintains a register of charges in respect of every Bermuda company. Any charge over the assets of a company may be submitted to the Registrar for registration against that company.

Registration constitutes notice to the public of the interest of the chargee in or over the charged assets. Any registered charge will have priority over any subsequently registered charge and unregistered charge, except a charge created prior to 1st July 1983. Priority is based upon the date of registration and not the date of creation of the charge. Subject to the foregoing, there is no time period within which a charge must be registered in order to be effective.

8. PUBLIC RECORDS OF A BERMUDA COMPANY

The following records of a Bermuda company are available for public inspection at the office of the Registrar:

- (a) the memorandum of association of the company and any amendments thereto;
- (b) the certificate of incorporation;
- (c) the notice stating the registered address of the company;
- (d) the list of directors; and
- (e) the register of charges of the company.

In addition, the register of directors and officers and the register of members must be available for inspection by the public at the registered office of the company. However, the minimum required information related to each registrable person (beneficial owners and relevant legal entities) as set out in the Beneficial Ownership Act 2025, and which has been provided to the Registrar, may be disclosed to the persons specified in that Act.

A Bermuda company is not required to file accounts with the Registrar, however certain companies subject to financial regulation are required to file financial statements with the BMA but these are not available to the public except those of commercial insurance companies. Insurance companies are required to file annually a statutory financial return in the form prescribed by the Insurance Act, 1978, as amended.

While the memorandum of association will state on its face the name of the initial subscribers, it is usual to provide for nominee subscribers to the memorandum of association. In particular, it should be noted that the supporting information on the beneficial owners, including their personal declarations delivered to the Registrar, is not a matter of public record.

Shares of a Bermuda company may be held in the name of a nominee. The nominee's name only will appear on the company's register of members. As mentioned above, the use of any such nominees does not avoid the necessity of providing the Registrar with the supporting information on the beneficial owners.

9. CHANGES TO A COMPANY'S MEMORANDUM OF ASSOCIATION AND BYE-LAWS

9.1. Memorandum of Association

The memorandum of association of a Bermuda company may be amended in a manner similar to the initial process for incorporation. If such amendments will allow a company to carry on restricted business activities, consent of the Ministry of Finance or the BMA is required. It will be necessary for the shareholders to approve the amendment by resolution at a general meeting. Thereafter, the amended memorandum of association must be registered with the Registrar.

The Act contains provisions designed to protect the interests of minorities on a change to the provisions of the memorandum of association.

Changes to the memorandum of association include changes to the objects clauses and powers. A separate procedure is followed to change the name of a company.

9.2. Increase of Authorised Capital

While an increase in the authorised capital constitutes an amendment to the memorandum of association, prior approval of the Ministry of Finance is not required. The share capital can be increased by a resolution of the shareholders in general meeting and will take effect as from that date. Following the increase, a memorandum of increase of share capital must be filed with the Registrar.

9.3. Reduction of Capital

A Bermuda company may formally reduce its capital. Following the reduction, a memorandum of reduction of share capital must be filed with the Registrar.

9.4. Bye-laws

The bye-laws of a Bermuda company may be amended by the directors, subject to approval by the shareholders in general meeting, in accordance with the provisions of the bye-laws. No approvals from the Ministry of Finance or otherwise are required.

Generally, where there is more than one class of shares and any amendment would affect the rights of any or all of those classes, each class affected, whether or not such class normally carries voting rights, will be entitled to vote separately as a class on such amendments.

10. AMALGAMATION, MERGER, CONTINUANCE AND DISCONTINUANCE

10.1. Amalgamation

Two Bermuda exempted companies may amalgamate and continue as one. On an amalgamation, neither company ceases to exist, but rather the assets and liabilities, and rights and obligations, of the two companies become those of a single amalgamated company, and their separate existences cease. Each amalgamating company must enter into an amalgamation agreement which must be approved by resolution of the shareholders. Following such approval, the memorandum of association of the amalgamated company must be registered with the Registrar.

A short-form procedure exists for amalgamating one or more wholly-owned subsidiaries, and subsidiary and parent companies.

10.2. Amalgamation into Bermuda

An exempted company and a foreign corporation may apply to the Registrar to amalgamate and continue as an exempted company. The Registrar must be supplied with the memorandum of association of the amalgamated company and documentary proof demonstrating that the foreign corporation has obtained all of the necessary authorisations required under the laws of its incorporating country to enable it to amalgamate into Bermuda.

10.3. Amalgamation out of Bermuda

An exempted company may amalgamate with a foreign corporation and continue as a foreign corporation. Notice of the intention to amalgamate out of Bermuda must be published in a Bermuda newspaper. The jurisdiction in which the amalgamated corporation is to be continued must be an “appointed jurisdiction” under the Act. The Ministry of Finance must be satisfied that the laws of the country where the amalgamated company will continue contain comparable provisions dealing with the ownership of property and the liabilities and obligations of the amalgamated corporation. The procedures include steps designed to protect the interests of creditors following continuation in a foreign jurisdiction.

10.4. Merger

One or more exempted companies and/or one or more foreign corporations may merge in accordance with the provisions of the Act. In a merger, the undertaking, property and liabilities of the companies vest in one of such companies (the “**surviving company**”). Procedures exist in the Act for the surviving company to be either a Bermuda company or a foreign corporation, as desired.

10.5. Continuance into Bermuda

A foreign corporation may continue into Bermuda and become an exempted company. Before the application to continue can be made, registrable persons must be onboarded via the Portal (see 2.1 above for additional information on onboarding registrable persons). The application to the Registrar for continuance must be accompanied by a form of the memorandum of continuance and proof that the foreign corporation has obtained all necessary authorisations required under the laws of its incorporating country to enable it to continue into Bermuda. Upon approval by the Registrar, the memorandum of continuance is registered with the Registrar. A continued company may need to hold meetings of its shareholders and directors shortly after continuance into Bermuda in order to conform to the Bermuda company constitutional requirements.

10.6. Discontinuance from Bermuda

An exempted company may discontinue from Bermuda and continue into, and be subject to the laws of, a foreign jurisdiction. Notice of intention to discontinue must be published by the company in a Bermuda newspaper and in a national newspaper in each jurisdiction where it carried on a substantial part of its trade or business activities. A discontinuing company and each of its directors must execute an irrevocable deed poll pursuant to which the company and directors agree to accept service of process in

certain jurisdictions. A discontinuance must be registered with the Registrar, along with a statutory declaration by the directors stating that the company is solvent, the irrevocable deed poll and a notice of its registered office in the foreign jurisdiction. The company will cease to be subject to Bermuda law on the date of its continuance in the foreign jurisdiction, which is usually co-ordinated to be the same day as the discontinuance is registered with the Registrar.

11. OVERSEAS COMPANIES

A company incorporated outside Bermuda may apply to establish a place of business in Bermuda. As with a Bermuda company, supporting information, including personal declarations of its beneficial owners, must be supplied to the Registrar as agent of the Minister of Finance.

The policy of the Ministry of Finance is not to grant permits to such overseas companies unless they are satisfied that the activities of the overseas company could not be carried out by a Bermuda company. In circumstances where a Bermuda company carrying on the proposed business would be subject to some disadvantage to which the foreign company would not be subject, the Ministry of Finance will generally be prepared to grant a permit.

A “permit” company must appoint a principal representative in Bermuda, whose name must be entered with other details in a public register. Such a company must maintain records in Bermuda of its dealings.

12. TAXATION AND EXCHANGE CONTROL

12.1. Taxation

At the date of this publication, Bermuda corporate income tax (CIT) applies only to certain Bermuda constituent entities that are members of Multinational Enterprise Groups with consolidated financial statements showing annual revenue of at least 750 million Euros for at least two of the last four fiscal years. For all Bermuda companies which are out of scope of CIT, there is no Bermuda income or profits tax, withholding tax, capital gains tax, capital transfer tax, estate duty or inheritance tax payable by such Bermuda company or its shareholders, other than shareholders ordinarily resident in Bermuda.

No stamp duty is payable in respect of any instrument executed by an exempted company or in respect of an instrument relating to an interest in an exempted company. Stamp duty may, however, be payable in respect of transactions involving Bermuda property.

12.2. Exchange Control

Exempted companies and permit companies are designated non-resident for exchange control purposes. The non-resident designation allows these entities to operate free of exchange control regulations and enables them to make payments of dividends, to distribute capital, to acquire, hold and sell any currency and foreign securities without reference to the BMA.

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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