

ANNUAL STATISTICAL RETURN FOR REAL ESTATE BROKERS IN BERMUDA

WHOSE BUSINESS INVOLVES SALES AND PURCHASE TRANSACTIONS SINCE 1 SEPTEMBER 2016

(INSTRUCTIONS)

INTRODUCTION

Bermuda has committed itself to implementing and maintaining a robust framework to combat money laundering and terrorist financing. At the core of Bermuda's fight against money laundering (ML) and terrorist financing (TF) is being cognizant of the ML/TF risks associated with the various business sectors such as real estate.

In furtherance of the on-going assessment of Bermuda's ML/TF risk, the Superintendent of Real Estate (the "Superintendent") has exercised his right as the competent authority with supervisory duties over real estate brokers in Bermuda to require that brokers provide such information as is specified in the Annual Statistical Return. See Regulation 16 of the Proceeds of Crime (Supervision and Enforcement) Act 2008.

LINE BY LINE INSTRUCTIONS

The Superintendent has provided the following line by line instructions where he has deemed it necessary or useful. Should you have questions regarding parts of the Annual Statistical Return that are not addressed in these instructions, please do not hesitate to contact the Office of the Superintendent of Real Estate for further clarification.

This Annual Statistical Return is for reporting information relating to transactions that closed during the period of 1 January through 31 December, each year.

All submissions must be typed and emailed to realestatelicense@gov.bm.

SECTION A – GENERAL INFORMATION

Line 3 – Broker contact details

Please provide the name of Broker and contact details for him/her.

Line 4 – ROC Registration number

This can be found on the upper right corner of your broker's licence.

Line 10 – Personnel Matters

The Superintendent seeks to obtain better information regarding how brokers have structured their businesses. This will assist the Superintendent in developing our risk assessment of each Broker.

Line 14 – Revenue from all sources (for calendar year ending 31 December)

Sales commissions – This term refers to the amount of commission booked or received (depends on the Broker’s method of accounting). This amount would be the commission received where the Broker was the listing agent, or the total commission received if the Broker represented both sides of the transaction.

Co-broke arrangements – This term refers to the amount of commission booked or received (depends on the Broker’s method of accounting) for transactions whereby the Broker brought the buyer to the transaction. For transactions in which the Broker was the listing agent, those commissions must be recorded in “Sales commissions”.

Rental commissions – This term refers to the amount of commission booked or received (depends on the Broker’s method of accounting). This amount would be the commission received irrespective of whether the Broker was the listing agent for the transaction.

SECTION B – INHERENT RISK FACTORS

General note: In the “Sales price of property subject to sale or purchase transaction” column, Brokers must include the total sales price, irrespective of whether the transaction was a purchase or sale and irrespective of whether the Broker represented both sides in the sale or purchase transaction. The Superintendent is seeking to obtain information on the total volume of the transactions described in this section. The Superintendent is aware of the duplicative numbers in Question 1a and 1b. We have addressed the matter of duplication in Question 2a – 2h.

The total of Question 1a and 1b should equal the total amount for Products and Services, Question 2a – 2h.

Question 1 – Client

Brokers must report the total number of each type of transaction with each type of client as specified in Questions 1a(i) through (vii), and 1b. For every transaction that the Broker completed, the Broker must report (in the appropriate column) the full sales price of each purchase and sale transaction.

If a Broker is involved on both the buyer and seller side of the transaction, the Broker must report each type of client separately in the appropriate column.

If a Broker is involved only on one side of the transaction (e.g., involved in a co-brokerage arrangement), the Broker will only record their side of the transaction as a response to Questions 1a and 1b.

Line 1a

(iii) refers to properties owned by the Bank; this may include repossessed properties or properties whereby the former owner returned the keys to the Bank.

Line 1d

The term “receiver/liquidator” refers to properties that are not owned directly by the Bank, but instances whereby the Bank is selling a distressed property as mortgagor or receiver on behalf of another person.

Question 2 – Products and Services

Questions 2a through 2d relate only to co-brokerage arrangements. Brokers will only record their side of the transaction as responses to Questions 2a through 2d. For every transaction that the Broker completed, the Broker must report (in the appropriate column) the full sales price of each purchase and sale transaction.

Questions 2e through 2h relate to situations where a Broker is involved on both the buyer and seller side of the transaction. Brokers must report each type of transaction separately in the appropriate column. The Broker must report (in the appropriate column) the full sales price of each purchase and sale transaction.

As a way to double check your work, the total of Question 1a and 1b should equal the total amount for Products and Services, Question 2a – 2h.

Question 3 – Method of Payment

Method of payment refers to monies received by the Broker from clients for deposits, sales, rent payments for managed properties and payments for any other services or products provided.

Question 6 – Rentals and Property Management

The Superintendent has restructured these questions with the goal of receiving more accurately reported responses, and to gain additional information with regard to ML/TF risks which may be present in the rental market in Bermuda.

In Questions 6a through 6c, Brokers must provide the number of properties rented to tenants. If the same property was rented twice, once as a short term rental and once as a residential rental, the Broker would count this as 1 rental under each respective column/category. **Questions 6(a), (b) and (c) should only contain data for transactions in which the Broker was the listing agent for the rental.**

“Short term or vacation rental” refers to any rental made for a term less than 1 year.

“Residential rental” refers to any rental made for a term of 1 year or more for a property zoned as residential.

When counting the number of properties managed, indicate whether you are providing the information as the number of buildings managed or the number of individual units managed. Either way of reporting is acceptable, but you must clearly state which method you are using to count the number of properties managed.

DO NOT PRINT OR INCLUDE THESE INSTRUCTIONS WITH YOUR SUBMISSION.
PLEASE SAVE THE PDF DOCUMENT AND EMAIL TO realestatelicense@gov.bm



Ministry of Finance
Office of the Superintendent of Real Estate

NOTICE OF REQUEST FOR INFORMATION

Under Section 16 of the Proceeds of Crime (Supervision and Enforcement) Act 2008

AML/ATF SUPERVISORY STATISTICAL RETURN FOR REAL ESTATE BROKERS WHOSE BUSINESS INVOLVES SALES AND PURCHASE TRANSACTIONS SINCE 1 SEPTEMBER 2016				
A. GENERAL INFORMATION				
1	Name of real estate broker (individual or legal entity, including "trading as" if applicable)			
2	Address of main office			
3	Broker contact details			
	Name of contact person:			
	Phone No:		Email:	
	Website:			
4	Legal form of business	<input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Partnership <input type="checkbox"/> Company		
	ROC Registration #			
5	List the names of the beneficial owners of your real estate firm ¹			
	Name	Nationality	Percentage Ownership Foreign or Bermudian	

¹ Refer Section 3 of the *Proceeds of Crime (Anti-Money Laundering and Anti-Terrorist Financing) Regulations 2008*.
[http://www.bermudalaws.bm/Laws/Consolidated%20Laws/Proceeds%20of%20Crime%20\(Anti-Money%20Laundering%20and%20Anti-Terrorist%20Financing\)%20Regulations%202008.pdf](http://www.bermudalaws.bm/Laws/Consolidated%20Laws/Proceeds%20of%20Crime%20(Anti-Money%20Laundering%20and%20Anti-Terrorist%20Financing)%20Regulations%202008.pdf)

6	Year first registered to conduct real estate activities		7A Address of office/branch other than the main office	
7	Number of local offices or branches in Bermuda			
8	Name of any subsidiaries, affiliates or franchises			
9	Overall business structure	Please provide an organizational chart which details the ownership structure, board of directors (if applicable), management, compliance officer and reporting officer. Organizational Chart Attached: YES NO N/A		
10	Personnel matters	Total # of all employees (full and/or part time): Total # of contractors for which the Broker holds RE Agent licences: Total # of real estate licenses held by Broker:		
11	Name of Compliance Officer			
		Email	Telephone	
12	Name of Reporting Officer			
		Email	Telephone	
13	Are you a member of the Bermuda Chamber of Commerce?	YES	NO	
14	Total revenue from all sources (BMD) ² broken out as follows: <i>See Instructions for more reporting information.</i>	Sales commissions:		
		Co-broke arrangements:		
		Rental commissions:		
		Property management services:		
		Appraisal/valuation services:		
		Other (specify):		
		TOTAL:		

²Total revenue for the calendar year ending December 31, 2020.

B. INHERENT RISK FACTORS					
			For calendar year ending December 31, 2020		
1	Client	Number of Transactions		Sales price of property subject to sale or purchase transaction (BMD)	
	See Instructions for more reporting information.	Seller	Buyer	Seller	Buyer
1a	Type of client – Person or entity that purchases or sells the real estate				
	i) Individuals				
	ii) Limited companies (Ltds., excluding Private Trust Companies)				
	iii) Bank owned properties				
	iv) Private Trust Companies (PTCs or PVTs)				
	v) Limited Liability Companies (LLCs) and/or Partnerships				
	vi) BMA-licensed trustees on behalf of trusts they manage				
	vii) Trusts with individual/unlicensed trustees				
	SUBTOTAL 1a(i) – (vii)				
1b	Transactions with Intermediaries (Persons acting on behalf of clients, e.g. lawyers, executors, receiver/liquidator, accountants, power of attorney, etc.)				
	TOTAL of 1a and 1b				
1c	Residency of client				
	i) Bermuda				
	ii) United States				
	iii) Canada				
	iv) United Kingdom				
	v) All other countries				
1d	Politically Exposed Persons (PEPs)³				
	i) Domestic PEPs				
	ii) International PEPs				

³See definition of Politically Exposed Persons (PEPs) in the Schedule of the Proceeds of Crime (Anti-Money Laundering Anti-Terrorist Financing) Regulations 2008.

2	Products and Services	Number of Transactions		Sales price of property subject to sale or purchase transaction (BMD)	
		Seller	Buyer	Seller	Buyer
	a. – d. are to report co-broke arrangements. See Instructions for more reporting information.				
	a. Purchase or sale of residential real estate				
	b. Purchase or sale of fractional interests in property				
	c. Purchase or sale of commercial property				
	d. Purchase or sale of land				
	SUBTOTAL 2(a) – (d)				
	e. – h. are to report transactions where the Broker represented Buyer & Seller, or where you were the ONLY Broker on the transaction. See Instructions for more reporting information.				
	e. Purchase and sale of residential real estate				
	f. Purchase and sale of fractional interests in property				
	g. Purchase and sale of commercial property				
	h. Purchase and sale of land				
	SUBTOTAL 2(e) – (h)				
	TOTAL 2(a) – (h)				
3	Method of Payment <i>See Instructions for more reporting information.</i>	Number of Transactions		Amount (BMD)	
	a. Cash (notes and coins)				
	b. Cheque				
	c. Bank Transfer (direct) or wire transfer				
	d. Payment by any other means				
	TOTAL 3(a) – (d)				

4	Geographic Exposure Purchase or sale transactions where funds originated from outside of Bermuda (list all countries)	Number of Transactions		Amount (BMD)	
		Seller	Buyer	Seller	Buyer
	a.				
	b.				
	c.				
	d.				
5	Delivery Channel				
	Non-face-to-face transactions				

6	Rentals and Property Management See Instructions for more reporting information. Indicate whether the Broker is reporting in number of: Buildings Units	Number of Properties (# of buildings or # of units)	Value of one year (2020) rents paid under leases or agreements for 2020 only	
	a. Number of COMMERCIAL properties rented to tenants in 2020 (new leases or agreements signed in 2020; do not count multi-year rentals for which leases/agreements were not signed in 2020)			
	b. Number of RESIDENTIAL properties rented to tenants in 2020 (new leases or agreements signed in 2020; do not count multi-year rentals for which leases/agreements were not signed in 2020)			
	c. Number of SHORT TERM or VACATION RENTAL properties rented to tenants in 2020 (new leases or agreements signed in 2020)			
	d. Current number of COMMERCIAL properties managed, including those owned directly by the Broker			
	e. Current number of RESIDENTIAL properties managed, including those owned directly by the Broker			

C. IMPLEMENTATION OF YOUR AML/ATF OBLIGATIONS (Includes New Brokers)

	AML/ATF Obligations	YES	NO	
1	Have you appointed a compliance officer?			
2	Have you appointed a reporting officer?			
3	Have you developed or updated AML/ATF policies and procedures?			
4	Have you assessed or updated the ML/TF risks specifically related to your business activities?			
5	Have you implemented adequate customer due diligence measures?			
6	Do you apply enhanced due diligence measures to high risk situations or clients?			
7	Have you organized initial and on-going training for your employees related to AML/ATF risks and obligations?			
8	Are the Broker's staff adequately trained on how to report suspicious activities (SAR)?			
9	Do you maintain accurate records related to transactions, business relationships and SARs for the recordkeeping period required under the POCA (AML/ATF) Regulations?			
10	Have you conducted a review of your policies and procedures?			
11	Does the Broker have adequate policies and procedures in place which addresses sanctions screening?			

12	Have you conducted an AML/ATF Independent audit review?			
D. REAL ESTATE BROKER OBSERVATIONS:				
	Please provide any additional information or comments to assist the Superintendent of Real Estate to better understand the content of this Return.			
E. STATEMENT				
	I hereby certify that the statements and information contained in this return are true and correct to the best of my knowledge and belief.			
	Signature:			
	Name:			
	Title:			
	Date (mm/dd/yyyy):			