

**NEWS RELEASE**

## **Tax Reform Commission releases report on recommendations to reshape tax system**

*Measures to reduce cost of living, lower business costs, enhance fiscal stability*

**Hamilton, Bermuda (August 27, 2025)** — The Tax Reform Commission (“TRC”) today releases its report on policy recommendations to reshape Bermuda’s tax system to reduce the cost of living and the cost of doing business, and to promote job creation, economic growth, social equity and healthy public finances.

The Premier and Minister of Finance, David Burt, JP, MP empanelled the TRC on November 10, 2023, in light of the imminent implementation of the Corporate Income Tax (“CIT”). Potential revenues arising from the CIT, which took effect on January 1, 2025, create opportunities for broader tax reform to benefit Bermuda’s residents and businesses.

The TRC was tasked by the Minister with investigating these opportunities and putting forward policy recommendations to reduce the impact of taxes on individuals and organisations, while supporting Bermuda’s fiscal sustainability and attractiveness as a place to do business.

The Premier and Minister of Finance said, “On behalf of the Government of Bermuda, we extend our thanks to the Tax Reform Commission for the production of this comprehensive report. The time, expertise, and public engagement invested in producing this report are deeply appreciated and reflect the Commission’s commitment to serving the people of Bermuda.

“Independent analysis such as this plays a vital role in shaping our fiscal future, providing a foundation for informed and balanced decision-making.”

The report is the result of extensive consultation and research based on available data. TRC commissioners met with more than 500 people across a broad cross-section of society — including policymakers, local and international business leaders, and representatives of unions, seniors, youth, and community organizations. The TRC also hosted a public townhall meeting and met with more than 30 stakeholder groups.

Premier Burt continued, “The Government will now begin a period of consultation on the Commission’s recommendations. We will listen carefully to the views of stakeholders across all sectors of our community to ensure that any reforms deliver meaningful economic and social benefits, reduce the cost of living and doing business, and position Bermuda for long-term stability and growth. We are committed to working collaboratively and transparently as we move from recommendations to implementation.

“Finally, I wish to extend a thank you to the Commissioners under the leadership of Chair Darren Johnston, for their service and for providing a foundation upon which we can build for Bermuda’s

future. The task undertaken was greater than any imagined, but the work produced demonstrates the amount of thoughtful consideration that went into their work.”

Darren Johnston, Chair of the TRC, said: “We listened carefully. We heard about the pressures of families struggling with the high cost of living, and about how businesses are grappling with tough decisions on hiring, expansion and retaining top talent in Bermuda.

“We heard a wide range of ideas on how CIT revenues should be used — from reducing debt and strengthening pension funds to lowering other taxes and supporting growth. These perspectives directly shaped our thinking.

“We have put forward a set of recommendations that the commissioners believe strike a balance between the interests of fiscal stability, supporting the most vulnerable among us, easing the financial burden on working families and seniors, bringing down the cost of employment to encourage businesses to hire, and keeping Bermuda an attractive place to build a business and locate employees.

“The commissioners are optimistic that, should the Government choose to implement these changes, the combined positive impact would be felt community-wide. The benefits will compound over time, helping to build a more equitable, prosperous and sustainable Bermuda.”

The recommendations detailed in the report include:

- Creation of a Stability Fund to use CIT revenues to pay down debt and support consistent funding of government budgets
- Plan to reduce Bermuda’s \$3.2 billion national debt by at least half within ten years
- Changes in employee payroll tax rates to increase take-home pay for lower and middle-income earners
- Health insurance support for vulnerable groups, including seniors, the underinsured and those on low incomes to promote healthcare equity and lower the cost of Bermuda’s healthcare system (a temporary step, given that healthcare reform is under way)
- Provisions to help reduce utility bills, including the elimination of duties and taxes on bulk electricity generation, and utility infrastructure tax credits to support efficient provision of services essential to the Bermuda economy
- Capping the top rate of employer payroll tax at 7% (with a suggested further reduction to 5%) to lower the cost of employment and encourage job creation
- Refund employers the equivalent of 25% of the employer’s share of the Standard Premium Rate portion of employees’ health insurance premiums to reduce the cost of employment and encourage hiring
- Elimination of the Foreign Currency Purchase Tax, which increases the cost of imported goods and overseas education, and is a tax disproportionately paid by those who earn Bermuda dollars — predominantly Bermudians and local businesses
- Amendment of customs duties to promote fairness and public health goals

- Community Development Tax Credit to incentivize charitable giving
- Substance-Based Tax Credit initially targeting the insurance industry and based on local employment, hiring and training of Bermudians, and on-island spending
- Programmes based on tax credits to incentivize housing development and innovation

The report includes full details of all recommendations, including context, and the TRC's reasoning and analysis.

The provisions of the Corporate Income Tax Act 2023 were broadly modelled on the OECD's Global Minimum Tax Rules, which are designed to establish a globally coordinated approach to ensure that multinational enterprises (MNEs) pay a minimum level of tax regardless of where they operate or where their profits are generated. The TRC has utilized Qualified Refundable Tax Credit structures that comply with Global Minimum Tax Rules for its incentive programmes.

The TRC also recommends that the Government empanels another TRC to review the outcome of the recommendations in this report and to make future recommendations based on data from the early years of CIT filings and the future evolution of Global Minimum Tax Rules.

Mr Johnston added: "On behalf of all the commissioners, it has been an honour to be able to contribute our ideas, as we strive to ensure that this moment of change is also a moment of progress. We thank the Premier and Minister of Finance for giving us this opportunity to serve Bermuda, and we also thank all of those who engaged with us and contributed their valuable insight and expertise."

The TRC members were appointed by the Minister of Finance with the aim of ensuring a diverse and knowledgeable representation. They are:

**Darren Johnston, FCPA, FCA, CPA, CFA** - Chairman; Chief Operating Officer of Orbis Investments, and a Director of Orbis Holdings Limited and other subsidiaries

**Albert Benchimol** - International Business representative; Former President and Chief Executive Officer and Strategic Advisor of AXIS Capital Limited

**Brian Holdipp, JP** - Progressive Labour Party representative; Counsel, MJM Limited

**Claudette Fleming, Ph.D** - General Member; Nonprofit Professional; Director Emeritus and former Executive Director of Age Concern

**Chris Furbert, JP** - Bermuda Trade Union Congress Representative; President of the Bermuda Industrial Union

**Douglas De Couto, Ph.D, JP, MP** (*from November 2023 to January 2025*) - One Bermuda Alliance representative; EVP, Aspen Insurance Group

**The Hon. Jeanne Atherden, FCPA, FCA, JP** (*from April 2025*) - One Bermuda Alliance representative; Vice President, Paragon Brokers (Bermuda) Limited, Director BCB

**Jonathan Howes, CPA, CA, MCSE** - Bermuda Chamber of Commerce representative; Chief Executive Officer of Bermuda Press (Holdings) Limited and subsidiaries

For more information, visit the TRC website at <https://trc.bm/>

The TRC's report will be posted at [forum.gov.bm](https://forum.gov.bm), where the members of the public are encouraged to offer their views.

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**About the TRC:** The Tax Reform Commission was empanelled on November 10, 2023, under the Tax Reform Act 2017, with the objective of advising the Government of Bermuda regarding potential measures to improve Bermuda's system of taxation and revenue collection, in accordance with the functions set out in section 5 of the Tax Reform Commission Act 2017.