

British Virgin Islands

General	
Type of entity	BC
Type of law	Common
Shelf company availability	Yes
Our time to establish a new company	2 days
Government fees for number of authorised shares not exceeding 50,000	US\$ 350
Government fees for number of authorised shares exceeding 50,001	US\$1,100
Corporate Taxation	Nil
Double taxation treaty access	No
Share Capital or Equivalent	
Standard currency	US\$
Permitted currencies	Any
Minimum paid up	US\$1
Usual authorised shares	50,000
Directors	
Minimum number	One
Local required	No
Corporate Directors Permitted	Yes
Publicly accessible records	No
Location of meetings	Anywhere
Shareholders	
Minimum number	One
Publicly accessible records	No
Location of meetings	Anywhere
Company Secretary	
Required	Optional
Local or qualified	No
Accounts	
Requirement to prepare	Yes
Audit requirements	No
Requirement to file accounts	No
Publicly accessible accounts	No
Other	
Requirement to file annual return	No
Change in domicile permitted	Yes

GENERAL INFORMATION

Introduction

The British Virgin Islands is an archipelago of over 40 islands, 16 of which are inhabited. Discovered by Columbus who is said to have been so impressed by their large number that he named them "Las Virgenes" in honour of St. Ursula and her 11,000 attendant virgins, they lie to the north west of the United States Virgin Islands. The neighbour with the largest land area is Puerto Rico, 96 km to the west. Except for Anegada, which is a flat reef surrounded island of coral limestone, the Islands are hilly and enjoy a subtropical climate. Their greatest tourist attraction is their superb beaches.

Population

The population is approximately 31,912; the largest and most heavily populated Island is Tortola which has approximately 18,000 inhabitants. 90% of the inhabitants are of African descent, the balance being made up of European, Indian or mixed race.

The capital, Road Town, is on the southern shore near Sir Francis Drake Channel. Tortola is connected by a road bridge to Beef Island and the local airport.

Political Structure

In 1672, Britain claimed Tortola. Simultaneously, Denmark asserted her sovereignty over St. Thomas and St. John; then in 1773 Denmark purchased St. Croix from France. The Danish Islands were sold to the United States in 1917 for US\$ 25 million. Relations between the United States and British Virgin Islands are good.

The British Virgin Islands are a UK overseas territory with self-government in most internal matters. Under the 1977 constitution, HM Queen Elizabeth II is represented by a governor responsible for external affairs, defence, internal security and the public service, with reserved legislative powers as necessary for the exercise of special responsibilities. On all other matters, the executive council has authority.

The executive council consists of the governor, the chief minister, the attorney-general and three other ministers appointed by the governor from the legislative council on the advice of the chief minister. The legislative council has a four year term and consists of a speaker, 13 directly elected members and the attorney-general.

Infrastructure and Economy

There is an excellent daily air service between the Islands and the USA. Cruise ships call in weekly to the Islands and there are freight carriers.

The economy, one of the most prosperous in the Caribbean area, is highly dependent on the tourist industry, which generates about 21% of the national income.

In 1984, the Government offered offshore registration to companies wishing to incorporate in the Islands, by 2006 the number incorporated had exceed 750,000, incorporation in the first three quarters of 2006 exceeded 51,000 making the British Virgin Islands the leading offshore jurisdiction. The BVI is the only Caribbean jurisdiction to boast the presence of all five of the largest offshore law firms in the region and the legal profession presence in the territory continues to expand. The Finance Sector and Ship Registration now generate approximately 50% of government revenue.

Language

The official and spoken language is English.

Currency

US Dollar.

Exchange Control

None.

Type of Law

Common Law, based on English Common Law with local modifications and local statutes.

Principal Corporate Legislation

The Companies Act (Cap. 285)

BVI Business Companies Act, 2004 - ("The BVIBC Act"). (All companies previously incorporated under the International Business Companies Act, 1984, automatically became subject to the BVIBC Act from 1st January 2007.)

BVI Business Companies (Amendment) Act, 2012.

COMPANY INFORMATION

Procedure to Incorporate

Submission of the Memorandum and Articles of Association, and a Certificate from the Registered Agent confirming compliance with the requirements of the ordinance.

Restrictions on Trading

Cannot trade within the British Virgin Islands or own real estate there. Cannot undertake the business of banking, insurance, assurance, reinsurance, fund management, collective investment schemes, trust management, trusteeship, the rendering of investment advice or any other activity that would suggest an association with the banking or insurance industries. Cannot offer its shares for sale to the public or carry out any activities connected to gambling.

Powers of Company

A company incorporated in the British Virgin Islands has the same powers as a natural person.

Language of Legislation and Corporate Documents

English.

Shelf Companies Available

Yes.

Time to Incorporate

Two days.

Name Restrictions

Any name that is identical or similar to an existing company, or any name that suggests the patronage of the Royal Family or the Government of the British Virgin Islands. The BVI Business Companies (Restricted Company Names) Notice 2013 brings the number of restricted words or phrases whose use is restricted to 217, full details can be found at <http://www.ocra.com/downloads/jurislaws.asp>

Language of Name

Latin alphabet. Any name in a language other than English must be accompanied by a translation to ensure that the name is not restricted. The BVI Business Companies (Amendment) Act, 2012 provides detailed guidance on the use of foreign character names in the naming of the BVI Business Company.

Registered Office Required

Yes, must be maintained in the British Virgin Islands, and must be maintained at the office of a licensed management company.

Names Requiring Consent or a Licence

Bank, building society, savings, loans, insurance, assurance, reinsurance, fund management, investment fund, trust, trustees, Chamber of Commerce, university, municipal or their foreign language equivalents.

Suffixes to Denote Limited Liability

Limited, Corporation, Incorporated, Société Anonyme, Sociedad Anónima or their relevant abbreviations.

Disclosure of Beneficial Ownership to Authorities

No.

COMPLIANCE

Share Issue

The normal number of shares issued is 50,000 with all of the shares having a par value, this being the maximum share issue for the minimum duty payable upon incorporation and annually thereafter. The shares may be expressed in any currency. The minimum number of shares issued is one share of no par value or one share of par value.

Classes of Shares Permitted

Registered shares, shares of no par value, preference shares, redeemable shares and shares with or without voting rights.

Taxation

A Business Company does not pay any tax on its world-wide profits to the British Virgin Islands authorities.

Double Taxation Agreements

The British Virgin Islands has treaties with Japan and Switzerland, although they have limited benefit and are not applicable to offshore business.

Licence Fees

- Companies with number of authorised shares up to 50,000 pay the sum of US\$ 350 per year.
- Companies with number of authorised shares more than 50,001 pay the sum of US\$ 1,100 per year.

Financial Statement Requirements

Whilst there is no requirement to file audited accounts with the authorities, The BVI Mutual Assistance (Tax Matters) (Amendment) Act, 2012 states that it is mandatory for a company to keep reliable accounting records for a minimum of five years from the date of transaction. The records must include sufficient information to explain the company's transactions and determine the financial position of the company with reasonable accuracy.

The Registered Agent must maintain a written record of the physical address where the accounting records are maintained for each company.

BVI companies that fail to comply with the Act are liable to a fine of US\$10,000 as stated in Section 98 (2) of the BVI BC Act, 2004.

Directors

The minimum number of directors is one. Directors may be natural persons or bodies corporate. They can be of any nationality and need not be resident. A copy of the Register of Directors must be held at the Registered Office and any changes to the Register must be sent to the Registered Office within 15 days of the change. Failure to do so may result in a fine of US\$10,000.

Company Secretary

A company secretary is not a requirement under the Act, but a secretary is normally appointed to facilitate signing obligations.

An imprint of the Company Seal must be held at the Registered Office. Failure to do so may result in a fine of US\$10,000. If the Minute Books containing records of meetings of members and directors are not held at the Registered Office the address at which these books are held needs to be provided.

Shareholders

The minimum number of shareholders is one. A copy of the Register of Members must be held at the Registered Office and any changes to the Register must be sent to the Registered Office within 15 days of the change. Failure to do so may result in a fine of US\$10,000.

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