

BRITISH VIRGIN ISLAND (BVI) COMPANIES

The British Virgin Islands (“BVI”) is recognised as one of the main international financial centres in the world, in particular through the business of company incorporations.

Formerly under the auspice of the International Business Companies Act, 1984 (as amended), incorporations are now conducted pursuant to the BVI Business Companies Act, 2004 (as amended).

In summary the requirements and benefits of a BVI Business Company are:-

Required to incorporate

- Company name;
- Director(s); names and details¹;
- Shareholder(s) names, details¹ and intended shareholding;
- The maximum number of shares the company is permitted to issue and par value. Standard is 50,000 of USD1.00 each;
- Source of funds and identity of ownership.

Note: By default the shares will be valued in US dollars but can be in another currency if so required.

Private Information (held at office and agent but not disclosed under general course of events¹)

- Directors and officers;
- Shareholders;
- Any due diligence documentation on the directors, shareholders and beneficial owners;
- Minutes of meetings and resolutions;
- Financial records.

¹ Including due diligence information

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¹ This may have to be disclosed if ordered by a statutory body such as the BVI Financial Investigations Agency, the BVI Regulator, a TIEA or under a (BVI) court order.

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Public Information (filed at the Registry of Corporate Affairs)

- The name of the Company;
- The Registered Agent and Registered Office;
- The Memorandum and Articles of Association (and any amendments);
- Any other voluntarily filed documentation.

Advantages

- Tax neutral;
- Ease and speed of formation;
- Company names can have an additional (non-English) name in another language and/or script;
- No requirement for local resident directors;
- No requirement for the auditing of financial accounts;
- No requirement for an Annual General Meeting;
- Can be listed on foreign exchanges;
- Familiar to banks, investors and financial institutions;
- Modern, clear and precise legislation.

Additional Services

- Directorship services;
- Shareholder services;
- Bearer Shares – whilst still able to be issued bearer shares must be held by an Authorised or Recognised Custodian;
- Day to day administration;
- Secretarial services;
- Accounting.

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Benefits of the BVI

The BVI is an Overseas Territory of the United Kingdom, with a judiciary (the Eastern Caribbean Supreme Court) independent from its executive and legislature. It is a politically stable, well known and competent jurisdiction with a long established track record as a leader in the field of company incorporation. Furthermore the BVI:

- Is a common law jurisdiction;
- Has a dedicated Commercial Court;
- Has its highest court as the Privy Council;
- Is supported by a network of BVI qualified lawyers worldwide;
- Has a strong history of public and private sector co-operation in legislation an innovative Products;
- Has a very comprehensive legal infrastructure and world class resident legal firms;
- Has an experienced and effective insolvency regime;
- Uses the US dollar as its currency;
- O.E.C.D'S 'White list' since August 2009.

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Thus in summary the main characteristics of a BVI Company are:-

Income Tax in BVI	None
Conduct business Internationally	Yes
Formally considered legal resident	Yes
Official language/language of documents	English/ Any language but in case of dispute English prevails
Authorised Capital	No specific requirements
Minimum paid-up capital	No specific requirements
Considerations to the capital	In any currency or in kind
Most effective number of shares (Maximum amount at minimum state fee)	50,000 shares (with or without particular value)
Bearer shares	Yes (but to be held by a custodian only)
Registered Agent in BVI	Required
Registered address in BVI	Required
Minimum number of directors	One
Non-resident Directors	Allowed
Corporate Directors	Allowed
Register of Directors	To be Kept by the Registered Agent
Register of Directors filed for public record	No, but may choose to do so
Minimum number of Members (shareholders)	One
Register of Members/ Shareholders	To be Kept by the Registered Agent
Register of Members/ Shareholders filed for public record	No
Holding of Annual General Meeting	Not required
Convention of Meetings of Directors/ Members	Anywhere in the world, also by proxy
Corporate Seal	Mandatory
Disclosure of beneficial owners to Registrar	No
Disclosure of beneficial owners to agents	Yes (confidential due diligence)
Keeping of accounts	Internally, only to enable a reasonable accurate determination of financial position
Auditing of accounts	Not required
Double-tax avoidance treaties	Switzerland, Japan
Currency controls/restrictions	None
Available special types of company	Restricted purpose company Segregated portfolio company
Redomicile a foreign company into BVI	Yes
Redomicile a BVI company abroad	Yes
Net time to incorporate	3-5 days
Ready-made (shelf) companies	Available

The above is intended to provide a brief guide only. It is essential that appropriate professional advice is obtained.