

## BVI Funds

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### In General

The British Virgin Islands (BVI) offers flexible, tax-efficient, and confidential fund structures ideal for global investors. As one of the world's largest offshore funds domicile, the BVI is a globally recognized offshore jurisdiction. The BVI is also committed to adhering to international financial regulations, ensuring that BVI domiciled funds meet global compliance requirements, which is crucial for cross-border investments.

### BVI Fund Vehicles

A BVI fund vehicle refers to investment funds established in the British Virgin Islands. Funds in the BVI can be structured as companies, limited partnerships, segregated portfolio companies (SPCs), or unit trusts, providing tailored solutions for diverse investment needs.

### Fund Licenses

Open-Ended funds are those where investors have the right to redeem on demand a proportionate interest in the value of the Fund at a specified valuation period, and are required to be licensed by the FSC, the BVI regulatory authority.

Open-Ended funds include Public Funds, Professional Funds, Private Funds, Approved Funds, or Incubator Funds, each with their separate regulatory requirements. Once an entity is licensed as a fund, it will be subject to the regulatory requirements of its particular fund license. Closed-Ended funds are registered as Private Investment Funds, where investors do not have an automatic right of redemption.

### Key Benefits of SPCs

The Segregated Portfolio Company (SPC), the most commonly used structure for private family funds, allows a company to segregate the assets and liabilities of different portfolios (also known as 'cells' or 'sub funds') within a single corporate structure. The assets and liabilities of each Segregated Portfolio (SP) within the SPC are attributable to the SP to which the assets and liabilities belong to and are protected by statute from the general liabilities of the SPC and the liabilities of all the other segregated portfolios within the same SPC.

### Diversification

A fund structure allows different family members to individually tailor their asset allocations based on different portfolio strategies. This may be setup as separate fund vehicles or a single SPC fund structure.

### Tax Efficiency

BVI entities are exempt from corporate income tax, capital gains tax, and withholding tax, offering a tax-neutral environment that is very beneficial for investors looking to optimize returns.

### Cost Effectiveness

Establishing a fund in the BVI is frequently cheaper compared to other jurisdictions, with lower start-up and ongoing operational costs ideal for small and mid-sized funds.

### Regulatory Flexibility

The BVI offers a straightforward and efficient incorporation and fund registration process.

### Strong Legal Framework

The BVI's legal system is based on English common law, providing strong investor protection and legal certainty. This can build confidence among investors.

### Confidentiality & Privacy Protection

BVI funds offer a high degree of confidentiality, with no public or private disclosure of beneficial owners, providing privacy for investors. The jurisdiction's legal framework ensures that sensitive information is protected.

### Professional Management

Funds are managed by experienced professionals who have the expertise to make informed investment decisions.

### Global Recognition

The BVI is a well-established offshore financial center, recognized for its compliance with international standards such as FATF and OECD guidelines.

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