

British Virgin Islands

Corporate Laws

Nature

Corporations are incorporated in the British Virgin Islands under the BVI Business Companies Act (BCA) of 2004. BVI corporations are legal entities, separate from their members, and have power to engage in any business. BVI corporations are exempt from tax.

Memorandum and Articles

The Memorandum and Articles must state the name and type of corporation, its Registered Office, and the name and address of the Resident Agent.

Segregated Portfolio Companies (SPCs)

Segregated Portfolio Companies may be created under the BVI BCA. The assets and liabilities of each segregated portfolio of the SPC are legally separate from the other portfolios of the SPC.

Shares

Shares issued by corporations give the holders the right to vote, and receive an equal share of dividends or surplus assets. Corporations may issue more than one class of shares, with or without par value, and for such consideration as the directors determine. BVI Corporations do not have a minimum share capital.

BVI corporations are no longer authorized to issue bearer shares or convert registered shares into bearer shares. Existing bearer shares will be automatically converted into registered shares on July 1st, 2023.

Shareholders

Shareholders of a BVI limited corporation have no liability for the debts of the corporation, and liability is generally limited to any amount unpaid on the shares. Meetings of shareholders are called by the directors, and may be held outside the BVI. A Register of shareholders must be kept.

Registered Office/Registered Agent

A corporation must have a Registered Office and Resident Agent in the BVI, who must keep the Memorandum and Articles, Register of Members, Register of Directors, copies of all notices filed by the corporation, and an imprint of the corporate seal.

Directors

BVI corporations are typically managed by the directors, unless officers are appointed. A corporation must have at least one director. The first director must be appointed by the Resident Agent, and may be appointed and removed by the members. A corporation must keep a Register of Directors.

Financial Statements

Effective January 1, 2023, BVI corporations must submit to the Resident Agent an Annual Return, including a summary Income Statement and Balance Sheet. The Resident Agent must retain records for at least 5 years.

Registration of Charges

A corporation may create a charge over its property, and must keep a Register of Charges at the office of its Registered Office or Resident Agent. The charge may also be registered with the Registrar, which takes priority over subsequently registered and unregistered charges.

Merger and Consolidation

A BVI corporation can merge with one or more BVI corporations, or foreign corporations. The directors must approve a written Plan of Merger, and Articles of Merger must be executed and filed with Registrar, who will issue a Certificate of Merger.

Continuation

A foreign corporation may continue to the BVI if authorized. The foreign corporation must file an Application to Continue, and the Registrar will issue a Certificate of Continuation. A BVI corporation may continue to another jurisdiction.

Liquidation and Dissolution

A corporation may file for voluntary liquidation if it has no liabilities or it is able to pay its debts. If it is insolvent, it must go into insolvent liquidation. A corporation may also be struck-off if it fails to pay annual fees. From January 1st, 2023, all newly struck off corporations will be dissolved on the date the Registrar publishes a Notice of Striking Off in the Gazette, giving corporations 90 days to pay its arrears.

Registrations and Filings

BVI corporations must file a copy of the Register of Directors with the Registrar, but not the Register of Members. The Resident Agent must register beneficial owner information on the BOSS system, a non-public database accessible by BVI authorities, and may be shared with UK law enforcement authorities on request. BVI corporations must comply with the Economic Substance rules and file an annual return confirming whether or not they conduct any Relevant Activity.

Succession

Shares of a BVI corporation are considered BVI situs property, regardless of where the shares or Share Register are kept. On the death of the shareholder, a Grant of Probate (will) or Letters of Administration (no will) is required from the High Court Registry.

Notice

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