

A guide to ongoing obligations for BVI professional and private funds

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This guide summarises the annual and continuing British Virgin Islands (BVI) regulatory obligations for professional funds and private funds in the BVI.

Annual obligations

Obligation	Requirement	Timing / Comments
Payment of annual BVI Registry fee	Payment due annually by: <ul style="list-style-type: none"> • 31 May of each year (if anniversary of incorporation falls between 1 January and 30 June), or • 30 November of each year (if anniversary of incorporation falls between 1 July and 31 December) 	<p>The BVI Registry fee for a fund incorporated as a BVI business company is either (i) US\$550 per annum for companies authorised to issue up to 50,000 shares or (ii) US\$1,350 per annum for companies authorised to issue more than 50,000 shares.</p> <p>The BVI Registry fee for a fund formed as a limited partnership fee (with or without Legal personality) is US\$750 per annum.</p>
Payment of annual FSC fee	Payment due annually by 31 March each year.	The Financial Services Commission (FSC) annual recognition fee is US\$1,250 per annum.

<p>Submission of annual economic substance self-certification</p>	<p>Annual self-certification due within six months of the end of the applicable reporting period.</p>	<p>Self-certifications are submitted via the fund's BVI registered agent by making a filing on the BVI's Beneficial Ownership Secure Search System (BOSS).</p> <p>Funds will be considered to be undertaking "investment funds business" for the purposes of the BVI's economic substance legislation, which is not a relevant activity for the purposes of that legislation.</p>
<p>Submission of annual AEOI reporting</p>	<p>Annual reporting submission deadline for FATCA and CRS is 31 May each year.</p>	<p>Filings are made by the fund's primary user registered with the International Tax Authority's (ITA) reporting portal (BVIFARS): BVI Financial Account Reporting System login.</p> <p>The fund should also register on BVIFARS as soon as possible upon set-up and, at the latest, by the annual enrolment deadline as detailed on BVIFARS.</p>
<p>Submission of annual audited financial statements</p>	<p>Within six months of the fund's financial year end.</p>	<p>In limited circumstances, it is possible to request an extension to the filing deadline or an exemption from filing such accounts.</p> <p>Extension and exemption requests must be submitted to the FSC within six months after the relevant financial year end. The request must be made before the deadline and will not be considered by the FSC if it is submitted late.</p> <p>The maximum extension for filing audited accounts permitted under the law is nine months.</p>

Submission of annual mutual funds annual return (MFAR) filing	On or before 30 June each year.	
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Ongoing obligations

Obligation	Requirement	Timing / Comments
BVI registered agent and registered office	A fund shall, at all times, have a BVI registered agent and registered office.	Any changes to the registered agent / registered office must be notified to the FSC within 14 days.
BVI authorised representative	A fund shall appoint and, at all times, have a BVI licensed authorised representative.	Any changes to the authorised representative must be notified to the FSC within 14 days. The role of the authorised representative is to be the conduit between the FSC and the fund.
Directors	A fund shall, at all times, have at least two directors (at least one of whom must be an individual).	Any changes to the directors of a fund must be notified to the FSC within 14 days. Where a fund is in breach of this requirement, it must notify the FSC immediately.

<p>Money laundering reporting officer (MLRO)</p>	<p>A fund shall appoint and, at all times, have a suitably qualified MLRO.</p>	<p>Where an MLRO ceases to hold office, the fund shall:</p> <ul style="list-style-type: none"> • notify the FSC or Financial Investigation Agency (FIA) within 14 days • within 21 days, submit an application for the appointment of a new MLRO to the FSC accordingly <p>Among other things, the MLRO shall be responsible for filing suspicious activity reports with the FIA in accordance with the BVI AML Regime and the AML Manual (as detailed below) and acting as liaison between the fund and the FIA and / or FSC (as relevant) in matters relating to the provision of BVI AML laws.</p>
<p>Manager</p>	<p>A fund shall at all times have a fund manager (unless an exemption is applied for and granted by the FSC).</p>	<p>In limited circumstances, it is possible to apply to the FSC for an exemption from this requirement.</p> <p>For these purposes, "fund manager" means a person who, by way of business, provides a fund with fund management services.</p>
<p>Administrator</p>	<p>A fund shall at all times have a fund administrator.</p>	<p>There is no exemption from this requirement.</p> <p>For these purposes, "fund administrator" means a person who, by way of business, provides a fund with fund administration services.</p>

<p>Custodian</p>	<p>A fund shall at all times have a custodian responsible for the safe-keeping of the assets of the fund (unless an exemption is applied for and granted by the FSC).</p> <p>The custodian should be functionally independent from the fund manager and the fund administrator. Where the custodian is the same person as the fund manager or fund administrator, it should be a company having systems and controls that ensure that the persons fulfilling the custodial function are functionally independent from the persons fulfilling the fund management or fund administration functions - it will be necessary to provide details of this functional independence to the FSC.</p>	<p>In limited circumstances, it is possible to apply to the FSC for an exemption from this requirement. Typical grounds for a custodian exemption application include (i) master-feeder structures, where the safe-keeping arrangements are in place at master level; or (ii) where a prime broker is appointed and responsible for safe-keeping of assets.</p> <p>For these purposes, "custodian" means a person to whom the fund property is entrusted for safe keeping.</p>
<p>Functionary - notification of appointment</p>	<p>At least seven days' prior written notification of the appointment of a functionary must be provided to the FSC.</p>	<p>The FSC may agree to accept a shorter period of notice.</p> <p>For these purposes, "functionary" means: the manager, administrator, investment advisor or custodian of the fund in the case of a fund that is a unit trust, the trustee; and a prime broker acting for, or in relation to, the fund.</p>
<p>Functionary - notification of ceasing to act</p>	<p>Written notice shall be provided to the FSC within seven days after a functionary of the fund resigns, the functionary's appointment is terminated or the functionary otherwise ceases to act as functionary of a fund.</p>	<p>The notice must include a statement of the reason for the functionary ceasing to act. The notice is deemed not to be provided if it does not contain this information.</p> <p>For these purposes "functionary" means: the manager, administrator, investment advisor or custodian of the fund in the case of a fund that is a unit trust, the trustee; and a prime broker acting for, or in relation to, the fund.</p>

<p>Auditor</p>	<p>A fund shall appoint, and at all times, have an auditor for the purpose of auditing its financial statements.</p> <p>In limited circumstances, it is possible to apply to the FSC for an exemption from this requirement.</p> <p>See also: Submission of annual audited financial statements above.</p>	<p>Any changes to the auditor must be notified to the FSC within 14 days.</p> <p>The auditor shall audit the financial statements and prepare its report in accordance with US GAAP, International Standards on Auditing (UK), International Standards on Auditing, Hong Kong Standards on Auditing, Canadian Auditing Standards or such other recognised international auditing standards as may be approved by the FSC on a case-by-case basis.</p>
<p>Maintenance of financial records</p>	<p>A fund must maintain records that are sufficient:</p> <ul style="list-style-type: none"> • to show and explain its transactions • at any time, to enable its financial position to be determined with reasonable accuracy • to enable it to prepare such financial statements and make such returns as it is required to prepare and make under the BVI Securities and Investment Business Act 2010 (as amended) (SIBA) and the Mutual Funds Regulations 2010 (as amended) • if applicable, to enable its financial statements to be audited in accordance with SIBA 	<p>Records should be retained for at least five years after the completion of the transaction to which they relate. This requirement continues to apply after the cancellation or revocation of the fund's recognition, as if the recognition had not been cancelled or revoked.</p>

<p>Fund valuation policy</p>	<p>A fund shall maintain a clear and comprehensive policy for the valuation of fund property with procedures that are sufficient to ensure that the valuation policy is effectively implemented.</p> <p>The fund shall ensure that its administrator or such other person having responsibility for the valuation of fund property, values fund property in accordance with the valuation policy.</p> <p>Written notice must be filed with the FSC no more than 14 days after amendment of the fund valuation policy.</p>	<p>The fund manager should be independent from the fund administrator, or such other person having responsibility for the valuation process.</p> <p>Where the fund determines that the manager must be the same as the fund administrator, or such other person having responsibility for the valuation process, the fund shall:</p> <ul style="list-style-type: none"> • identify, manage and monitor any potential conflicts of interest that may arise • disclose to investors in the fund (i) that the fund's manager or such other person having responsibility for the investment function is the same as the fund's administrator or such other person having responsibility for the valuation function; and (ii) details of how any potential conflicts of interest will be managed.
<p>CRS written policies and procedures</p>	<p>As a Virgin Islands Financial Institution under the Mutual Legal Assistance (Tax Matters) Act, 2003 (as amended) (MLAA), the fund must maintain CRS written policies and procedures to ensure compliance with the MLAA.</p>	
<p>AML written policies and procedures</p>	<p>As an entity undertaking "financial services business", the fund is required to establish and maintain a written and effective system of internal controls in accordance with the BVI AML regime (AML Manual). The fund must ensure compliance with the BVI AML regime and its AML Manual at all times.</p>	
<p>Address change</p>	<p>Written notification to the FSC within 14 days of the date of occurrence of change in the address of the fund's place of business (whether in or outside the BVI).</p>	

Material change	Written notification to the FSC as soon as reasonably practicable after any material change in the nature and scope of the fund's business, in the case of a fund incorporated, constituted, formed or organised under the laws of a country outside the BVI (meaning a foreign fund).	
Amendment to constitutional documents	Written notification to the FSC no more than 14 days after amendment of the fund's constitutional documents.	Filing should be accompanied by clean and redline versions of the amended constitutional documents.
Amendment / issue of offering and subscription documents	Written notification to the FSC no more than 14 days after amendment of the document, or issuance of an offering document that was not previously provided to the FSC.	Filing should be accompanied by clean and redline versions of the amended documents.

Investor eligibility and investment warning requirements

Obligation	Requirement	Timing / Comments
Investor eligibility requirements - professional funds	<p>Fund interests shall only be issued to professional investors. The minimum initial investment of an investor, who is not an Exempted Investor, must be US\$100,000 (or currency equivalent).</p> <p>A person is a "professional investor" if (a) their ordinary business involves, whether for that person's own account or the account of others, the acquisition or disposal of property of the same kind as the property, or a substantial part of the property, of the fund; or (b) they have signed a declaration that the person, whether individually or jointly with the person's spouse, has net worth in excess of US\$1,000,000 (or currency equivalent).</p> <p>Exempted investors include (a) the manager, administrator, promoter or underwriter of the fund, and (b) any employee of the manager or promoter of the fund.</p>	<p>No person shall be accepted as an investor in a professional fund unless the person has provided (i) written confirmation the person is a professional investor; and (ii) written acknowledgement the person has received, understood and accepts the investment warning. In practice, we recommend including these as confirmations to be given in the subscription documents.</p>

<p>Investor eligibility requirements - private funds</p>	<p>None</p>	<p>The private fund's constitutional documents must provide that (a) the fund is not authorised to have more than fifty investors; or (ii) an invitation to subscribe for, or purchase, fund interests issued by the fund shall be made on a "private basis" only.</p> <p>"Private basis" includes an invitation which is made (a) to specified persons (however described) and is not calculated to result in fund interests becoming available to other persons or to a large number of persons; or (b) by reason of a private or business connection between the person making the invitation and the investor.</p>
<p>Investment warning</p>	<p>No offer or invitation shall be made to an investor or potential investor to purchase or subscribe for fund interests unless the investor or potential investor is provided with an investment warning in the prescribed form.</p>	<p>Where a fund issues an offering document, the investment warning shall be included in a prominent place in the offering document.</p> <p>Where a fund does not issue an offering document, the investment warning shall be provided to each investor as a separate document.</p>

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