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BRITISH VIRGIN ISLANDS IBC: OVERVIEW

The British Virgin Islands are a collection of 36 islands in the Caribbean Sea, of which only 16 are inhabited. The islands are located about 80 kilometres east of Puerto Rico, north of the Leeward Islands and adjacent to the US Virgin Islands. The aggregate land area of the island group is 153 square kilometres. The principal islands are Tortola, Virgin Gorda, Anegada and Jost Van Dyke.

The population of the British Virgin Islands is just under 28,000 and the official language is English. The population consists of a mixture of British, Spanish, Dutch, Amerindian and Caribbean racial types; in the last twenty years immigrants in search of work from other parts of the Caribbean have more than doubled the population. Proposals for tough new immigration laws are controversial.

The BVI have an excellent business infrastructure with good telecommunications; this coupled with the widespread use of the English language and a legal system largely based on English law makes the island a very convenient and effective business base. The very large numbers of offshore companies, trusts, insurers and mutual funds on the islands are supported by a well-developed and diverse professional services sector.

To do business in the BVI (as distinct from establishing an offshore trust or company) a Trade Licence is required from the Trade and Investment Promotion Department. The application form is accompanied by a financial statement, police record, two business references (for the individual or the company applying) and financial details of the proposed business.

BVI IBC LIMITED COMPANY: ADVANTAGES

- With an excellent record and over 500,000 companies registered, the BVI is one of the most popular jurisdictions in the world
- Law is familiar to most lawyers who deal with offshore matters
- Flexible legislation allows the operation of the company to be almost totally dependent on the requirements of the client
- A BVI only takes two business days to incorporate
- Offshore companies are exempt from all taxes for twenty years

BVI IBC LIMITED COMPANY: APPLICATION

- A wide-range of applications are possible, including: investment, property holding, financial management, trading and copyrighting and/or licensing
- Unlike many other jurisdictions, there are no disclosure requirements, nor any minimum capitalization regulations, nor any prohibitive license fees pertaining to trust and trustee companies for application in private-label trust company, unit and mutual fund situations

Redwood Company Formations Limited

Office 2804, Fortune Executive Tower
PO Box 487301
Cluster T, JLT
Dubai, UAE

t : +44 845 4680910

e : info@redwood-formations.com

www.redwood-formations.com

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BVI IBC LIMITED COMPANIES: QUICK VIEW

Company law	BVI Business Companies Act 2004
Type of company	International Business Company (IBC)
Standard capital	Minimum of either one share of par or no par value, but usually USD 50,000 being the maximum capital for the minimum duty, initially and annually
Annual fees paid to authorities	Companies with a capital up to USD 50,000 pay USD 350 per year. Companies with a share capital exceeding USD 50,000 pay USD 1,100 per year
Taxation rates applied to companies generally	Nil
Length of time to incorporate	24 hours. Ready-made companies are available
Minimum members	One – individual or corporate
Registered office	Yes, in the BVI. A local registered agent must be appointed
Directors	Minimum one – individual or corporate
Must a Director/Secretary be resident?	No
Is AGM required?	No
Annual return	No
Financial statements prepared and audited	Company is required to keep financial records reflecting financial position of the company
Disclosure of profits required?	No
Necessary to keep share register?	Yes, at registered office
Share register open to inspection by public?	No
Confidentiality	No specific statutory provisions governing secrecy in relation to companies, but English law, which applies within the jurisdiction, imposes a common law duty on professionals to keep the affairs of their clients confidential
Language of incorporation	English
Disadvantages	Poor legal and banking services. Lack of name availability. Not a recommended jurisdiction for high profile trading companies