



# Richards & Partners P.A.

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May 12, 2023

## **This Client Alert applies to Clients whose structures include entities organized in the British Virgin Islands (“BVI”)**

### **Re: Recent Amendments to BVI Companies Act – Additional Reporting Requirements and Director Information**

Dear Clients,

The *BVI Business Companies Act* (the “Act”) as well as the corresponding *BVI Business Companies Regulations* (the “Regulations”) were amended in 2022. The amendments entered into force on January 1, 2023. The two most relevant amendments are as follows, and will be described in greater detail below:

1. All BVI entities must now prepare and file a *Financial Annual Return* (“FAR”) with the registered agent; and
2. The BVI Registrar is now required to provide a list of Directors of any BVI entity upon request.

#### **1. Requirement to Prepare and File the Financial Annual Return with the Registered Agent**

All BVI entities must prepare and file a FAR with the registered agent. A sample FAR is attached to this letter as Schedule “A”. **We recommend that your CPA prepare the FAR** for each BVI entity. Richards & Partners, P.A. will be responsible for timely filing the FAR with the registered agent. The FAR does not need to be audited, and is not required to follow specific accounting principles. The FAR will be kept in the registered agent’s files, and will not be submitted to any government agencies.

The FAR must be prepared for financial periods beginning on January 1, 2023. The FAR must be filed with the registered agent within nine (9) months after the close of the entity’s fiscal year to which the FAR relates.

*For example:* if the entity’s fiscal year is January 1, 2023 – December 31, 2023, then the 2023 FAR must be filed with the registered agent no later than September 30, 2024.

*For example:* if the entity's fiscal year is April 1, 2023 – March 31, 2024, then the 2023 FAR must be filed with the registered agent no later than December 31, 2024.

**We recommend that you send a copy of this letter and attached Schedule “A” to your CPA,** and that you continue to collect the financial records of your BVI entity, such as invoices, agreements, receipts, bank statements, etc. to be available for your CPA when the time comes for the preparation of the FAR.

## **2. Availability of Directors' Names**

The amendments to the Act and Regulations state that “[t]he Registrar shall make available upon request, a list of directors contained in a company's register of directors[.]”. Any “competent BVI authority” may request the names and addresses of directors.

The registers of Directors of BVI entities will not be available in an online searchable format (i.e., there is no BVI equivalent of Sunbiz.com)

**If you wish to *enhance and help protect your privacy*, we recommend the use of a Nominee Director.**

### **Compliance and costs**

Richards & Partners, P.A. is prepared to timely file the FAR with the registered agent through the newly developed registered agent online portal. We have created additional databases and internal procedures to ensure timely notice to you, follow-ups, and timely filing of the FAR with the registered agent. Due to the additional time and resources required to satisfy the new BVI reporting requirement, we will increase the BVI entity annual maintenance fee by \$150.00. You will see this increase reflected on relevant invoices going forward. **The annual maintenance fee does not include the preparation of the FAR, which should be completed by a CPA.**

**If you wish to use a Nominee Director for your BVI entity to preserve privacy,** please contact us so that we can assist you in obtaining nominee Director services.

Please do not hesitate to contact our office should you have any questions or desire more information about the recent amendments to the BVI Act and Regulations. As always, we are committed to providing quality corporate and legal services to you, and to ensuring timely compliance with international reporting requirements. We appreciate your business and continued support.

Sincerely,



Gwendolyn Richards, Esq.

**SCHEDULE “A”**

**Client Alert 2023-05**

**Sample BVI Financial Annual Return**

SCHEDULE

[Section 3(1)]

ANNUAL FINANCIAL RETURN

**FINANCIAL INFORMATION FOR YEAR ENDING,**  
*(insert company's financial year end)*

**BALANCE  
SHEET/STATEMENT  
OF FINANCIAL  
POSITION**

**ASSETS**

Cash and cash equivalents  
Loans and receivables  
Investments and other financial  
assets  
Tangible fixed assets  
Intangible assets  
Other assets



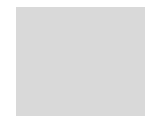
US\$

**TOTAL ASSETS**

**-**

**LIABILITIES**

Accounts payable  
Long-term debts  
Other Liabilities



US\$

**TOTAL LIABILITIES**

**-**

US\$

**SHAREHOLDER'S EQUITY**

**-**

<b>INCOME STATEMENT</b>	
REVENUE	
COST OF SALES	
<b>GROSS PROFIT</b>	<b>US\$ -</b>
EXPENSES	<b>US\$</b>
Operating expenses	-
Other expenses	
Income tax expense	
<b>TOTAL EXPENSES</b>	<b>US\$ -</b>
<b>NET INCOME</b>	<b>US\$ -</b>

Issued by the Financial Services Commission this 1<sup>st</sup> day of March, 2023.

(Sgd.) Kenneth Baker  
 Managing Director/CEO  
 Financial Services Commission