

## BVI COMPANIES

**Introduction.** ICAZA, GONZALEZ-RUIZ & ALEMAN (BVI) TRUST LIMITED (an affiliate of Icaza, González-Ruiz & Alemán) is a licensed company engaged in company formation and management business in the BVI.

**Company Law.** The BVI Business Companies Act “BVI BC Act”, 2004.

**Type of Companies.** In addition to the companies limited by shares, the BVI BC Act allows the incorporation of other types of companies such as:

- Companies limited by guarantee and authorised to issue shares;
- Companies limited by guarantee and not authorised to issue shares;
- Unlimited companies authorised to issue shares;
- Unlimited companies not authorised to issue shares.

**Points of Interest.** Incorporation of companies (BBC) under the BVI BC Act provides the following benefits and features:

- BBCs are exempt from all BVI taxes and stamp duty (except for registration fees and annual license fee).
- A BBC is not required to have an authorised capital. The BVI BC Act requires the memorandum to state the maximum number of shares that the company may issue. The company does not have to state the par value of its shares or the currency, although it may do so.
- BBCs are not required to state their object or purpose in the memorandum, although they may do so.
- A BBC is required to have a Registered Agent and a Registered Office in BVI.
- Board meetings of members / directors/officers may be held anywhere in the world and may be conducted by telephone or through electronic means. Resolutions of shareholders or directors are accepted without prior meeting.
- No public record is kept of the identity of shareholders or directors.
- The BVI BC Act allows that a company incorporated outside the BVI may be redomiciled in the BVI.
- The books and records of the company may be maintained anywhere.
- BBCs may merge or consolidate with BVI or foreign companies where permitted by the law of the country of residence of the foreign company.
- Shares need to be issued once directors are appointed.
- Directors must sign an acceptance letter.

**Incorporation Cost.** The incorporation cost of a BVI corporation allowing up to 50,000 standard share capital covers the following:

- Professional fees for the incorporation,

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- Duties payable to the local Government for the incorporation of the company
- Certificate of Incorporation
- Memorandum & Articles of Association
- First Minutes, Corporate Register
- Printed share certificates
- Corporate seal
- Providing Registered Offices and
- Serving as Registered Agent for the first year.

The Registered Agent appoints the first director of the company which in turn, arrange the issuance of shares and take the other decisions to commence business. The length of time required for the corporation to be formed and corporate documents to be prepared will be approximately three (3) to five (5) working days from the date in which final instructions are received.

**Annual License Tax.** Registered Agent and Registered Office fees applies one year after of the incorporation date. Annual License Tax paid to the government for companies allowing up to 50,000 shares is US\$550.00.

**Annual Return.** Companies must file every year with its registered agent an annual return. Each Annual Return is related to a company's financial year and must be submitted to its Registered Agent within not more than nine (9) months after the end of its financial year. For example, if the financial period of a company ends in December 2024, the company has until September 30th, 2025, to file its annual return.

The end of a financial year is determined by each company. Commonly it would be December 31st each year. Submitted Annual Returns are kept under strict confidentiality measures by their Registered Agent and are not subject to public filing.

**Economic Substance.** Companies carrying out relevant activities must demonstrate adequate economic substance in the BVI. Relevant activities include Banking, Insurance, Fund Management, Financing and leasing, headquarters, shipping, holding, intellectual property and distribution and service centers.

Entities carrying out relevant activities, as described above, which cannot demonstrate tax residence outside the BVI, are now subject to the economic substance requirements established in the Act, and must manage and direct their business in the BVI. Depending on the nature and scale of the relevant activity, the entities must show that they have an adequate number of employees, expenditures, and physical premises in the BVI for the core income-generating activity.

Each company shall review and assess each one of the activities that it is carrying out to confirm if it is conducting any relevant activity as enumerated in the Act and, as such, subject to the requirements of the legislation. The assessment needs to be done every financial period. Unless a Company formally requests to the authority the change of its financial period, by default, existing companies (incorporated before January 1, 2019) financial period ends June 30. For new companies (incorporated after January 1, 2019) the financial period ends a year after its incorporation date. The report needs to be done annually.

Companies are obliged to submit the report required by the Economic Substance legislation within 6 months of the end of their financial year.

**Amendments.** The Memorandum/Articles of Association may be amended by either a resolution of directors or of shareholders and the amendment filed with the Registrar of Companies.

**Books, Records and Common Seal.** A BBC is required to have a common seal (which may be kept outside or within the BVI) and an imprint thereof must be kept at the BBC's Registered Office in BVI.

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A BBC shall keep such accounts and records as the directors consider necessary in order to reflect the financial position of the company, at the Registered Office of the company in BVI or at such other place outside the BVI as the directors determine.

Confirmation of location of records including accounts records and underlying documentation must be sent to the Registered Agent.

**Powers of Attorney.** A BBC may grant general or special Powers of Attorney to any person, to act on its behalf to execute contracts, agreements, deeds and other instruments. These powers are not a matter of public record, although it is advisable that the company sends a copy to the Registered Agent.

**Certificates of Good Standing.** Certificates of good standing for a BBC can be obtained upon application to the Registrar of Companies.

**Register of Members.** Every company incorporated under the BVI Business Companies Act is required to file a copy of its Register of Members within 30 days after the date of its incorporation or continuation to the BVI. Any changes to the register must be filed within 30 days when the change has occurred.

**Directors/Officers.** Every company is required to appoint one or more directors within fifteen (15) days of its incorporation. A company may serve as a director. A director cannot be appointed unless he has given written consent to his appointment. Once a Director is appointed, the company must issue shares.

Every company formed in the BVI is required to establish and maintain a Register of Directors. The company has 15 days to file the particulars of the directors in the Registry.

**Beneficial Ownership Information.** Companies are required to collect, keep, and maintain beneficial ownership information that is "adequate, accurate, and up-to-date." This information must be filed with the Registrar within 30 days of incorporation or continuation. This information is not publicly accessible.

Any changes in beneficial ownership must be reported within 30 days of the company becoming aware of the change.

**Transfer of Jurisdiction.** A BVI company may transfer its domicile to a foreign jurisdiction permitting such transfer. A company organized under any foreign jurisdiction may continue its existence as a BVI company upon approval of the necessary Resolution by its proper corporate body. Upon the registration of the Articles of Incorporation with the Registrar of Companies such a company will then continue as a BVI company.

**Trustee Services.** Icaza, González-Ruiz & Alemán (BVI) Trust Limited is a trust company licensed pursuant to the Banks and Trust Companies Act (1990) in the British Virgin Islands, to engage in trust business and act as a professional trustee of trusts.

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