



BVI economic substance proposals

News - 28/12/2018

New legislation is currently being considered by the BVI Government which is expected to require in-scope entities that carry on particular activities to have economic substance within the BVI.

The law follows consultation with the EU Code of Conduct Group, the OECD and BVI stakeholders, and is expected to be very similar to recent laws introduced by other international financial centres such as Jersey, Guernsey, Isle of Man, Bermuda and Cayman.

It is anticipated that the new law will come into force from 1 January 2019 and will establish new substance tests for BVI tax-resident companies carrying on "relevant activities", including distribution and service centre activities, holding companies, fund management companies, financing and leasing companies and companies carrying on headquarters business.

A further update will be provided when the legislation to be introduced is made available.

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Key Contacts



Simon Schilder

Partner

British Virgin Islands

E: simon.schilder@ogier.com

T: [+44 1534 514298](tel:+441534514298)



Michael Killourhy

Partner

British Virgin Islands

E: michael.killourhy@ogier.com

T: [+1 284 852 7309](tel:+12848527309)



Nathan Powell

Partner 0000

Hong Kong

E: nathan.powell@ogier.com

T: +852 3656 6054

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