

Snapshot: registrations of charges and priority of security in BVI law

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A security document does not need to be filed or recorded with any governmental or regulatory authority, agency or court in the BVI in order to ensure the legality, validity or enforceability of such security document creating the security interest.

However, in order to ensure the preservation of the priority of such security interest, particulars of such security interest should be registered in the public Register of Registered Charges of the BVI company granting such security interest, by submitting an application in the approved form to the Registrar of Corporate Affairs in BVI pursuant to Section 163 of the BVI Business Companies Act, 2004 (the **BCA**). The effect of such a Section 163 filing is to create priority of that security interest over any subsequently registered or unregistered security interest.

Please be aware that charges created prior to 1 January 2005 continue to rank in the order in which they ranked prior to the BCA coming into force and may accordingly take priority over a charge created on or after 1 January 2005. This is relevant in the case of a BVI company that was originally incorporated under the International Business Companies Act (Cap 291).

In addition, the BVI company granting such security interest is also required to enter the particulars on an internal register of relevant charges pursuant to Section 162 of the BCA and to keep a copy of that register at its registered office or the office of its registered agent.

Where security is created over shares in a BVI company, the BVI company whose shares are being charged may voluntarily make a notation of the security interest in its register of members. Although the notation has no statutory effect per se, it could, potentially, give notice to any party reviewing the register of members of the security interest. It is also possible for the BVI company whose shares are being charged to voluntarily file a copy of its annotated register

of members with the Registrar of Corporate Affairs in the BVI. Although a filed annotated register of members in itself has no statutory effect for priority purposes, it could, potentially, give notice of the security interest to any party carrying out a search against such BVI company.

For more information on this topic, please contact our BVI banking and finance team.

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Regulatory information can be found under [Legal Notice](#)

Meet the Author



Christian Burns-Di Lauro

Partner

British Virgin Islands

E: Christian.Burns-DiLauro@ogier.com

T: [+441534 514246](tel:+441534514246)

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