

## Annual returns – frequently asked questions

Service areas / [Corporate, Regulatory](#)

Legal jurisdiction / [British Virgin Islands](#)

Date / [February 2024](#)

With effect from 1 January 2023, all companies incorporated or registered in the British Virgin Islands (**Companies**) must prepare and file an annual return. This new requirement does not apply to listed Companies, Companies that are regulated in the British Virgin Islands (**BVI**) or Companies that have filed tax returns with the BVI Inland Revenue.

### 1. What information needs to be included in the annual return?

The annual return needs to provide a basic balance sheet and income (profit and loss) statement. The form of annual return is prescribed by statute, a copy of which can be found [here](#).

### 2. When does the first annual return need to be filed?

A Company must file its first annual return within 9 months of its fiscal year end. If the Company maintains a standard calendar fiscal year, its first annual return must be filed by 30 September 2024 and should cover the period 1 January 2023 – 31 December 2023.

### 3. What is a fiscal year?

A Company must choose a 12-month period for its fiscal year. Most Companies maintain a calendar fiscal year (1 January – 31 December).

### 4. How is the annual return filed?

A Company must file its annual returns with its registered agent in the BVI.

### 5. Who can inspect the annual return?

Upon request, the registered agent must provide a copy of the annual return to the BVI Financial Services Commission. Otherwise, the annual returns will remain private – they will not be available for public inspection.

### 6. Does the annual return need to be audited?

No. The annual return does not need to be audited.

### 7. What happens if the annual return is not submitted?

If a Company misses its filing deadline, the registered agent must report this defect to the BVI Registry of Corporate Affairs (**BVI Registry**). Once the defective notice is issued, the Company will be liable to fines (ranging from \$300 – \$5,000) and it may be struck-off and dissolved. Until the defect is remedied, the BVI Registry will not issue a certificate of good standing for the Company or allow it to make any filings.

The registered agent must report a defective Company, or it will be liable to a fine of \$3,000.

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## 8. Can you provide a working example?

	Requirement
Company	<p>A Company must: (1) prepare its annual return; and (2) file the annual return with its registered agent in the BVI. The filing must be made within 9 months of its fiscal year end.</p> <p>If the Company maintains a calendar fiscal year, its first filing deadline is 30 September 2024.</p>
Registered Agent	<p>A registered agent must: (1) monitor a Company's compliance with the new annual return filing requirement; and (2) notify the BVI Registry (within 30 days) if a Company misses a filing deadline.</p> <p>If the Company maintains a calendar fiscal year and does not file its annual return on time, the registered agent must file a defective notice by 30 October 2024.</p>
BVI Registry	<p>Upon receipt of a defective notice, the Company will be liable to fines of \$300 - \$5,000 and it may be struck-off and dissolved. During the defective period, the BVI Registry will not issue a certificate of good standing for the Company or allow it to make any filings.</p> <p>If the Company maintains a calendar fiscal year and a defective notice is issued, with effect from 30 October 2024: (1) the Company will be liable to fines; (2) the Company will no longer be in good standing; (3) the Company cannot make filings at the BVI Registry; and (4) the Company is liable to be struck-off and dissolved.</p>

## 9. Is the fiscal year the same as the company's financial period used for economic substance?

No, these are different.

- Fiscal Year - the fiscal year is only used for annual returns. This term is determined by the Company and usually runs from 1 January - 31 December each year.
- Financial Period - the financial period is only used for economic substance declarations. This term is prescribed by statute and is linked to the Company's incorporation date.

## 10. Do the fiscal year and financial period have to be the same?

No, there is no requirement for these to correlate.

## 11. Can I consolidate the filing deadline for my annual return and economic substance declaration?

Yes, this is possible. The Company can file a notice with the BVI tax authority to change its financial period.

## 12. What do I do if I need more information?

If you have any questions about the new annual return filing requirement, please reach out to your usual contact at Carey Olsen or [bvi@careyolsen.com](mailto:bvi@careyolsen.com)



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