

The British Virgin Islands Beneficial Ownership Secure Search System

Service area / [Corporate](#)

Location / [British Virgin Islands](#)

Date / [June 2017](#)

The British Virgin Islands' Beneficial Ownership Secure Search System Act, 2017 ("BOSS") will come into force on 30 June 2017. BOSS requires: (1) each British Virgin Islands ("BVI") company, partnership and trust to provide its BVI registered agent with information about its beneficial owners (defined below); and (2) for the BVI registered agent to maintain this information on a secure database (the "Database").

Information maintained on the Database will not be made available for public inspection. Only designated persons at the BVI Financial Investigation Agency will have access to the Database, following a request by the United Kingdom National Crime Agency's Financial Intelligence Unit¹.

Who is a beneficial owner?

A beneficial owner is a natural person who ultimately owns or controls a BVI corporate or legal entity (an "Entity") and includes:

- a person who ultimately owns or controls, directly or indirectly, 25% (or more) of the shares or voting rights in the Entity;
- a person who exercises control over the management of the Entity;

- a partner who controls the partnership, if the Entity is a partnership;
- a settlor, trustee or other person who controls the trust, if the Entity is a trust;
- a liquidator, administrator or administrative receiver, if the Entity is in insolvent liquidation, administration or administrative receivership;
- a creditor appointed by a receiver, where a receiver has been appointed over 25% (or more) of the shares or voting rights of the Entity; and
- an executor or personal representative of a deceased shareholder's estate, if the deceased shareholder held 25% (or more) of the shares or voting rights in the Entity.

A person is not treated as a beneficial owner if they only hold the benefit of a security interest over shares or voting rights in an Entity or if they have a commercial exposure to the financial performance of an Entity pursuant to financial derivatives or similar contractual rights.

¹ BOSS currently only applies between the BVI and the UK pursuant to an exchange of notes between the Governments of the BVI and the UK. The BVI Government may apply the provisions of BOSS (with or without modifications) to one or more other countries should it enter into an exchange of notes with the government of that other country(ies).

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Entities that are recognised, registered or otherwise approved as a fund under the BVI Securities and Investment Business Act, 2010 or that are listed on a recognised stock exchange are not required to have their beneficial ownership information maintained on the Database. If an Entity is owned by a foreign regulated person or a sovereign state, then the registered agent is not required to identify the beneficial owner of the foreign regulated person or the sovereign state.

Duty to provide and update information

Each Entity must identify any person who is a beneficial owner and notify the registered agent within 15 days of identifying such person.

If the beneficial owner of an Entity is a natural person, the Entity must confirm their name, residential address, date of birth and nationality. If the beneficial owner is a corporate or legal entity, the Entity must confirm their name, incorporation number, date of incorporation, status, registered address and any other information the BVI Minister of Finance may prescribe.

Within 15 days of becoming aware of any change to the beneficial ownership information it has provided to its registered agent, the Entity must notify its registered agent of such change and the date such changes took place.

Failure to comply

An Entity that fails to comply with these requirements commits an offence and is liable as follows:

Not providing beneficial ownership information

A fine not exceeding US\$40,000 and/or to imprisonment for a term not exceeding 6 months (on summary conviction) and a fine of up to US\$250,000 and/or to imprisonment for a term not exceeding 5 years (conviction on indictment).

Providing false beneficial ownership information

A fine not exceeding US\$40,000 and/or to imprisonment for a term not exceeding 2 years (on summary conviction) and a fine of up to US\$75,000 and/or to imprisonment for a term not exceeding 5 years (conviction on indictment).

Not providing updated beneficial ownership information

A fine not exceeding US\$5,000 (on summary conviction) or \$10,000 (on conviction on indictment).

Please contact either Clinton Hempel clinton.hempel@careyolsen.com or Elizabeth Killeen elizabeth.killeen@careyolsen.com if you have any queries in relation to any of the above or would like any further information in this regard.



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