

Guide to Doing Business British Virgin Islands

Prepared by



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Country Guide: British Virgin Islands

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I. The Country at a Glance

A. What languages are spoken?

English is the official language of the British Virgin Islands. Business and trade are conducted in this medium. A large Hispanic immigrant population and many BVI nationals of Hispanic descent speak Spanish. The vernacular is Virgin Islands creole.

B. What is the exchange rate for the U.S. dollar, the Euro?

The official currency of the British Virgin Islands is the U.S. dollar. The exchange rate to the Euro is determined by international currency markets.

C. Describe your country's geography, proximity to other countries, and climate.

The British Virgin Islands are in the northeastern Caribbean, sixty miles (97 km) east of Puerto Rico measured from the closest points of the islands, or 129 miles (207 km) measured from the centroids. The BVI is comprised of approximately 60 islands and cays, which are part of the larger Virgin Islands archipelago. The islands lie northeast of the U.S. Virgin Islands. The BVI has four main islands: Tortola, Anegada, Virgin Gorda and Jost Van Dyke. The tropical climate is warm, sunny, and moderated by trade winds with two main seasons—dry and wet. The BVI is within the Atlantic hurricane belt. With a land area of only 151 square km, the archipelago enjoys over 80 km of coastline, and 370 km of exclusive fishing waters.

D. Are there cultural influences or prohibitions on the way business is conducted?

The BVI Government is heavily invested in encouraging local entrepreneurship. Given the territory's small population and land base, there is a strong and openly held expectation—reinforced informally as much as by regulation—that economic opportunity should flow first to those with generational ties to the islands. Foreign investors and workers are welcomed where local capacity is limited.

The territory has a formal system that prioritizes nationals in employment and certain business sectors. Work permits for non-nationals are only granted after a position has been advertised locally and no qualified BVI national is found. License fees and ownership rules are more favorable for businesses owned by local entrepreneurs, and

some sectors are reserved exclusively for BVI nationals or require joint ventures with local partners.

E. Are there religious influences or prohibitions on the way business is conducted?

There are no religious influences or prohibitions.

F. Explain your country's infrastructure.

The BVI has suitable infrastructure with an adequate road system. The main airport for the BVI is the Terrance B. Lettsome International Airport on Beef Island which is connected to the main island of Tortola by a bridge. The airport offers regional and international flights, including to the U.S. Anegada and Virgin Gorda have smaller airports—Auguste Geroge Airport and Virgin Gorda Airport, respectively—which offer inter-island flights. However, the Virgin Gorda Airport also offers select regional flights. Travelers from the U.S. also have the option of getting to the BVI by flying to St. Thomas, U.S. Virgin Islands, and then connecting via ferry.

G. Explain the communication system.

Three service providers offer telephone and internet with reasonable coverage and reliability. Postal and package services are provided through the BVI Post Office, international courier services such as FedEx and DHL, and other commercial shipping services that facilitate international imports. Bulk and container shipping is also available.

H. Describe the public services – i.e. water, electricity, gas.

In 2026, a significant milestone in the modernization of utility services within the Virgin Islands paved the way for the establishment of the Virgin Islands Energy and Water Corporation (VIEWCo). Its mandate is to create a modern, resilient institution managing and delivering power, water, and sewerage services throughout the territory. Legislation to merge the BVI Electricity Corporation (BVIEC) and the Water and Sewerage Department (WSD) successfully received the approval of the House of Assembly and was assented by His Excellency the Governor Daniel Pruce. The establishment of the VIEWCo represents not only the merger of two essential utility providers, but also the creation of an institution that will help power sustainable development, safeguard critical resources, and improve the quality of life for all residents.

Local gas stations and industrial suppliers provide LPG/propane cylinders for purchase and exchange. Cylinder delivery is widely available. A main natural gas service does not exist in the BVI.

II. General Considerations

A. Investment Policies

The BVI embraces investment in all sectors for which the Department of Trade, Investment Promotion, and Consumer Affairs is pivotal.

To foster economic growth and stability while encouraging development, the BVI government seeks to cultivate a complementary mix of local and overseas investments. Some markets are reserved for BVI nationals; however, partnerships between foreign investors and local entrepreneurs are also encouraged.

Foreigners may purchase property in the BVI by obtaining a Non-Belongers Land Holding Licence.

B. Diplomatic Relations

As a British Overseas Territory, diplomatic relations and foreign policy are managed by the United Kingdom. However, the BVI is an Associate member of the Organization of Eastern Caribbean States (OECS) and CARICOM, The Caribbean Community.

There are no embassies in the BVI, however, U.S. Embassy personnel visit twice a year to facilitate application and renewal of U.S. passports for its citizens residing in the BVI.

C. Government

The BVI is constitutionally autonomous from the UK and internally self-governing. It follows the parliamentary representative democratic system for which elections are held every four years. A governor is appointed by the British Government to represent the British Crown in the territory.

The Cabinet (executive branch) is comprised of seven members and conducts the government.

The House of Assembly (legislative branch) is comprised of 13 members. In the BVI, “acts” are passed by the House of Assembly subject to proclamation by the governor before it can come into force. Legislation may also be extended from the UK to the BVI by Order in Council.

The judicial system operates under English common law and has four tiers: the Magistrate’s Court, the Eastern Caribbean Supreme Court, which has two levels, the High Court, and Court of Appeal. The final level of appeal is the UK Privy Council. Both the Magistrate’s Court and the High Court handle civil, criminal, and family matters.

However, the Magistrate's Court is a court of limited jurisdiction, whereas the High Court is the court of first instance with unlimited jurisdiction.

There is also a specialized Commercial Division of the High Court which handles high value corporate, trust and insolvency matters. Appeals from the Magistrate's Court and all chambers of the High Court are heard by the Court of Appeal with the final appeals being heard in the Privy Council. The judicial system is impartial, and the independence of the judiciary is constitutionally guaranteed.

Mediation and arbitration are also available as alternative dispute resolution options. Mediation is facilitated within the Eastern Caribbean Supreme Court system, with licensed mediators. The acknowledged quality of the BVI legal framework and the British territory's stable political environment make it an attractive arbitration hub for Latin America, the Caribbean, Canada, the U.S. and beyond.

The BVI Arbitration Act, 2013 fully adopts the UNCITRAL Model Law which offers the maximum judicial support and minimal judicial interference from BVI courts. Arbitral awards that are final and binding are generally enforceable in more than 150 countries under the New York Convention, subject to any local legislation and requirements. The BVI International Arbitration Centre maintains its own Panel of Arbitrators who are drawn from approximately 40 different jurisdictions. The panelists are fully competent to administer arbitrations where the governing law **is not** BVI law. Alternatively, parties to a dispute may nominate an arbitrator of their choice.

Judgments from foreign jurisdictions are enforceable in BVI subject to certain conditions.

D. Environmental Considerations

The BVI has implemented policies aimed at maintaining a balanced regulatory environment that protects its natural resources while supporting sustainable development.

The recently launched Virgin Islands Climate Change Trust Fund positions the Virgin Islands as a regional leader in climate resilience financing. The fund was created to mobilize resources to address hurricanes, flooding, coastal erosion, climate change, and the growing impacts of sargassum affecting communities, beaches, and tourism.

Meanwhile, The Virgin Islands Environment and Climate Change Policy is being developed to strengthen the national response to climate adaptation, conservation and resilience, and the Blue Economy Roadmap continues opening opportunities in sustainable marine industries and environmental innovation.

The BVI Government has also established a dedicated Sargassum Management Committee to improve preparedness and response efforts, while continuing to advocate alongside fellow Overseas Territories for greater international climate financing support.

There is an environmental levy for all arriving visitors, which is collected at the port of entry.

E. Intellectual Property

Hundreds of trademarks are registered in the BVI every year, with a steady increase in registrations due in part to the modernization of BVI trademarks legislation via the Trademarks Act, 2013. In addition to direct registration—you no longer need to first register a mark in the United Kingdom—the legislation now captures registrations of olfactory marks, sound marks, 3D marks, and service marks. The Act also features enhanced protection for stakeholders through the registration of defensive marks and robust enforcement capabilities.

Multi-class applications are acceptable in the BVI, and one application may cover both goods and services. A list of the goods and services in the appropriate classes needs to accompany the application for registration. The BVI Trademarks Registry uses the NICE classification system, 10th edition.

III. Investment Incentives

A. Export Incentives or Guarantees

N/A

B. Grants, Subsidies or Funds

The Micro, Small, Medium, Enterprises (MSME) Grant Programme is a service to empower local businesses to overcome financial barriers and support growth initiatives by providing financial assistance to business owners. It seeks to stimulate economic development and strengthen the business landscape.

C. National Tax Incentives for Foreign Investors

The BVI is currently in a transitional phase of its investment framework. While the Virgin Islands Investment Act 2021 was passed to modernize the incentive framework, it has not yet been fully operationalized. As a result, current investment incentives, hotel aid, and business licensing continue to be processed under the previous, long-standing regulatory framework, namely:

:

- The Pioneer Services and Enterprises Ordinance
- The Hotel Aid Ordinance
- The Encouragement of Industries Ordinance

The Hotel Aid Ordinance (Cap 290) and the Hotel Aid (Amendment) Act, 2005 allow properties to become eligible for hotel aid. Hotel Aid provides duty-free benefits for eligible properties.

Grant of Pioneer Status under the Pioneer Services and Enterprises Act (CAP 297) allows businesses to apply for pioneer status, which is an incentive programme designed to reduce certain development costs for legitimate entrepreneurs who are leading innovative ventures.

The Encouragement of Industries Ordinance (Cap 287) provides duty-free exemptions for the importation of goods by pioneer manufacturers, to construct or extend a factory.

While not yet active, investors should be aware of the mechanisms established by the 2021 Act, including:

- Quasi-Residency Framework: A pending program offering renewable, year-to-year residency permits for foreign investors and their families.
- Proposed Stay Incentive: A planned pathway requiring a \$5 million minimum investment and a 60% Belonger (BVI citizen) workforce to secure a two-year entry permit.
- Residency by Investment Unit: A proposed department to handle residency applications via local Belonger agents, with financial thresholds still to be determined.

D. Regional Tax Incentives for Foreign Investors

N/A

IV. Financial Facilities

A. Banking/Financial Facilities

The BVI has local, regional, and international banks which offer a full range of banking services to locals, immigrants, and foreign investors. The typical legal requirements for opening a bank account would include valid photo identification, proof of address, and reference letters. Banking facilities for corporate entities and commercial financing for foreign investors are generally available.

There is no stock exchange.

V. Exchange Controls

There are no exchange controls or restrictions on the transfer of funds. However, a declaration is required for amounts exceeding \$10,000.00.

VI. Import/Export Regulations

A. Customs Regulations

There are import duties on most goods imported into the BVI ranging from 5% to 25%.

Goods imported to the BVI are charged at an ad valorem rate expressed as a percentage of the value of the goods and are calculated as a percentage of the value of the imported goods ranging from 5% to 25%. The value of the goods is calculated using the Cost, Insurance, and Freight (CIF) method. The BVI has, however, made allowances for the value of goods to be calculated using the Free on Board (FOB) method for specific items and periods. The duty is levied at the rate in force at the time of the first importation of the goods of that class, description or delivery from customs charge.

There are exceptions for certain goods and for vessels registered in the BVI and owned by a BVI company or a BVI national.

B. Exports

Exports are unrestricted. The primary exports are seafood and spirits.

C. Foreign Trade Regulations

N/A

D. Imports

N/A

E. Manufacturing Requirements

N/A

F. Product Labeling

N/A

VII. Structures for Doing Business

A. Governmental Participation

There is no requirement for governmental participation in the ownership or operation of local businesses.

B. Joint Ventures

There are no restrictions on joint ventures, and there is no specialized form that a joint venture must take. They would typically be formed using a BVI Business Company.

C. Limited Liability Companies

The most common business structure is the BVI Business Company. However, general and limited partnerships and trusts are also used. BVI Business Companies are asset-holding vehicles that may or may not include an operating business.

The BVI Business Companies Act, 2004 (the Act) regulates the incorporation of a BVI Business Company. Incorporation is easily and quickly accomplished. Ordinarily, incorporation is completed within 3-5 business days. A BVI Business Company may be a company limited by shares or by guarantee (with or without authorization to issue shares), an unlimited company (with or without authorization to issue shares), a segregated portfolio company, or a restricted purpose company. The most common structure is a company limited by shares. Such companies must have at least one director and one shareholder. There is no requirement for a national to be a participant, manager, or director.

Incorporation is achieved by filing Memorandum and Articles of Incorporation with the Registrar of Corporate Affairs. The filing must be done by the company's first registered agent, who must be a licensed service provider physically located in the BVI. Every BVI company is required to have a registered agent and a physical address in the BVI. The physical address is usually, but not required to be, the address of the company's registered agent.

The incorporation is effective from the date of filing the Memorandum and Articles of Association with the Registrar of Corporate Affairs. The Registrar of Corporate Affairs Will allocate a company number, issue a Certificate of Incorporation, and a return stamped Memorandum and Articles of Association via its electronic filing system, VIRRGIN.

Commencing 1 January 2023, most BVI Business Companies must file Annual Financial Statement Returns with their BVI registered agent. This is an example of how the robust regulatory structure keeps pace with global standards.

Robust regulatory regimes and tax-neutral status make BVI Business Companies ideal for cross-border transactions. No income, corporation, capital gains, inheritance, gift or wealth taxes, or any other form of tax would affect a company doing business outside of

the BVI. This makes them attractive for special-purpose acquisitions, private equity finance, and venture capital structures.

The Act also provides for the continuation of a foreign company into the BVI and allows companies incorporated in the BVI to continue to a jurisdiction outside of the BVI.

D. Liability Companies, Unlimited

The BVI allows for the incorporation of BVI Companies with unlimited liability, but they are rarely used.

E. Partnerships, General or Limited

Partnerships are also popular as investment vehicles in the BVI and can be general or limited.

F. Partnerships, Undisclosed

N/A

G. Sole Proprietorships

Sole proprietorships are permitted in the BVI. However, a business operated as a sole proprietorship does not have the legal protections of a limited liability company. It has no separate legal personality, and the owner is personally liable for the business' obligations.

H. Subsidiaries/Branches/Representative Offices

Subsidiary and branch offices are permitted in the BVI. Foreign companies that establish or have a place of business in the BVI are subject to a formal, local registration process. The cost varies depending on the nature of what is proposed. There are no requirements for nationals to participate. Significant fines may be levied for non-compliance with the registration requirements.

I. Trusts and other Fiduciary Entities

The BVI is one of the world's premier trust jurisdictions. The general principles of the trust laws of the BVI are derived from those of English trust law. The principles of English common law and equity apply, as supplemented by BVI statute. The original Trustee Act was based on the English Trustee Act 1925 and Variation of Trusts Act 1958 but has now been updated by the Trustee (Amendment) Acts, 1993, 2003 and 2013. Other significant statutes relating to trusts and trustee services in the British Virgin Islands are the Virgin Islands Special Trusts Act, 2003, as amended in 2013 (VISTA), the Banks and Trust Companies Act, 1990, and the Financial Services (Exemptions) Regulations, 2007 (as also amended in 2013).

Trusts in the BVI may be established by persons in any part of the world with property or investments in any part of the world. Trusts may be discretionary or fixed interest in nature or any other type of trust recognised under English common law. Income from the trust capital may be accumulated for the entire length of the trust's period, and since May 2013 the Trustee Act enables new beneficiary trusts to have a fixed perpetuity period of up to 360 years as an alternative to the old common law period of lives in being plus 21 years.

BVI trusts are in general exempt from registration and filing requirements, and there are also very wide exemptions from taxation in the Trustee Act.

There are further provisions in the Trustee Act giving statutory recognition to protectors and authorising the reservation of specified powers to settlors of BVI trusts. The statute also includes provisions enabling standard trustee powers to be incorporated by way of reference to a schedule to the Act, thereby enabling the length of trust deeds to be reduced.

In addition, there have been substantial innovations over the past five years, relating to variation, reservation of powers and the jurisdiction's firewall offering. Further reforms include those enabling foreign grants of representation to be resealed in the jurisdiction, the reintroduction of 'the old rule in Hastings-Bass' and refinements to the territory's highly popular private trust company offering.

VIII. Requirements for the Establishment of a Business

A. Alien Business Law

There is no alien business legislation.

B. Antitrust Laws

Currently, the British Virgin Islands has anti-trust or competition laws.

C. Environmental Regulations

Under the Physical Planning Act 2004, the Planning Authority may request an Environmental Impact Assessment for any project that may affect the environment. Activities that impact the shoreline/seabed are subject to additional requirements.

D. Government Approvals

All businesses must obtain a trade licence from the Department of Trade, Investment Promotion and Consumer Affairs, in accordance with section 5(1) of the Business Profession & Trade Licence Act No. 10 of 1989. Additional Government approvals vary with the nature of the business.

E. Insurance

Businesses that have employees (including owner-employees) must register with and pay into the National Health Insurance. For those operating in the charter industry there are no specific requirements for insurance. Business indemnity insurance is available from multiple providers but not required.

F. Licenses/Permits

All businesses must obtain a trade licence from the Department of Trade, Investment Promotion and Consumer Affairs, in accordance with section 5(1) of the Business Profession & Trade Licence Act No. 10 of 1989. Additional Government approvals vary with the nature of the business.

IX. Operation of the Business

A. Advertising

There are no governmental restrictions. If the business operates from leased premises, there may be restrictions in the lease relating to erecting signs or placing advertisements in or around the leased premises.

B. Attorneys

While it is not necessary, it is advisable to engage local counsel to navigate many types of agreements, transactions, or other activities. Many BVI law firms focus on international commercial matters; however, some full-service firms are well versed in navigating local laws and liaising with various governmental departments and agencies to obtain the required permits and fees.

C. Bookkeeping Requirements

BVI Companies are required to file annual returns.

D. Business Ethics/Codes

There are certain professions which are required to maintain codes of conduct. The Legal Profession Act, 2015 regulates the professional practice, etiquette, conduct, and discipline of a legal practitioner. Professional misconduct of medical and dental practitioners is dealt with under the Medical Act, 2000.

E. Consumer Protection Laws

The BVI has passed Consumer Protection legislation, but this is not yet operationalized. Key provisions of the BVI Consumer Protection Act, 2019 include:

- a consumer-rights framework administered by a Trade Commission, which investigates complaints and can refer matters to a Trade Tribunal or Court;

- broad application to anyone supplying goods or services to consumers, and criminal penalties for breach of many provisions, not just civil liability;
- requirements that business must display prices clearly, identify their registered business name on documents, label goods accurately (including disclosure if used/reconditioned), honor express and implied warranties and issue written sales records;
- a ban on false or misleading advertising, bait advertising, pyramid schemes, and "unconscionable conduct" toward vulnerable consumers;
- consumer cancellation rights;
- product liability and recall powers; and
- consumer protection from unfair contract terms.

F. Construction

Most construction projects require prior development permission, unless the construction falls under exceptions like interior works that don't affect a building's exterior, government road maintenance, agricultural use, small fences, or minor dwelling house extensions (up to 10% of ground floor area, with written notice to the Authority). Some development is also pre-authorized by Ministerial Order as "permitted development," requiring no application at all. Once development permission is granted a building permit from the Building Authority is also required to start construction.

The steps to obtain development permission are as follows.

1. Submission:

Applications are submitted with the prescribed fees through the Town & Country Planning Department which acts as the secretariat for the Planning Authority. Prescribed forms and required information can be obtained from the Town & Country Planning Department. You can apply for either:

- Outline permission – approval in principle to build, with details to follow later
- Detailed permission – full approval to begin operations, change use, or sub-divide land
- If you're not the landowner, your application must include a certificate confirming you've notified the owner and that they don't object. The Chief Planner can require additional information or an environmental impact statement/economic feasibility study within a specified time. The clock on the decision period doesn't start until this is supplied.

2. Environmental Impact Assessment (if applicable):

An EIA is required automatically for certain development types (Schedule 3) which can be broadly categorized as (a) Tourism & Marine developments, (b) Utilities & Infrastructure, (c) Industrial, Extractive & Waste Activities, and (d) Environmentally sensitive activities such as development in coastal areas, wetlands, marine parks, national parks, conservation areas, environmental protection areas, or other sensitive environmental areas. An EIA can also be requested at the Planning Authority's discretion where significant adverse

environmental impact could result, considering factors like the nature, scale, location, and likely environmental effects of the proposal.

3. **Publicity and Consultation:**

For certain sensitive categories such as environmental protection areas, mining, hazardous waste, livestock operations, gas stations, entertainment venues, and similar uses, the Planning Authority requires public notice, neighbour consultation, and a comment period (usually 28 days) before approval.

4. **Authority's Determination:**

The Authority considers the application against the national/area development plan and a list of "material planning considerations" (environmental impact, infrastructure, traffic, public health/safety, design quality, etc.), then decides to:

- Grant unconditionally
- Grant with conditions
- Refuse

The Chief Planner must notify the applicant of the decision within 60 days, with reasons and appeal rights if refused or conditioned. If undecided, the applicant gets a progress update decision deadline, which is extended for up to 30 additional days.

If an application conflicts with the approved plan, but the Authority still wants to approve it, a public inquiry process is triggered before a final decision (involving the Minister). Approval may come with conditions (design, landscaping, access, environmental monitoring, etc.), a formal development agreement, and/or a performance bond to secure compliance.

Outline permission lapses if detailed permission isn't sought within one year. Detailed permission lapses if the development isn't completed within three years (unless extended).

If refused, conditioned, or the applicant is otherwise unhappy with a decision, the applicant can appeal to the Appeals Tribunal, and ultimately to the High Court.

G. Contracts

There is freedom of contract in the BVI. Contracting parties are free to select the governing law and the forum for dispute resolution, neither of which are required to be the laws or courts of the British Virgin Islands.

G. Price Controls

There is no price control legislation or authority.

H. Product Registration

There are no product registration requirements.

I. Reductions or Return on Capital

British Virgin Islands companies do not have statutory capital maintenance rules or a requirement for authorized share capital.

J. Sale of Goods

The sale of drugs and poisons is regulated by the Medical Act, 2000, and can only be done by an establishment under the supervision of a registered pharmacist. The sale of liquor requires a license and is regulated by the Liquor Licenses Act, 2018.

K. Trade Associations

There are various trade associations, but membership is not mandatory. The BVI Chamber of Commerce serves the entire business community.

X. Cessation or Termination of Business

A. Termination

Various matters must be considered in the cessation or termination of a business. Each situation will depend on its facts to determine the cost, duration, obligations and approvals, if any, required.

B. Insolvency/Bankruptcy

BVI insolvency legislation does not contain an equivalent to chapter 11 of the United States Bankruptcy Code. No specific provisions allow an insolvent BVI company to continue operating for the purpose of restructuring its debt or eventually returning to normal operations. The BVI Insolvency Act does, however, contain a provision for a moratorium on the repayment of an insolvent entity, but those provisions are not yet in force. The current provisions are geared towards winding down an insolvent BVI company's operations, paying off its creditors and ultimately dissolving it.

BVI legislation allows for Plans of Arrangement, Schemes of Arrangements and Creditor's Arrangements, which can provide a path for an insolvent company to continue operations to restructure and return to solvency. Different provisions govern these options, but effectively they can be used by a company, working in conjunction with all (or in some instances, most) of its creditors to effect a restructuring of the company's debts.

A company can apply to enter a voluntary insolvent liquidation and request the appointment of a light-touch provisional liquidator for the interim. The appointment of the provisional liquidator is key. Ideally, a company will want a liquidator who understands its business and is willing to manage the operations pending a successful restructuring of its debt. For example, in a fintech insolvency, a liquidator who understands the nuances of the digital asset and cryptocurrency industry will be crucial. Fortunately, the BVI has many excellent and knowledgeable insolvency practitioners and access to secure the services of an appropriate liquidator.

In summary, if a BVI company cannot pay its debts as they fall due, one or more of its creditors will eventually file to put the company into liquidation. In such cases, the company loses all control of the insolvency. However, if the above course is followed and a provisional liquidator is appointed, it has, at the very least, the possibility of selecting an appropriate provisional liquidator and having some agency in the process. The liquidator will make an assessment and decide which, if any, of the various routes to restructuring would work best.

When implemented properly, a restructuring under one of the abovementioned procedures will buy the company time to negotiate with its creditors and avoid dissolution. A properly drawn up and executed restructuring will ultimately allow the company to return to solvency and avoid insolvent liquidation. For this to happen, though, the principals of the company (its directors and officers) must devise a plan that deals with the debts owed to creditors. That may involve getting buy-in from creditors, whether by extending the repayment date for the debt, getting a partial debt write-off, obtaining new capital, or a combination of these and other strategies.

Unless a workable plan is in place, the court will be reluctant to discharge the provisional liquidator and allow the insolvent liquidation application to be withdrawn from the court. The court will be wary of allowing a company to withdraw the insolvent liquidation application only for it or a creditor to re-apply a few months later. The plan must, therefore, demonstrate that the company can again stand on its own two feet.

Once the plan is properly documented with the relevant agreements prepared and executed, the company can seek court approval and withdraw the insolvent liquidation application from the court.

Importantly, directors must stop trading as soon as they think or know their BVI company is threatened by insolvency and should engage legal counsel for guidance in filing the appropriate applications with the court.

XI. Labor Legislation, Relation, And Supply

A. Employer/Employee Relations

Employer and employee relations are governed by the Labour Code 2010.

B. Employment Regulations

Businesses are expected to hire BVI nationals as first preference where there are qualified individuals. There is no formal quota. The current, hourly minimum wage is \$7.25.

C. Hiring and Firing Requirements

Employment contracts can be written or oral, but any term that falls below the Code's minimum standards, or that restricts an employee from joining a union, is void. A fixed-

term contract that's renewed until it totals 12 or more months is automatically treated as an indefinite contract. This prevents employers from using repeated short-term renewals to avoid the protections in place for permanent employees.

Employees engaged for more than four months must get a written statement within 10 days of starting, covering: names/addresses of both parties, job duties, hours and rest periods, pay and how it's calculated, pay interval, contract term, probation period, and leave entitlement.

Generally, an employee can be on probation for a maximum of four months (six months for supervisory/management roles). Employers must give reasonable training during probation and monthly progress feedback. Employers must notify the employee in writing within fourteen days of the probation period ending whether they passed — otherwise they're deemed to have passed automatically. An employee can't be put on a second probation period for the same job.

An employer cannot terminate an employee without a valid and fair reason tied to the employee's capacity, conduct, or the business's operational needs. Before termination, the employer must inform the employee in writing of the complaint against them and give them a fair chance to respond/defend themselves (with access to their employment record).

Termination is deemed unfair if based on union membership/activity, acting as an employee representative, filing a complaint against the employer, participating in lawful industrial action, race, sex, sexual orientation, religion, ethnicity, nationality, political views, disability, HIV status, or age (except for retirement), marital status, family responsibility, pregnancy or certified maternity leave, certified sick leave (if properly notified), jury duty or other civil obligations or refusing dangerous work.

Unless an employment contract specifies more generous terms, the Labour Code specifies notice periods of between 24 hours to two months depending on the employee's length of service. The notice requirement can be satisfied by pay in lieu of notice.

Summary dismissal (without notice) is allowed for serious misconduct directly harming the business. The employer must give a written statement of the precise reason and is bound by that statement in any later dispute.

No dismissal notice can be given while an employee is on maternity leave. Employees terminated must be paid for all amounts owed by their last working day before termination takes effect.

Employers terminating three or more employees for redundancy must notify the Labour Commissioner in advance and must give rehire preference to redundant employees for similar roles for six months. Generally, severance pay is owed to employees with at

least 12 months continuous service when terminated for redundancy, incapacity, business winding-up, or employer death.

Remedies for unfair dismissal: The Labour Arbitration Tribunal can order reinstatement, re-engagement in an equivalent role, or compensation—factoring in lost wages, unused vacation pay, notice entitlement, and the employee's duty to mitigate losses.

C. Labor Availability

There is sufficient labour available at all skill levels in the BVI. If employees are sourced from abroad, a work permit is required, and the position must be advertised to allow BVI nationals first preference.

E. Labor Permits

Any person who is not a BVI Islander/Belonger, does not hold a Certificate of Residence, or an exemption is required to obtain a work permit to legally work in the BVI and/or operate a business. The application is made by the BVI-based employer to the Department of Labour and Workforce Development. As part of the process, the applicant is required to provide documents such as police and medical records, as well as proof of qualifications. The permit is valid for one year and typically takes up to 10 weeks to process. The fees are calculated on a sliding scale amounting to 3% to 7% of the employee's salary but capped at \$10,000. Temporary and periodic work permits are also available.

F. Safety Standards

Employers have a duty to ensure proper health, safety and welfare for their employees at work.

G. Unions

Unions are permitted in the BVI.

XII. Tax on Corporations

A. Allowances

There is no corporate tax, and therefore there are no allowances.

B. Calculation of Taxes

The BVI does not impose any corporate tax.

C. Capital Gains

The BVI does not impose any capital gains taxes.

D. Filing and Payment Requirements

No corporate tax filings are required.

E. Miscellaneous Taxes Due

Any business that has employees, including owner-employees, must pay Payroll Tax. Business must register with the Inland Revenue Department for filing and payment of payroll taxes.

F. Registration Duties

Government fees are payable on the formation of companies, and annually for the company to remain in good standing.

G. Sales Tax or other Turnover Tax

The BVI does not impose any sales taxes.

H. Social Security and Welfare System Contributions

Any business that has employees, including owner-employees, must pay Social Security contributions. Businesses must register with the Social Security Board for payment of social security contributions.

Additionally, businesses must provide mandatory pension coverage for employees.

I. Special Tax Schemes

N/A

J. Tax on Profits

The BVI does not impose any taxes on profits.

K. Tax Treaties & Territoriality Rules

Information on Tax Treaties is maintained by the [UK government](#) and the [Virgin Islands International Tax Authority](#). The BVI does not have a worldwide taxation regime.

L. Treatment of Tax Losses

N/A

M. Wealth Tax

The BVI does not impose any wealth taxes.

N. Withholding Taxes

The BVI does not impose any withholding taxes.

XIII. Tax On Individuals

A. Allowances

There is no direct income tax, so allowances do not apply.

B. Calculation of Taxes

N/A

C. Capital Gains Tax

The BVI does not impose any capital gains taxes.

E. Filing and Payment Requirements

Most employers file and pay payroll tax, social security contributions, and national health insurance contributions on behalf of their employees. Persons who receive their entire pay without deductions, or who are self-employed, must file returns and payment with the Inland Revenue Department for payroll taxes and with the Social Security Board for social security contributions and national health insurance contributions.

E. Inheritance and Gift Tax

There is no inheritance tax.

F. Miscellaneous Taxes Due

N/A

G. Real Estate/Habitation Tax

Owners of property are required to pay property tax annually. On the purchase of property by a foreigner, there is a one-time payment of 12% of the purchase price or market value, whichever is higher.

H. Sales Tax

There are no sales taxes.

J. Social Security and Welfare System Contributions

Employees are required to pay payroll tax (8%), social security contributions (4%), and national health insurance (3.75%), usually via payroll deductions administered by their employer. There are maximum insurable earnings caps, published yearly, that apply to the calculation of these taxes and contributions.

K. Stock Option, Profit Sharing and Savings Plans

Payroll taxes may be applied to profit sharing if employees rendering services mainly within the BVI receive a payout which may be considered "remuneration".

K. Taxation of Benefits in Kind

Payroll taxes may be applied to benefits in kind if employees rendering services mainly within the BVI receive these as part of their remuneration.

L. Taxes on Dividends

There is no taxation on dividends.

M. Tax on Income

The BVI does not impose any personal income tax.

N. Tax Treaties

Information on Tax Treaties is maintained by the [UK government](#) and the [Virgin Islands International Tax Authority](#).

O. Territoriality Rules

The BVI does not have a worldwide taxation regime.

P. Wealth Tax

The BVI does not impose any wealth taxes.

Q. Withholding Tax

The BVI does not impose any withholding taxes.

XV. General Tax Considerations

A. Taxes Generally

While there is no generally accepted way of structuring a company or entity to ensure a desired tax consequence, it is possible to consider international tax consequences when deciding on corporate structure. There is no tax avoidance system or anti-tax system in the BVI. The BVI is listed as a co-operative tax jurisdiction by the European Union Economic and Financial Affairs Council.

XVI. Immigration Requirements

A. Immigration Controls

Currently, there are no immigration quotas. An individual would be required to obtain a work permit if they wish to work in the BVI. There is no requirement for vaccinations, but as part of the work permit process the individual would need to illustrate that they are in good health. There is no requirement for an exit permit.

B. Immigration Requirements/Formalities

It is possible to obtain permission to reside. This permission should be obtained prior to entering the BVI and requires documents evidencing proof of resources, a police report, references, and identification documents. The processing time is typically a few months.

C. Visas

The requirement of a visa is dependent on the nationality of the applicant. Generally, citizens of the OECS states, UK, U.S., Canada, and EU states do not require a visa on short visits up to one month. If a visa is required, the individual must apply for the visa prior to the trip. The processing time depends on the type of visa, volume of applications, and completeness of the submitted application.

XVII. Expatriate Employees

A. Cost of Living and Immigration

Rental Housing in the BVI can range from \$1,000 to \$1,500 for a studio or 1 bedroom apartment, to \$4000+ for a 3- or 4-bedroom family home. Most goods are imported and are therefore more costly than typical prices in the countries of origin.

For persons who obtain work permits, permission to reside is applied for and granted in conjunction with the work permit and is subject to the same renewal process as the work permit.

B. Drivers' Licenses

Foreigners are allowed to drive in the BVI temporarily using their home country's licence for a period of three months. Thereafter, they would be required to obtain a BVI driver's licence and undertake a written and practical test. The fees vary depending on the term of the licence and are prescribed by the government.

C. Education

Typically, the children of expatriates are not permitted to attend government school, but there are private options available at all stages of education. The tuition fees will vary depending on the school and level. There are no tax deductions for tuition fees.

D. Housing

There are various housing options available for rental and ownership. Investors are allowed to hold property but are required to obtain a Non Belonger Land Holding Licence to do so. At the time of transfer of the property, they would be subject to a one-time stamp duty at the rate of 12% of the purchase or the market value, whichever is higher.

E. Importing Personal Possessions

Persons moving to the BVI to live for more than six months are entitled to a duty-free personal allowance of up to \$1,000 for used personal and household items.

F. Medical Care

There is one main hospital operated by the government as well as a private hospital. There is a national health insurance scheme.

G. Moving Costs

There are no tax allowances with respect to moving, but some employers provide allowances to the employee.

H. Tax Liability

The expatriate would be subject to payroll tax, social security contributions, and national health insurance as detailed earlier in this guide.

I. Work Contracts

Work contracts are governed by the provisions of the Labour Code 2010, detailed earlier in this guide.

J. Work Permits

Any person who is not a BVI Islander/Belonger, does not hold a Certificate of Residence or an exemption, is required to obtain a work permit to legally work in the BVI and/or operate a business. The application is made by the BVI-based employer to the Department of Labour and Workforce Development. As part of the process, the applicant will be required to provide documents such as police and medical records as well as proof of qualifications. The permit is valid for one year and typically takes up to 10 weeks to process. The fees are calculated on a sliding scale amounting to 3% to 7% of the employee's salary but capped at \$10,000.