

British Virgin Islands



Price: €1,086

Description

Service Delivery: 15 up to 30 Days

About British Virgin Islands

History of the British Virgin Islands

The British Virgin Islands (BVI), which are located in the West Indies, were discovered by Christopher Columbus in 1493 and captured by the British in 1673. Today they are a British Overseas Territory and although they do not form part of the UK they remain under its authority.

The British Virgin Islands as an Offshore Location

Although the British Virgin Islands offer anonymity and 0% tax companies, they are strongly associated with tax avoidance and evasion. Their relatively poor international reputation may negatively impact their ability to trade in Europe.

There are two types of BVI offshore companies: British Virgin Islands Business Companies (IBCs), the traditional “offshore company”, and British Virgin Islands Ordinary Resident Companies, which are regulated in a manner closer to a European standard. A BVI IBC is the most popular offshore company form in the world and is equivalent to a European private limited company. IBCs are governed by the International Business Companies Act which provides that the company director must be appointed within 30 days of the company’s creation. There are no nationality or residency requirements for shareholders or directors. There is no minimum share capital requirement but there are Government fees payable on formation. These fees vary depending on the company’s share capital with the minimum being 350 USD for a BVI company with a share capital of 1,100 USD or less. An IBC may not carry out any activity in the British Virgin Islands, except for certain exempt services necessary to its

incorporation and administration (accountants' and lawyers' fees etc.).

In order to be able to do business directly in the BVI, it is necessary to opt for the British Virgin Islands Ordinary Resident Company which is permitted to trade in the BVI. A BVI company is considered resident in the BVI if most of the directors are based in the BVI and, in such cases, must apply for a trading licence.

British Virgin Islands Summary

The BVI are a popular offshore location and remain an excellent choice for international transactions outside of Europe. Despite being a leading tax haven for more than 30 years, new standards combating offshore companies have been introduced in Europe which focus specifically on this territory and it is now highly inadvisable to use BVI companies to invoice to or from European entities. The BVI is therefore currently re-positioning itself as a tax planning destination for Asian clients.