

# B.V.I.: BENEFICIAL OWNERSHIP REPORTING AND CONSULTATION ON ACCESS TO BENEFICIAL OWNERSHIP INFORMATION

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## INTRODUCTION

In an article published in *Insights* last year,<sup>1</sup> selected developments in regulatory and tax-related law and practice that affect end-clients, advisors and intermediaries were surveyed in the British Virgin Islands (“B.V.I.”), Cayman Islands and Bermuda. In the period since that article was published, amendments to the B.V.I. beneficial ownership regime have come into force and the B.V.I. Government has issued a consultation document (the “Consultation”) regarding rights of access to the beneficial ownership register. As part of the process, comments were requested from the public. The period for responses to the Consultation closes on February 28, 2025.<sup>2</sup>

This article provides an overview of the key changes under the new regime, and highlights important aspects of the ongoing consultation process.

## OVERVIEW

As of January 2, 2025, a new beneficial ownership reporting regime under the B.V.I. Business Companies and Limited Partnerships (Beneficial Ownership) Regulations, 2024 (the “Regulations”) has come into effect. This regime replaces the previous beneficial ownership reporting framework under the Beneficial Ownership Secure Search System Act, 2017 (“B.O.S.S. Act”), although that Act has not yet been repealed. The new regulations aim to enhance transparency while maintaining the B.V.I.’s reputation as a leading international financial center.

These changes have been expected for some time. Amendments were previously announced to the BVI Business Companies Act, Revised Edition 2020 (as amended, the “B.C. Act”) and the Limited Partnership Act, Revised Edition 2020 (as amended, the “L.P. Act”). Those amendments are now in force and the Regulations promulgated under the B.C. Act and the L.P. Act provide the details of the new regime. The amendments and Regulations create a centralized Register of Beneficial Ownership administered by the Registrar of Corporate Affairs (the “Registrar”), which is a division of the B.V.I. Financial Services Commission (“F.S.C.”).

Broadly, the regime applies to all companies or limited partnerships registered in the B.V.I. (“Entities”), although certain exemptions are available. Transitional periods of at least six months apply to Entities registered in the B.V.I. prior to January 2, 2025, (“Existing Entities”). As companies limited by shares incorporated under the B.C. Act are by far the most popular B.V.I. corporate entity, this update deals only with those companies unless otherwise stated.

<sup>1</sup> Joshua Mangeot, [“The B.V.I., Cayman Islands, and Bermuda – Current practice, Enforcement, and Emerging Trends.”](#) *Insights* Vol. 11, No. 6, p.68 (2024).

<sup>2</sup> Available [here](#).

On January 17, 2025, the B.V.I. Government launched a consultation on a draft policy regarding rights of access to the Register. In line with commitments made by other United Kingdom Overseas Territories, this policy proposes a framework for granting access to certain beneficial ownership information (“B.O.I.”) to persons demonstrating “legitimate interest” regarding information. At the same time, it seeks to balance transparency with privacy and security concerns.

There will be no legitimate interest access until the Consultation concludes and further legislation has been passed implementing the final policy. Based on public commitments made by the B.V.I., Bermuda and Cayman to the United Kingdom, final legislation is expected to be published in April, with implementation by the end of June 2025.

## FILING AND DEADLINES

Broadly, new Entities must identify and file with the Registrar adequate, accurate, and up-to-date B.O.I. reports as prescribed by the Regulations. Reports are due within 30 days of registration in the B.V.I., including on continuation into the B.V.I. Existing Entities have until July 2, 2025, to comply, benefiting from the six-month transitional period mentioned above. Any future changes to the B.O.I. must be reported within 30 days from the date the Entity first became aware of the change.

The information must be filed by the Entity’s registered agent via the F.S.C.’s electronic V.I.R.R.G.I.N. platform, which is replacing the B.O.S.S. system for B.O.I. filings.

## BENEFICIAL OWNERS

The regime is concerned with ultimate beneficial owners (“U.B.O.”). A “beneficial owner” is broadly defined as a natural person who ultimately owns or controls 10% or more of the relevant Entity or exercises control over its management (a “10%+ U.B.O.”). This definition encompasses both ownership and control and so includes legal ownership, economic ownership, and voting rights. The 10% threshold is consistent with the B.V.I.’s robust approach to anti-money laundering regulation.

However, only certain specified B.O.I. on ultimate beneficial owners with a 25% or greater interest (each, a “25%+ U.B.O.”) is expected to be accessible to persons demonstrating a legitimate interest 25%+ is the usual threshold for reporting under global standards. Other information filed pursuant to the B.C. Act and L.P. Act on 10%+ U.B.O.s under the Regulations will remain accessible exclusively to competent authorities and law enforcement agencies in the B.V.I.

## EXEMPTIONS

Certain Entities are exempt from filing B.O.I. but must still notify their status to the Registrar and provide basic details. Broadly, these include

- entities with shares listed on a “recognized stock exchange,” which includes all the leading global stock markets;
- all B.V.I. regulated investment fund vehicles and any company whose shares are held by a trustee licensed under the Banks and Trust Companies Act,

Revised Edition 2020 (as amended, the “B.T.C.A.”), in each case provided that the B.O.I. (i) is maintained by B.V.I. regulated administrator or an authorized representative or other person licensed by the F.S.C. with a physical presence in the B.V.I. and (ii) can be provided with 24 hours of request; and

- an Entity that is at least 75% owned by another Entity that complies with the beneficial ownership filing requirements or is itself exempt, thereby avoiding duplication of reporting where a chain of B.V.I. Entities exists.

Companies subject to disclosure and transparency rules contained in international standards, equivalent to those for listed companies or specified funds, may apply for exemption.

## GOVERNMENT CONSULTATION

The Consultation sets out the B.V.I. Government’s policy for allowing access to certain B.O.I. based on the concept of “legitimate interest.” The Government recognizes that this is a question of significant interest in the B.V.I. and throughout the global financial services industry. The policy seeks to balance transparency and privacy by allowing specific stakeholders that demonstrate a legitimate interest to access information in defined circumstances, while protecting the safety and security of vulnerable individuals and sensitive personal data.

The policy is subject to consultation and there is a list of questions to industry participants set out in the Appendix to the Consultation.

In summary, the draft policy addresses the following points:

- It broadly defines the concept of “legitimate interest” as a demonstrable, specific, and lawful need to access information to investigate, prevent, or detect serious financial crime or to assist in ongoing legal proceedings or regulatory investigations related to the same.
- It specifies circumstances in which legitimate interest or a person’s connection with an Entity or its U.B.O. may be claimed.
- It sets out categories of entities that may apply for access to the Register by demonstrating a legitimate interest, which must be directly related and proportionate to the purpose for which it is to be used.

To protect vulnerable individuals, exemptions are proposed to be granted in circumstances where

- the disclosure poses disproportionate serious risks to the U.B.O. or any individual,
- the request for disclosure relates to minors or legally incapacitated persons, or
- the Registrar determines that disclosure is against public interest.

Applications for exemptions must be submitted by the U.B.O. or a legal representative to the Registrar and must include supporting evidence. Any U.B.O. who considers that such an application may be appropriate may wish to start gathering information that supports the application.

*“Companies subject to disclosure and transparency rules contained in international standards, equivalent to those for listed companies or specified funds, may apply for exemption.”*

Only limited details are expected to be disclosed, such as (i) name, (ii) month and year of birth, (iii) nationality, (iv) country of residence, and (v) nature/extent of beneficial ownership. All information is expected to be restricted to relate to the 25%+ U.B.O.'s.

The policy sets out a process for submission of requests and subsequent review and decision by the Registrar. A mechanism is proposed to notify to the relevant U.B.O. via the Entity's registered agent, so that the U.B.O. has a chance to object to release of information.

As would be expected, the policy envisions a robust framework to preserve confidentiality and data security and to allow for appeals to the Financial Services Appeal Board. The Registrar is also required to keep a record of all access requests and there are fines and other civil and criminal penalties for misuse, including the provision of false or misleading information.

## PRACTICAL CONSIDERATIONS

Entities and their advisors and registered agents should take steps to ensure compliance with the new regime, such as the following:

- Ensuring new Entities comply with the new requirements and that Existing Entities will be compliant before July 2, 2025.
- Considering whether an Entity qualifies for exemption or is subject to the B.O.I. reporting requirements.
- Conducting internal reviews to identify 10%+ U.B.O.s and to ensure that any changes can be identified.
- Updating and maintaining records to ensure accuracy and completeness, gathering the B.O.I. required, and maintaining records that demonstrate the steps taken to gather the information.
- Seeking appropriate advice where (i) uncertainty exists regarding their obligations or (ii) difficulties are encountered in identifying U.B.O.s or obtaining the necessary information.
- Taking steps to seek exemption or to file objections by persons concerned (i) with violations of their rights to privacy, (ii) with risks that may arise from disclosure, or (iii) with risks to vulnerable, minors, or incapacitated individuals.

It is expected that registered agents will be contacting their clients to confirm existing B.O.I. and gather or verify the details required under the new regime.

Industry participants are also encouraged to participate in the consultation process by submitting feedback on the Consultation and the policy questions raised by Government. Feedback can be submitted via email to [boconsultation@gov.vg](mailto:boconsultation@gov.vg) by February 28, 2025.

## CONCLUSION

The updates to the B.V.I.'s beneficial ownership reporting regime demonstrates the commitment of the B.V.I. to global standards in the fight against financial crime, while balancing transparency with individuals' rights to privacy and protection from harm.

The ongoing consultation provides an opportunity for stakeholders to shape future policy in this area. Clients and industry participants are encouraged to engage in this process to ensure that any concerns regarding privacy, security, and operational impact are addressed.



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