

## British Virgin Islands (BVI)

### Summary

British Virgin Islands (BVI) are situated between the Caribbean Sea and the North Atlantic Ocean and are comprised by more than 35 tropical islands ranging in size. The BVI are an overseas territory of the UK, being self governed. The BVI offshore companies have been incorporated since the mid 80's, now being one of the most popular jurisdictions.

The law under which business takes place is based on the same principals to the UK legal system. The BVI are a tax heaven offshore jurisdiction, nowadays, the term known as International Business Companies with a 0% corporate tax. Shelf companies are available and the procedures are quick and efficient.

### Country

British Virgin Islands' political framework is that of the parliamentary democracy. The head of the state is Queen Elizabeth II who is represented by the Governor of the BVI. The law that is being followed is the one of the UK.

The BVI are enjoying a wealthy economy that depends heavily on the formation of the offshore companies. The currency used is the US Dollar (\$) and the official language is English.

### Taxation

BVI is a tax heaven jurisdiction having 0% corporate tax. To maintain the company an annual license fee is paid to the BVI authorities.

### Uses of Companies

#### **Personal Investment Funds**

Offshore companies are mainly used as "wallet", meaning personal investment funds. Within a tax structure, it will be the final stage of the asset ownership and in this way it will be used to finance the rest of the projects and business activities of the group.

## As a Trade Agent

It is commonly used for international trade but its use is more and more restricted these days as most of the countries worldwide do not recognize the invoices issued by offshore companies as expense or they charge withholding tax upon their payment. So in the context of international tax planning it is important to use the offshore company as a trade agent with companies in jurisdictions that recognize offshore invoices such as Cyprus and UK.

## Types of Companies

The most common type of company is the Limited Liability Company. The characteristics of the companies are the following:

<b>Company name:</b>	Shelf companies are being provided
<b>Authorized capital:</b>	\$50,000 or an equivalent in other recognizable currency
<b>Issued Share Capital:</b>	may be one share at par value or no par value
<b>Directors:</b>	at least one, local or not, natural person or a body corporate Nominee Services can be provided by us
<b>Secretary:</b>	Nominee Services can be provided by us
<b>Shareholder:</b>	at least one, local or not, Nominee Services can be provided by us
<b>Registered Office:</b>	must be in BVI Service provided by us
<b>Accounts:</b>	No
<b>Filing of Accounts:</b>	No
<b>Audit Financial Statements:</b>	No
<b>Filing of Annual Returns:</b>	No

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