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# Advantages of Using British Virgin Islands International Business Companies

The British Virgin Islands International Business Companies (BVI IBC) have provided an excellent opportunity for structuring offshore investment and finance transactions ever since the introduction of the BVI International Business Companies Ordinance in 1984. A BVI IBC is a discrete business entity that is exempted from tax regulations, ideal for dealing with international business activities and allows for a more flexible organizational structure. With a politically stable government, a system of laws based on English common law, the BVI is now one of the world's leading offshore financial centres. The following features of the BVI contribute to the success of the BVI as an offshore financial centre.

## Flexibility

The flexibility of the structure of the BVI IBC is one of its principal appeals. Ease of operation, maintenance and control are facilitated by flexible corporate features. For example, there is no requirement for any directors or officers of the company to be resident in the British Virgin Islands. The register of shareholders and minute

books are not required to be held in the British Virgin Islands and can be held in another jurisdiction. The company is not required to hold an annual general meeting of shareholders. Beneficial owners have the option to hand over shares to be kept by a trustee.

## Taxes and Exchange Controls

The BVI Business Companies Act 2004 allows for a full exemption on taxation for all BVI business companies, including dividend, interest, royalties, compensation, capital gains as well as debt obligations. These commercial entities will be required to pay a starting registration fee as well as a yearly license fee that will be paid to the Financial Services Commission. The primary legal tender within the BVI is the U.S. Dollar. There are no any exchange control restrictions between transactions of U.S. Dollars in or out of the BVI or on conversion to a different currency.

## Confidentiality

A BVI IBC offers a high level of privacy and confidentiality. The registers of company directors and shareholders and any ongoing changes are not publicly accessi-



ble. This ensures the confidentiality on shareholders.  
the personal details of directors and .

*This publication is intended to merely provide a brief overview and general guidance only and is not intended to be a substitute for specific legal advice or a legal opinion. For more specific advice on BVI companies, please contact:*

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