

British Virgin Islands - information on setting up an investment fund

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British Virgin Islands

Fund legislation

Mutual Funds Act 1996

Number of funds

As at 31 December 2008 (the latest available):

Overall: 2953

Number of funds by category

As at 31 December 2008:

Private: 831

Professional: 1894

Public: 228

Only open ended funds are required to be registered or recognised and so no official figures exist for other types of funds.

There is currently no distinction in the licensing process between directly invested hedge funds and fund of hedge funds and so no official figures exist for the break down.

Domiciled and administered fund assets total:

No figures are available currently

Domiciled and administered fund assets by category:

No figures are available currently

Regulator

Financial Services Commission of the British Virgin Islands, Investment Business Division.

Contact: Broderick Penn, Director of Investment Business Division; Tel: 284-494-1324 or 284-494-4190; Fax: 284-494-5016

Address: British Virgin Islands Financial Services Commission, Pasea Estate, PO Box 418, Road Town, Tortola, VG 1110, British Virgin Islands.

Service providers

Law firms: 7 multi-jurisdictional firms; approximately 10 other BVI commercial firms;

Administrators: 87 licensed;

Custodians: 8 licensed;

Corporate service providers: 117 licensed;

Accountants/auditors: 7 international firms;

Trustees: 98 general trust license holders;

Insolvency Practitioners: 16 licensed.

Local stock exchange: No

Local fund industry body:

Mutual Fund Practitioners Association

Promotion agency for funds/financial sector:

BVI International Finance Centre

Double taxation treaties

None

Tax exchange agreements

UK; USA; Australia; Norway; Finland; Sweden; Denmark; Greenland; Iceland; Faroe Islands; France

Alternative fund, manager and service provider information

Types of alternative fund vehicle

Open-ended or closed-ended investment vehicles can be structured as a company, LP, unit trust, common contractual fund, umbrella fund or SPC (open-ended only)

Available types of corporate vehicle:

Company Limited by Shares, including:
Restricted Purposes Company;
Segregated Portfolio Company (for recognised or registered funds and licensed insurance companies only);
Company Limited by Guarantee authorised to issue shares;
Company Limited by Guarantee not authorised to issue shares;
Unlimited Company authorised to issue shares; and
Unlimited Company not authorised to issue shares

Types of regulatory fund category

Public; Private; Professional

Audit requirement

No statutory audit requirement save for registered Public Funds.

No local audit sign-off requirement.

Financial statement requirements

All BVI mutual funds, i.e. all private, professional and public funds recognised or registered under the BVI Mutual Funds Act 1996, must submit a return in a prescribed form to the Financial Services Commission no later than 30 June in each year covering the calendar year ending 31 December of the previous year.

Cost of regulatory fees

Private and Professional: US\$350 pa
Public: US\$500 pa

Overall cost of fund establishment

Private and Professional: From US\$10,000 plus disbursements for simple fund

Public: From US\$20,000 plus disbursement for simple fund

Regulatory approval time

Private and Professional: 3 - 5 days

Public Fund: 6 - 10 weeks

Overall establishment time:

Private and Professional: Generally at least 2 weeks

Public Fund: At least 10 - 14 weeks

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