



## Amendments to the BVI Eligible Introducer Regime

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The BVI has recently amended its anti-money laundering regime with certain key changes to the existing Eligible Introducer Regime. The move can be seen in part as response to pressure from the UK Government and other authorities for international financial centres, and especially the Crown Dependencies and Overseas Territories, to establish a central register of beneficial owners, and in part a welcome reform, bringing the BVI in line with international standards on transparency and further enhancing the BVI's reputation and competitive standing as a leading international finance centre.

Effective from 1 January 2016, for all new companies incorporated in the BVI, the local registered agent will have to hold the following information in respect of the beneficial owners:

- Full name
- Date of birth
- Residential address
- Nationality

For companies already incorporated in the BVI there is a twelve month transitional/grace period open to the registered agents to collect such information.

It is important to note that no documentation needs to be provided, only confirmation of the above beneficial ownership information at the point of incorporation. All KYC documentation will remain with the third party introducer (the "Eligible Introducer").

Whilst the legislation remains silent on the point, FH Corporate Services' is of the view that, consistent with the existing AML regime, the requirement to gather beneficial ownership information will only apply to those holding a 10% or greater interest in the company. For these purposes, a beneficial owner is the ultimate individual beneficial owner and excludes nominees, holding companies and other entities such as trusts, foundations and partnerships.

Any beneficial ownership information collated by FH Corporate Services will be privately held, will not be publicly filed and will only be available to competent regulatory and legal authorities pursuant to legitimate requests for information, as is currently the case.

The amendments also confirmed that BVI registered agents must test Eligible Introducers at least every three years to ensure that they are complying with their written terms of business and, as such, ensuring that the Eligible Introducers are complying with current BVI AML standards. Such testing must be recorded and a copy made available whenever requested by the BVI FSC.

It has been further discussed in the recent “*Meet the Regulator*” forum (November 2015) that registered agent’s will be required to provide the outcome of such testing to the BVI FSC in a prescribed form. To date this form is yet to be made available.

Please note that the new requirement for Eligible Introducers to supply beneficial ownership information means that FH Corporate Services will need to modify our current procedures and will be requesting all existing Eligible Introducers to sign amended terms of business.

Should you have any questions in relation to the amendments to the BVI Eligible Introducer Regime please do not hesitate to contact your usual point of contact at FH Corporate Services.

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*This alert is intended to be for the general information of the clients and professional contacts of Forbes Hare. It is not intended to be comprehensive and does not contain definitive advice.*

*If you would like to receive further information, or more detailed guides on a range of BVI legal topics, please do not hesitate to contact:*

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