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Beneficial Ownership Updates in the British Virgin Islands

We at DLT are a team of seasoned BVI practitioners who have been working with digital asset clients in the Caribbean since 2018. We understand digital asset business and have detailed insight into the regulatory framework in the BVI. There have been some recent updates to the BVI Business Companies Act ("BCA") which has enhanced the beneficial ownership ("BO") regime to update it to evolving international standards. Let's help break it down for you.

What is the BO update?

The BCA's amendments came into force on 2 January 2025 applying to all companies incorporated or continued under BVI law, limited partnerships and other legal entities, to impose a statutory obligation to collect, keep and maintain adequate, accurate and up-to-date information on their beneficial owners and then file this with the Registrar of Corporate Affairs.

When:

- Existing Entities incorporated prior to 2 January 2025, you have until 1 January 2026 to comply with the BO filing requirements.
- New entities incorporated after 2 January 2025, you have 30 days from the date of incorporation to comply with the BO filing requirements.
- Existing struck off and dissolved/de-registered entities that are restored – BVI Companies and limited partnerships struck off and dissolved as at 2 January 2025 must file their beneficial ownership information with the Registrar within 14 days following their restoration.
- Any changes to the filing, must be notified and updated to the Registrar within 30 days of such change.



Definition:

A "Beneficial Owner" is defined as a natural person who ultimately owns or controls 10% or more of the shares a relevant company or limited partnership or exercises control over its management. For a trust, the trustee, settlor, protector, beneficiaries and any other natural person exercising ultimate effective control over the trust would be considered the BOs.

What has to be filed?

Companies are now required to file with the Registrar of Corporate Affairs:

1. A register of beneficial owners;

- This will be initially private and not publicly available. Only (i) the registered agent (ii) BVI competent authorities, (iii) law enforcement agencies and (iv) the Company may view the filed register.
- However, from 1 April 2026, there are some instances where persons with a 'legitimate interest' will be allowed access to the information. See further details on what constitutes a 'legitimate interest' below.
- The register should include the following details:
 - In the case of an individual:
 - Full name, former name(s) and any aliases used;
 - Date and place of birth;
 - Gender;
 - Occupation;
 - Nationality;
 - Principal residential address and country where the individual is usually resident;
 - Nature of and percentage of beneficial interest in the Company; and
 - Nature of and percentage of their controlling interest over the Company;
 - If they have the power to (a) appoint or remove the Company's senior management; (b) appoint or remove directors; (c) control the Company through debt instruments; (d) direct or veto investment decision, profit share and/or capital returns of assets; and/or (e) direct amendments to the constitutional documents.
 - With respect to a legal entity:
 - name, including alternative names
 - incorporation number or its equivalent



- date of incorporation
- address of principal office or registered office
- country of incorporation or registration
- the legal form of the legal entity and the law by which it is governed
- the type of register in which it is registered and, for companies, its company number or, for limited partnerships, its unique number.

Who maintains the BO Register?

For those entities that fall within scope of the Regime are required to collect, keep and maintain the BO Register of adequate, accurate and up to date beneficial ownership information containing the required particulars in relation to their beneficial owners. As of 2 January 2025, the BO Register is required to be kept and maintained by the Registrar of Corporate Affairs through the online VIRRGIN system.

1. A register of members:

- Similar to the register of beneficial owners, this will be private and not publicly available. However, there are some instances where persons with a 'legitimate interest' will be allowed access to the information.
- Note, that there are now new requirements for companies to include the name and address of any nominator (if the shares are held under a nominee arrangement) and the date when any nominee shareholder ceased to be a member and any person ceased to be a nominator.

The BO Register may be inspected by:

- a competent authority acting in the lawful exercise of its powers as a regulator of financial services business or pursuant to its obligations to a mutual legal assistance request received or made or to be made by it; or



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- a law enforcement agency acting in the lawful performance of its investigative functions or in relation to the exercise of its investigative powers.

The definition of competent authority includes the following official bodies:

- the Attorney General;
- the Governor of the BVI;
- the BVI FIA;
- the BVI FSC;
- the BVI International Tax Authority; and
- such other authority as the Governor may designate.

Public access for persons demonstrating a legitimate interest

From 1 April 2026, public access will be allowed to view the register for those with a 25% ownership or control threshold, if the requesting person can demonstrate to the Registrar that:

1. The purpose of the inspection request is to investigate, prevent or detect the activity of money laundering, terrorist financing or proliferation financing.
2. The legal entity which is the subject of the request, is connected to a person who has been convicted, or in relation to whom criminal proceedings have been commenced for the offence or money laundering, terrorist financing or proliferation financing. The person is connected to the legal entity if they are the beneficial owner of the legal entity.
3. The requester is an obliged entity under the BVI Anti-Money Laundering Regulations (as amended) carrying out its customer due diligence and other obligations in accordance with the laws relating to money laundering, terrorist financing or proliferation financing.



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Note: An obliged entity is defined in the Regulations as an entity that has obligations to carry out customer due diligence or enhanced customer due diligence under the BVI AML regime. Where an obliged entity, upon inspection of the BO Register or receipt of a copy of an entry in the BO Register (refer to 'Who can access a BO Register – Public access for persons demonstrating a legitimate interest' above for more details on public access to the BO Register for persons demonstrating a legitimate interest), discovers a discrepancy between the beneficial ownership information contained in the BO Register and the beneficial ownership information held by it in relation to the same beneficial owner, it must notify the Registrar in writing within 14 days of the discovery.

Notably, the Registrar of Corporate Affairs will notify the relevant legal entity of any access request, allowing for objections and appeals.

Exemptions

Application:

From 2 January 2026, persons may apply to the Registrar for an exemption from disclosure of their beneficial ownership information. Grounds for such exemptions include:

- Reasonable belief that the disclosure would place the individual or immediate family at serious risk of fraud, kidnapping, blackmail, extortion, harassment, violence, intimidation or other similar harm.
- The information relates to a child or an individual otherwise lacking legal capacity.
- Special reasons exist to warrant refusal.
- Disclosure would raise or affect issues of national security in the BVI or elsewhere.
- The Registrar considers it is not in the public interest to grant access

Exempted Entities:

Otherwise, the following legal entities are exempted from filing a BO register:

- Companies whose shares listed on a recognised exchange and BVI companies which are a subsidiary of a company listed on a recognised exchange;



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- Private, professional, public, private investment, incubator or approved funds registered or recognised by the BVI Financial Services Commission, as well as subsidiaries of funds.
 - However, adequate, accurate and up-to-date BO information should be (i) maintained by a BVI regulated administrator or an authorised representative with a physical presence in the BVI and (ii) readily available to supply to the Registrar within 24 hours of a request.
- Companies whose shares are held by a trustee licensed under the BVI Banks and Trust Companies Act (as revised) or by a trustee that is regulated for anti-money laundering purposes in a jurisdiction other than BVI. The trustee would be considered the BO for filing purposes. Note that the licensed trustee should still hold the BO information that can be supplied to the Registrar within 24 hours of a request.
- Subsidiaries of entities which are subject to the BO regime, based on direct/indirect ownership or control of 75% or more of the voting rights in the subsidiary.
- Legal entities subject to equivalent international disclosure and transparency standards.
- Legal entities which were dissolved or de-registered and not restored, prior to 2 January 2025.
- BVI companies where the BVI Government or a foreign government holds more than 50% of the shares or voting rights.

Penalties

Penalties for non-compliance with the BO regime range from US\$10,000 to US\$75,000 per offence, depending on the seriousness.

Any person who knowingly or recklessly makes a false statement in purported compliance with a requirement a BO regulation may result in a penalty of US\$75,000.

Continued failure to file the BO register or pay any penalty by a due date may result in the entity being struck off the Register of Companies or Register of Limited Partnerships, as appropriate.

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