

New Annual Financial Return Filing for BVI Companies

Effective from **1 January 2023**, every British Virgin Islands (“BVI”) Company needs to submit an **Annual Financial Return** to its Registered Agent in accordance with the BVI Business Companies (Financial Return) Order, 2023.

What is new

- Effective from 1 January 2023, BVI companies must file a new annual return with their registered agent setting out certain financial information unless they are exempt (see below).
- The Annual Financial Return should consist of an **Income statement and Balance Sheet in a prescribed format**.
- There is no requirement that the return be audited or based on audited financials.



Timeline

- The annual return has to be filed within **9 months** of the financial year end.
- The first return is required for the 2023 financial year, with filings to be made **by the end of September 2024** (with default year-end 31 December 2023) for companies with a calendar year end.



Exemptions

- It is listed on a stock exchange.
- It is regulated under a BVI financial services legislation and provides financial statements to the BVI Financial Services Commission (FSC) per the requirements of that financial services legislation.
- It submits its financial statements and annual tax return to the BVI Inland Revenue Department.
- It is undergoing liquidation, with the provision that this exemption is not applicable if the annual return is due before the liquidation process commences.



Non-compliance

- The Registered Agent is required to notify the Registrar if not received the Annual Return within 30 days of the filing deadline
- Financial penalties shall be imposed if the company fails to file its annual return.
 - USD300 for the first month or part thereof
 - USD200 for each month or part thereof after the first month, up to a maximum of USD5,000
 - the Registrar may strike the name of the company off the Register



HOW CAN WE HELP



Advise on compliance of the new filing requirement



Preparation of annual management accounts



Liaison with Registered Agent for Financial Return Filing

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