

British Virgin Islands Economic Substance Requirements – July 2020 Update and Deadlines

The framework that the British Virgin Islands ("BVI") government has created to enable BVI 'legal entities' to report prescribed economic substance information is now operational.

In line with our previous update¹, new reporting and (in some cases) economic substance requirements now apply for BVI 'legal entities' that conduct certain defined 'relevant activities' under the Economic Substance (Companies and Limited Partnerships) Act, 2018 and the Rules on Economic Substance (together the "Economic Substance regime").

2020 Deadlines

The reporting window is now open, and BVI companies and limited partnerships with legal personality can now comply with their obligations to report prescribed 'economic substance information'. Each entity must provide its registered agent with the prescribed particulars, which must now be reported to the BVI's International Tax Authority ("ITA"). Reporting is done through the Beneficial Ownership Secure Search system, now rebranded as BOSS(ES) to

facilitate the secure reporting of Economic Substance information.

For entities incorporated or formed on or after 1 January 2019, declarations must be uploaded within six months after their incorporation or formation date.

For entities incorporated or formed prior to 1 January 2019, the deadline for reporting is six months after 30 June 2020.

Entities that have successfully applied to the ITA to change their year-end for the purposes of the Economic Substance regime are subject to different deadlines.

Actions Now Required

All BVI companies, and limited partnerships with legal personality, must now provide their registered agent with the prescribed particulars. The exact information required will depend on whether a relevant activity is carried out, and where the entity is tax resident, but we should emphasise that all entities now have reporting obligations.

Entities that are not in good standing, or are in the process of solvent or insolvent liquidation, are

¹ <https://maples.com/Knowledge-Centre/Industry-Updates/2019/10/British-Virgin-Islands-Economic-Substance-Update-October-2019>

still subject to the Economic Substance regime, and must urgently take steps to comply.

All entities that have not yet done so must now therefore urgently assess the impact of the new Economic Substance regime, in order to establish:

- a) where the entity is 'tax resident' for the purposes of the legislation;
- b) whether the entity is conducting one or more relevant activities (see below);
- c) the level of economic substance requirements that apply to the entity as a result (if any);
- d) how the entity can demonstrate that it is meeting the relevant requirements (where applicable); and
- e) what information must now be reported.

Your usual Maples Group contact will be able to assist you in making these determinations.

What is a Relevant Activity?

By way of reminder, the Economic Substance regime applies economic substance requirements to the following categories of activity:

- [Banking](#)
- [Insurance](#)
- [Shipping](#)
- [Fund management](#)
- [Financing and leasing](#)
- [Headquarters](#)
- [Distribution and service centres;](#)
- [Holding company](#)
- [Intellectual property.](#)

Please click on any of the relevant activities listed above to view the relevant client update.

For details on what it means to be subject to the economic substance requirements of the Economic Substance regime, as well as for information on the potential consequences of breaching these requirements, please contact your usual Maples Group team member.

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