

Continuing obligations for BVI approved funds

Last reviewed: June 2025

BVI law imposes a number of ongoing obligations on BVI regulated funds. The key continuing obligations for BVI approved funds incorporated as a company are summarised below.

1 Authorised representative, directors, administrator and safekeeping of fund property

A BVI approved fund must at all times have:

- (a) an authorised representative in the BVI, who is certified to act as an authorised representative by the BVI Financial Services Commission (the **FSC**);
- (b) no less than two directors, at least one of whom must be an individual;
- (c) an administrator; and
- (d) arrangements in place for the safekeeping of fund property,¹ which include provisions for the appropriate segregation of fund property.

If the fund ceases to meet the requirements at (a) and (b) above, it is required to notify the FSC in writing immediately and take the necessary steps to appoint a replacement within 21 days after the authorised representative or director, as applicable, ceases to hold office.² Where there is a change of administrator, the fund is required to notify the FSC in writing immediately of that change.

2 Annual fees

A BVI approved fund must pay an annual corporate registry fee and an FSC renewal fee, as follows:

Matter	Time period for FSC notification	Amount
Registry fee	Annually by 31 May or 30 November (depending on when the fund was incorporated)	<ul style="list-style-type: none"> – US\$550 if the fund is authorised to issue less than 50,000 shares – US\$1,350 if the fund is authorised to issue in excess of 50,000 shares
FSC renewal fee	Annually by 31 March	US\$1,200

3 Fund documents

A BVI approved fund is required to notify the FSC within 14 days if it makes amendments to:

- its constitutional documents;
- its investment strategy;
- the written warning issued to its investors or potential investors; or
- any other information submitted to the FSC in its application for recognition as an approved fund.

¹ **Fund property** means the assets of the fund.

² Regulation 9(3)(b) and (4) of the Securities and Investment Business (Incubator and Approved Funds) Regulations, Revised Edition 2020 (as amended).

Such notification must be in writing, providing details of the change and be accompanied by a written declaration as to whether or not the change complies with the requirements of the Securities and Investment Business (Incubator and Approved Funds) Regulations, Revised Edition 2020 (as amended, the **Regulations**).

A BVI approved fund must also notify the FSC of any matter in relation to the affairs (including the conduct of business) which has, or is likely to have, a material impact on the fund.

4 Valuation policy

A BVI approved fund must maintain a clear and comprehensive policy for the valuation of fund property with procedures that are sufficient to ensure that the valuation policy is effectively implemented and ensure that fund property is valued in accordance with the valuation policy. The valuation policy and procedures of an approved fund must:

- be appropriate for the nature, size, complexity, structure and diversity of the fund and fund property;
- be consistent with the provisions concerning valuation in its constitutional documents and offering document;
- require valuations to be undertaken at least on an annual basis;
- include procedures for preparing reports on the valuation of fund property; and
- specify the mechanisms in place for disseminating valuation information and reports to investors.

The persons controlling the fund's investment function should be independent from the persons controlling the fund's the valuation process, but if a person responsible for the fund's investment function must have an involvement in the valuation of fund property, the fund must:

- identify, manage and monitor any potential conflicts of interest that may arise; and
- disclose to its investors:
 - that the person responsible for the fund's investment function has an involvement in the valuation of fund property; and
 - details of how any potential conflicts of interest will be managed.

5 Financial statements and returns

A BVI approved fund is required to prepare and submit financial statements to the FSC for each financial year that comply with the following accounting standards:

- the International Financial Reporting Standards, promulgated by the International Accounting Standards Board;
- UK GAAP;
- US GAAP;
- Canadian GAAP; or
- such other recognised standards as may be approved by the FSC on a case-by-case basis.

The financial statements, which do not need to be audited, must be submitted to the FSC within six months of the financial year end, unless the FSC has granted an extension or the fund has obtained an exemption from the requirement to do so.

A BVI approved fund must, no later than 31 January of each year, file a return with the FSC:

- stating that it is not in breach of the requirements of the Regulations;
- outlining any significant investor complaint received by the fund and how the complaint was dealt with;
- providing such other information as may be required in the prescribed form; and
- providing, as at the 31 December of the preceding year, details of:
 - the number of investors in the fund;
 - the total investments in the fund;
 - the aggregate subscriptions to the fund;
 - the aggregate redemptions paid to investors; and
 - the net asset value of the fund.

6 Investors

Restrictions

Investment in a BVI approved fund is restricted to:

- (a) a maximum number of 20 investors at any one time; and
- (b) a maximum investment of US\$100,000,000 in net assets or its equivalence in any other currency, (together, the **Restrictions**).

If the Restrictions are exceeded over a period of two consecutive months, the fund must, within 7 days of the end of the second month:

- (a) notify the FSC in writing and outline the reason(s) for exceeding the Restriction(s); and
- (b) submit an application to the FSC for the conversion and recognition of the fund as a private fund or professional fund in accordance with the provisions of the Securities and Investment Business Act, Revised Edition 2020 (as amended) and the Mutual Funds Regulations, Revised Edition 2020 (as amended) unless if, at the time of notification, the approved fund no longer exceeds the Restriction(s); or
- (c) commence the process of voluntary liquidation of the fund; or
- (d) amend its constitutional documents so as to cease to be a mutual fund and to remove any reference to it being an approved fund (in which case it shall cease to function as an approved fund on the date of the filing of the amended constitutional documents or, if there is an effective date in relation to the filing, on the date the filing becomes effective).

Where a BVI approved fund exceeds the Restrictions, or if the FSC considers it to be in the public interest, the FSC may direct that the fund:

- convert into a private fund or professional fund; or
- take the steps set out at (c) or (d) above.

Written warning

A BVI approved fund must provide an investor or potential investor with a written warning before making an offer or invitation to purchase or subscribe for fund interests in an approved fund. If a BVI approved fund issues an offering document, the written warning must be included in a prominent place in the offering document. If no offering document is issued, the written warning shall be provided to each investor or potential investor as a separate document.

The written warning must clearly indicate:

- that the approved fund has been established as such;
- the Restrictions;
- that the fund is not subject to supervision by the FSC and that requirements considered necessary for the protection of investors that apply to public funds do not apply to an approved fund;
- that an investor in an approved fund is solely responsible for determining whether the fund is suitable for their investment needs; and
- by reason of the above, that investment in an approved fund may present a greater risk to an investor than investment in a public fund.

7 Anti-money laundering/countering terrorism and proliferation financing

A BVI approved fund is required to have a money laundering reporting officer (**MLRO**) but is exempt from the requirement to have a compliance officer. The MLRO does not need to be an employee of the fund or resident in the BVI but should be of sufficient seniority and meet the requirements of the BVI Anti-money Laundering Regulations, Revised Edition 2020 (as amended) to perform the functions of a MLRO.

A BVI approved fund is exempt from the requirement to apply for the FSC's prior approval to appoint a MLRO. However, it is required to notify the FSC within 14 days after the appointment, or any cessation of appointment, of a MLRO (and best practice would be for either the fund or the MLRO to also notify the BVI Financial Investigation Agency of the same).

8 Automatic exchange of information

A BVI approved fund is required to register with the BVI International Tax Authority (the **ITA**) for online reporting through the BVI Financial Account Reporting System (**BVIFARs**) portal and submit, annually by 31 May, its CRS and US FATCA reports. A BVI approved fund must also implement and maintain written CRS policies and procedures and submit, annually by 30 September, a CRS form providing additional information about the fund as a reporting financial institution³.

9 Filing of information

A BVI approved fund must file an annual economic substance declaration with the ITA within six months of the end of its relevant financial period.

A BVI approved fund is exempt from filing its register of members (or any changes to it) with the Registrar of Corporate Affairs (the **Registrar**).

A BVI approved fund is also exempt from filing its beneficial ownership information (or any changes to this information) with the Registrar, provided that:

- such information is held by the fund's BVI authorised representative (or a person holding a licence for the administration of investments under SIBA or other person licensed by the FSC that has a physical presence in the BVI); and
- the information can be provided by such person to the Registrar within 24 hours of request.

However, the fund's BVI registered agent will need to make the relevant exemption filing on behalf of the fund and the name and address of the person that holds the fund's beneficial ownership information must be filed with the Registrar.⁴

10 Further information

For more information on BVI approved funds, please see our guide on [BVI open-ended funds](#).

Contacts

A full list of contacts specialising in BVI investment funds can be found [here](#).

³ The CRS form must be submitted via the BVIFARs portal by either the fund's primary user or a designated secondary user (typically, its AEOI services provider or its administrator).

⁴ For a BVI approved fund incorporated or on the register of companies before 2 January 2025, the relevant filings need to be made by 1 January 2026.

This guide is only intended to give a summary and general overview of the subject matter. It is not intended to be comprehensive and does not constitute, and should not be taken to be, legal advice. If you would like legal advice or further information on any issue raised by this update, please get in touch with one of your usual contacts. You can find out more about us and access our legal and regulatory notices at [mourant.com](#). © 2025 MOURANT ALL RIGHTS RESERVED