

BRITISH VIRGIN ISLAND  
SPECIAL TRUST ACT -  
VISTA TRUSTS

ABOGADOS-ATTORNEYS AT LAW



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ESTABLISHED 1920



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## BRITISH VIRGIN ISLAND SPECIAL TRUST ACT - VISTA TRUSTS

The Virgin Island Special Trust Act, which came into force on March 4, 2004, introduces a trust system designed specifically to hold shares of a BVI International Business Corporation where the settlor's requirements are that the shares are retained in trust indefinitely and that the company will be managed by its directors without the intervention by the trustee.

In a regular trust, the prudent man of business rule obliges the trustees to monitor and intervene in the management of the corporation and also accept finally advantageous offers if it is the case. The enactment of this new statute provides the opportunity to individual to set up a trust without the rigidity of the "prudent man of business" rule that applies for the trustees.

The Act allows a member of a BVI corporation to establish a trust where the trust fund will be the shares of his company and the trustees are disengage of the management responsibility. This special feature allows the directors to retain the company and its business as long as they think is fit. In these cases, the trustees will not be liable for the consequences of holding the shares (rather than disposing them).

This new Act does not apply to BVI trusts in general. It has to be established specifically in the trust deed that VISTA applies. The trustee of a VISTA Trust must be a company that holds a license to undertake trust business under the Banks and Trust Companies Act, 1990.

VISTA Trusts are designed to be used as vehicles for corporative succession planning. Also they may be used as a part of a matrimonial settlement, to certain commercial arrangement and as "blind trust" for politicians.

Although the Act is designed specifically for shares of a BVI International Business Corporation, shares in non-bvi companies or other assets may be held by a BVI company to which VISTA applies if it is the intention that those assets be effectively held subject to a VISTA trust.