

BRITISH VIRGIN ISLANDS | SIGNIFICANT LEGISLATION UPDATE ANNUAL FINANCIAL RETURN

The British Virgin Islands (BVI) Business Companies Act and Regulations were amended and became effective on **1 January 2023** to include the **preparation and submission of a Financial Annual Return for each BVI company**. The official annual return form, which must be submitted every year, was published on 2 March 2023 in the Gazette.

What are the new requirements according to this law?

From 1 January 2023, BVI companies must **prepare and file an annual return with their registered agent** containing specific financial information.

The return must be completed in a form ([sample here](#)) that includes an income statement and balance sheet for each company, which:

- Has no specific set of accounting policies or principles required.
- Can be done in any currency, and
- Does not need to be audited.

What does the company need to do to remain compliant?

All BVI companies must submit the annual return to their registered agent. The filing is private and shall be kept confidential by the registered agent (Icaza), meaning it is not publicly available. If a company doesn't file its annual return within 30 days of the due date, registered agents must inform the Registrar.

For a streamlined reporting process, we will send a **link** to all clients to facilitate the submission of the information in a **secure form**.

When should I file the form?

The annual return is due annually for financial periods starting on **1 January 2023**. It must be filed within nine months after the company's financial year-end (which in most cases is December 31st each year, unless the company has chosen a different financial period). Below, you may find the deadlines for the most common financial year ends:

Financial Year	First Deadline
January – December 2023	30 September 2024
July 2023 – June 2024	31 March 2025

What happens if the company does not file the annual return?

The following penalties will be imposed on companies that do not provide their annual returns:

1. US\$300 for the first month.
2. US\$200 for each subsequent month, up to a maximum of US\$5,000.

If the maximum penalty is reached and the annual return is not filed, the Registrar may remove the company's name from the Register.

Next Steps:

- Maintain financial records such as invoices, receipts, bank statements, etc., to prepare the annual return.
- We will soon notify you of the cost of this new obligation, which shall be included in our annual fees.
- Contact yexadiag@icazalaw.com, domingodiaz@icazalaw.com or your usual contact for assistance.