



# BRITISH VIRGIN ISLANDS

British Virgin Islands - Common law

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## Incorporating a company in British Virgin Islands

# British Virgin Islands taxes

If you want to incorporate in British Virgin Islands. This article explains the tax laws for a BC which is the most common company type in British Virgin Islands.

British Virgin Islands does not levy Corporate Income Tax. Therefore both income accrued onshore and income accrued offshore are not subject to taxation. This ranks British Virgin Islands as 1st overall in terms of corporate tax rate worldwide. An annual renewal fee of US\$ 350 or US\$ 1,100 may apply, depending on its number of authorized shares. A BC company may not have restrictions to trade or own real estate within the territory.

A BC may be formed by one or more shareholders, who may be natural or legal persons. Nominee shareholders, corporate shareholders and directors are permitted. There is no minimum capital requirement. Shares may be with or without a par value. Bearer shares may be issued, but Government fees for such companies may be higher. It may be required to keep records, but its location can be freely determined. There is no requirement to file annual reports or accounts. Beneficiaries, shareholders and directors may elect not to be public disclosed. Migration of domicile is permitted.

There is no value-added tax or sales tax in British Virgin Islands, that ranks the country as 1st as when compared to VAT globally. In terms of other taxation, an employer will contribute 3.75% to the equivalent of a social security fund and an employee will contribute 3.75%.

Thin capitalization rules are not in effect. Thin capitalisation refers to any sort of requirements on a business and the debt-to-asset ratios. There are no transfer pricing rules. These refers to the monetary values assigned to the products or services exchanged between the sub-units or divisions of an organization. Dividends paid or received are not subject to taxation. Dividends are distributions of earnings of the business, determined by the board of directors, to shareholders. Dividends can be issued as shares of stock, cash payments, or other property. Capital Gains are tax exempt. A capital gains tax is levied on the profits that a corporation or natural person realizes when he or she sells a capital asset for a price that is higher than the purchase price.

There are no withholding taxes in British Virgin Islands. This means that any kind of payment to non-residents, such as dividends, royalties, interests or fees are not subject to taxation.

There is no known tax on wealth in British Virgin Islands. There are no known inheritance taxes. There are real property taxes and a stamp duty on property transactions.

The above is not tax or legal advice for your individual circumstances. We can refer you to a tax advisor in British Virgin Islands who can give you the proper advice. Ready to get started? Click incorporate now if you are in a hurry, or press the free consultation button above.

The vat rate in British Virgin Islands is 0% which ranks 1 in the world.

- ✗ Patent box
- ✗ RND credit
- ✗ Wealth tax
- ☑ Estate tax
- ✗ Transfer taxes
- ✗ Asset taxes
- ✗ Capital duties

- 0 Tax treaties
- 0% Offshore Tax
- 0% Corp rate
- Loss carryback years
- Corporate time
- 0% VAT rate
- 0% Capital gains
- 2017 A EOI planned

# British Virgin Islands Legalese

The underlying legal code in British Virgin Islands is common law law. Common law is typically easier to form and maintain companies than civil law, and allows you to have a bit more flexibility such as a minimal capitalization when you setup a company. E-signatures are allowed.

The abbreviation VG is for British Virgin Islands and the most common company type structure in British Virgin Islands is an IBC.

The average time to incorporate is 1 days to setup an IBC in VG. The min share capitalization is 0, This means you don't have any minimum share capital. The types of consideration you can use to fund your business is frequently USD and any legal currency.

Yes, one is allowed to re-domicile an IBC from VG. You are usually allowed to change the jurisdiction of the company, pending certain procedures.

There must be at least 1 shareholder. This makes it possible for you to own an IBC in VG by yourself. Corporate Shareholders are encouraged, which means you can have a corporate shareholder. Foreign ownership is permitted, up to 100% of the total shareholding.

An IBC is only required to have 1 director on the board. Moreover, corporate directors are permitted. Directors data is typically not exposed publicly.

A registered legal firm must be retained for an address, paid by the company on an annual basis, for an address which can receive litigation or other legal process on behalf of the business. However, a company secretary is not a requirement.

There is a not a requirement to file annual returns. This won't exempt the business or its owners from additional tax or financial obligations elsewhere and one are encouraged to seek personal advice on your own tax situation. Furthermore, there is usually not a requirement to have an audited set of accounts.

Overall we think British Virgin Islands is a good option and have given it a score of 94 as an IO score, using the Incorporations.IO proprietary formula.

- ✓ **Directors not disclosed in a public registry**
- ✓ **Shareholders not disclosed in a public registry**
- ✓ **Redomiciliation permitted**
- ✓ **Registered office required**
- ✓ **Corporate director permitted**
- ✗ **Local Secretary not required**
- ✓ **Local Director not required**
- ✓ **Electronic signature**

- 1 Shareholders required**
- 1 Directors required**
- 1 days to form**



# BRITISH VIRGIN ISLANDS

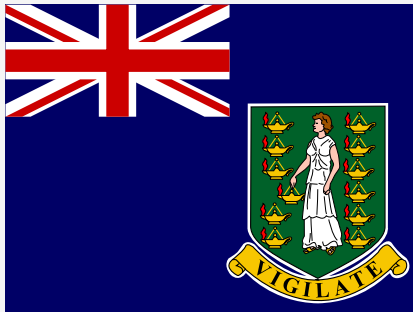
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## Country Info



🚩 National Flag of

**Virgin Islands (eng)**

\$ Currency

**USD**

☎ Area Code

**+1284**

🏰 Capital

**Road Town**

📍 Region

**Caribbean**

🗣 Native Languages

**English**