

# Sanctions Update: Insights into the Virgin Islands General Licence No. 7, 2024

On 15 October 2024, the Governor of the British Virgin Islands ("BVI") issued the Virgin Islands General Licence No. 7, 2024 (maintenance of economic resources) (the "Licence"). This Licence supersedes the Virgin Islands General Licence No. 4, 2023, and will remain effective until 14 October 2026.

The Licence facilitates financial transactions involving Registered Agents and Corporate Services Providers in the BVI. Specifically, it permits these entities to:

1. Receive Payments: from or on behalf of a Designated Person to cover:
  - (a) The fees and expenses of the Registered Agent or Corporate Services Provider;
  - (b) Fees payable to the Registrar of Corporate Affairs;
  - (c) Director and Shareholder fees; and
  - (d) Any fees payable to the Government of the Virgin Islands under any legislation in the Virgin Islands.
2. Make Payments: for or on behalf of a Company or Foreign Company for the same categories listed above, including any statutory body in the Virgin Islands where such fees are payable under any legislation in the Virgin Islands.

The Licence imposes specific limits on the fees that can be charged during its two-year duration:

- (a) Registered Agent or Corporate Services Provider Fees: maximum fee of USD \$50,000 per calendar year for each Company or Foreign Company.
- (b) Director Fees: maximum fee of USD \$20,000 per calendar year for each Company or Foreign Company.
- (c) Shareholder or Nominee Shareholder Fees: maximum fee of USD \$20,000 per calendar year for each Company or Foreign Company.
- (d) Expenses for the Registered Agent or Corporate Services Provider: for each Company or Foreign Company, expenses shall not exceed (i) 10% of the fees payable for the Registered Agent or Corporate Services Provider; or (ii) USD\$5,000, whichever amount is lower, for the duration of the Licence.

Registered Agents or Corporate Service Providers utilising the Licence must adhere to strict reporting and record-keeping obligations, including:

- (a) Reporting payments made under the Licence to the Governor within fourteen days.
- (b) Sending reports on the use of the Licence via email to [GOVOfficeSanctions.Tortola@fcdo.gov.uk](mailto:GOVOfficeSanctions.Tortola@fcdo.gov.uk) or by post to the Governor's Office in the prescribed form.
- (c) Within one year of continued use, a Registered Agent or Corporate Service Provider must report in writing their intention to continue relying on the Licence.
- (d) Maintaining accurate records of all activities under the Licence for a minimum of six years.

The Licence also includes several key conditions for its use:

- (a) Payments must relate to services which have been or are being provided to a Company or Foreign Company.
- (b) Payments must be owed in accordance with obligations which were entered into prior to or after the Designated Person's designation under the Russia Regulations.
- (c) Payments must be made to an account held and maintained by or in the name of the Registered Agent or Corporate Service Provider in a local bank institution.

The implementation of the Licence underscores the BVI Government's pragmatic approach to ensuring that Registered Agents and Corporate Services Providers are not prevented from maintaining BVI companies and economic resources amidst the sanctions regime, nor from being remunerated for doing so. By the Licence, the BVI Government has committed itself to ensuring business continuity in the Territory and supporting the needs of its financial services sector.

## Further Assistance

Should you have any queries regarding the above or any other regulatory or compliance matters, please contact your usual Maples Group contact or any of the contributors below.

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