Dawgen GLOBAL

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CARIBBEAN SERVICE DESK · EASTERN CARIBBEAN

Doing Business in the British Virgin Islands

A practical guide to establishing, operating and growing a business in the British Virgin Islands

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FOREWORD

The British Virgin Islands are known worldwide as a home for international companies, and are also a small island economy where tourism and local services create opportunities.

Investors come for good reason: an English-speaking, common-law British Overseas Territory that uses the US dollar, levies no income tax and has a long record in financial services. A simple tax system sits alongside detailed rules on registered agents, beneficial ownership, trade licences, work permits and land.

This guide sets out in plain language how to choose a structure, how set-up works, how revenue is raised without an income tax, how to employ people and how property and licensing work. It complements our British Virgin Islands Tax Guide by focusing on the practical steps of doing business.

We serve the British Virgin Islands through our Caribbean Service Desk, managed from Kingston, and are ready to help you build a well-run, compliant business.

Dr. Dawkins Brown, Ph.D., MCMI, ACFE

Executive Chairman, Dawgen Global

How to use this guide

This guide gives a practical overview of establishing and running a business in the British Virgin Islands. It is general information, current to October 2026, and is not a substitute for advice on your circumstances. Rates and rules change; speak to us before you act.

OVERVIEW

01 British Virgin Islands at a glance

A British Overseas Territory of more than 50 islands and cays east of Puerto Rico, with an economy built on financial services and tourism.

CAPITAL
Road Town
On Tortola, the commercial and government centre

POPULATION
Under 40,000
Most live on Tortola; Virgin Gorda is the second island

LANGUAGE
English
Official language of business and law

CURRENCY
US dollar (USD)
Legal tender; no exchange controls

LEGAL SYSTEM
English common law
Eastern Caribbean Supreme Court; final appeal to the Privy Council

TIME ZONE
UTC−4
Atlantic Standard Time all year; no daylight saving

INCOME TAX
None
No corporate, personal, capital gains or withholding tax

PAYROLL TAX
10% or 14%
On pay above US$10,000 a year; up to 8% from the employee

STATUS
UK Overseas Territory
Elected Government with a Crown-appointed Governor

Leading sectors

Financial services · Corporate and trust services · Tourism and yacht chartering · Hospitality and villas · Marine services · Construction and real estate · Professional services · Retail and distribution · Renewable energy

Gateways

Terrance B. Lettsome International Airport on Beef Island, Tortola, links to regional hubs; Virgin Gorda and Anegada have smaller airports. Ferries connect Tortola, Virgin Gorda, Jost Van Dyke and the US Virgin Islands.

Public holidays

About a dozen public holidays a year, including Virgin Islands Day in March, Territory Day (1 July) and the three days of the August Emancipation Festival.

INVESTMENT CLIMATE

02 Why the British Virgin Islands

A respected company law framework, a dollar economy and no income tax make the British Virgin Islands a natural base for international structures and for tourism and service businesses.

A global company centre

The BVI business company is one of the most widely used corporate vehicles in international business, supported by experienced registered agents, law firms, trust companies and fund administrators in Road Town.

Simple tax framework

There is no income, corporate, capital gains or withholding tax, and no VAT or sales tax. Government revenue comes mainly from company fees, payroll tax, customs duties, stamp duty and tourism taxes. The US dollar is the currency.

Familiar legal system

Company, contract and property law follow English common law. The Commercial Division of the Eastern Caribbean Supreme Court hears business disputes, and final appeal lies to the Privy Council in London.

A territory in transition

The Government is strengthening governance and financial crime controls. The Financial Action Task Force placed the Territory under increased monitoring in June 2025, and the Government aims to complete its action plan within two years. A new beneficial ownership regime took effect in 2025.

The local workforce is small, so most growing businesses rely on work permits for some staff.

Where the opportunities are

Sector	Examples of opportunity
Financial services	Holding companies, funds, insurance, trust and corporate services, digital assets
Tourism	Resorts, villas, yacht charter, marinas, dining and excursions
Sister islands	Hospitality and services on Virgin Gorda, Anegada and Jost Van Dyke
Construction	Residential and resort development, infrastructure and resilient rebuilding
Energy	Solar generation, energy efficiency, storage and electric transport

Department of Trade

The Department of Trade, Investment Promotion and Consumer Affairs issues trade licences and promotes investment. BVI Finance promotes the financial services sector, and the Government plans a revised Investment Act.

LEGAL VEHICLES

03 Choosing a business structure

Most investors use a BVI business company limited by shares. Overseas companies may instead register as a foreign company. The right choice depends on liability, licensing, ownership and exit plans.

Vehicle	Key features	Typical use	Main obligations
BVI business company limited by shares	Separate legal entity under the BVI Business Companies and Limited Partnerships Act; one director and one member; licensed registered agent and office required	Operating businesses, holding companies and joint ventures	Annual fee; annual financial return; filed registers and beneficial ownership; economic substance reporting
Company limited by guarantee	Members guarantee a set amount, with or without shares	Charities, associations and non-profits	Annual fee and filings as for other companies
Segregated portfolio company	Assets and liabilities ring-fenced in separate portfolios; needs FSC approval	Funds and insurance	FSC regulation; annual filings
Limited partnership	General partner with unlimited liability and limited partners; may elect legal personality	Funds and investment vehicles	Registered agent; annual fee; filed registers; annual financial return
Foreign company	Overseas company registered to carry on business in the Territory; not a separate legal entity	Projects, contracts and market entry	Registration and registered agent; trade licence; annual filings
Sole trader or partnership	Individuals trading in their own name or a business name; unlimited liability	Small owner-managed businesses	Trade licence; payroll tax, Social Security and NHI

Foreign ownership and licensing

Non-belongers may own all of a BVI company, but trading locally needs a trade licence, and non-belonger applications are assessed against local policy. Banking, insurance, funds, trust and company management need an FSC licence.

Beneficial ownership

Since January 2025, companies file details of individuals owning or controlling 10% or more with the Registry through their registered agent, and update them within 30 days. VIRRGIN replaced the BOSS system; access for those with a legitimate interest began in 2026.

GETTING STARTED

04 Setting up: step by step

Companies are incorporated through a licensed registered agent on the Registry of Corporate Affairs' online VIRRGIN system. Incorporation is quick once due diligence is complete; trade licences and bank accounts usually take longer.

1 **Plan the structure and appoint a registered agent** — WEEK 1
Choose the vehicle, shareholding and directors, and appoint a licensed registered agent, who will carry out due diligence on the owners.

2 **Incorporate on VIRRGIN** — WEEK 1–2
The registered agent files the memorandum and articles, then the registers of directors and members and beneficial ownership details within 30 days.

3 **Apply for a trade licence** — WEEK 2–8
Apply to the Department of Trade with a cover letter, references, financial statement, police record and company documents. Non-belonger applications take longer.

4 **Open a bank account** — WEEK 2–8
Banks apply full know-your-customer checks on the company, directors and beneficial owners. Allow extra time where owners are overseas.

5 **Register as an employer** — BEFORE HIRING
Register with the Inland Revenue Department for payroll tax within 30 days of starting business, and with Social Security and National Health Insurance.

6 **Obtain permits and sector licences** — VARIES
Apply for work permits, planning approval, a land holding licence if a non-belonger will hold land, and sector licences.

7 **Set up accounting and compliance** — BEFORE TRADING
Keep accounting records, plan the annual financial return and economic substance reporting, and put AML and data protection controls in place.

Documents you will usually need

Certified passport and recent proof of address for each director, shareholder and beneficial owner; bank or professional references as the registered agent requests; proof of belonger status where relevant; and, for an overseas company, certified constitutional documents and a certificate of good standing from its home registry.

TAXATION

05 Tax at a glance

The British Virgin Islands levy no income tax. Revenue comes from payroll tax, company and licence fees, customs duties, stamp duty and tourism taxes. Our separate British Virgin Islands Tax Guide covers each tax in detail.

Main taxes and duties	
Income taxes	None on companies or individuals; no capital gains, withholding, VAT, sales or inheritance tax
Payroll tax	10% (small employers) or 14% of pay above US$10,000 per employee a year; up to 8% from the employee
Stamp duty on land	12% for non-belongers; 4% for belongers; on the higher of price or market value
Land-owning companies	Same rates on transfers of shares
Property tax	Annual land tax at modest fixed amounts; house tax at 1.5% of annual rental value
Hotel accommodation tax	10% on accommodation charges

Fees on doing business	
Company annual fee	By authorised shares, paid by 31 May or 30 November
Trade licence	Annual fee by activity
Work permits	3%, 5% or 7% of salary by band, capped at US$10,000

Payroll contributions	Rate
Social Security	8.5% (4.5% employer, 4% employee)
National Health Insurance	7.5% (3.75% each)

2026 ceilings: US$53,400 a year for Social Security and US$106,800 for NHI. There are no double tax treaties; the Territory has over 25 tax information exchange agreements.

Recent changes

Renewable energy and energy-efficient products carry 0% customs duty from September 2025 to August 2030. A temporary package from May to July 2026 cut duty on a basket of essential goods. The 2026 budget plans a revised Investment Act and a Good Standing Policy.

PEOPLE

06 Employing people

The Labour Code, 2010 sets clear minimum standards. Employers must register with the statutory bodies, pay contributions monthly, and observe rules on wages, leave and termination.

Minimum standards

- **Minimum wage:** US$7.25 an hour from 1 July 2025
- **Hours:** 8-hour day, 40-hour week; overtime at time and a half
- **Vacation:** 12 working days a year, 15 after 10 years, 20 after 20 years
- **Sick leave:** 12 paid days a year after four months' service
- **Maternity:** 13 weeks after a year's service, with Social Security maternity benefit
- **Notice:** one pay period up to 7 years' service; one month to 15 years; two months above
- **Severance:** nine days' pay per year of service, after 12 months' continuous service

Statutory payroll contributions

Contribution	Employee	Employer
Payroll tax	8%	2% or 6%
Social Security	4%	4.5%
National Health Insurance	3.75%	3.75%

The 2% employer rate is for employers with payroll up to US$150,000, turnover up to US$300,000 and no more than seven employees. Payroll tax is due within 21 days after the month end; Social Security and NHI by the 14th.

Bringing in foreign staff

Work permits

Employers apply to the Labour Department. New posts are first advertised locally, and the employer must explain why any belonger applicant was not hired. The worker must also meet Immigration requirements.

Fees and timing

Annual fees are 1% of salary for domestic workers and 3% to 7% by salary band for others, capped at US$10,000. Apply well before the start date and renew before expiry.

Belonger status

Belonger status, gained by ancestry, marriage or long residence, removes the need for a work permit. There is no citizenship or residence by investment programme.

HR essentials from day one

Give every employee written terms, keep accurate time, pay and leave records, register each employee for payroll tax, Social Security and NHI, and track work permit expiry dates. Adopt a staff handbook covering conduct, grievances and health and safety. Most disputes we see start with missing paperwork, not bad intentions.

MONEY AND ASSETS

07 Banking, currency and property

Banking and finance

A small number of commercial banks serve the Territory, alongside insurers, trust companies, fund administrators and money services businesses. The Financial Services Commission licenses and supervises them; there is no central bank.

- **US dollar economy:** no currency conversion risk for US-dollar businesses
- **No exchange controls:** funds, profits and capital can be moved in and out freely
- **Overseas banking:** many international companies bank outside the Territory
- **Lending:** local credit is limited; plan financing early
- **Compliance:** expect thorough anti-money laundering and know-your-customer checks

Financial reporting

Companies must keep accounting records and file a simple annual financial return with their registered agent. Lenders and regulated sectors usually require full financial statements.

Land and property

Non-belongers, and companies they control, need a Non-Belongers Land Holding Licence to hold land. A licence is tied to a specific property and buyer, usually takes three to five months, and may require approved development of vacant land.

Typical costs on a property purchase	
Stamp duty	12% for non-belongers; 4% for belongers
Land-owning company shares	Same rates on share transfers
Legal fees	Agreed with the attorneys for each party
Land and house tax	Annual; house tax 1.5% of rental value

Titles are registered at the Land Registry.

Before you build

Development needs planning permission and building approval from the Town and Country Planning Department, and larger or coastal projects may need an environmental impact assessment.

GROWTH LEVERS

08 Incentives, trade and customs

With no income tax to relieve, incentives focus mainly on customs duty concessions, alongside specialist regimes for financial services.

Key incentive regimes

Regime	What it offers
Project concessions	Duty relief on materials and equipment for approved hotel and development projects, granted case by case
Renewable energy	0% customs duty on solar, wind, electric vehicle and energy-efficient products until August 2030
Investment funds	Incubator and approved fund regimes for start-up and private funds
Digital assets	Registration of virtual asset service providers, and a regulatory sandbox for new financial technology
Belonger home buyers	Stamp duty relief for first-time buyers with belonger status

Eligibility and conditions apply to each regime. We can assess which incentives fit your project and prepare the applications.

Market access

- **United Kingdom:** tariff-free entry for qualifying goods from the Territory
- **CARICOM:** associate member, outside the Single Market and Economy
- **OECS:** associate member of the Organisation of Eastern Caribbean States
- **US Virgin Islands and Puerto Rico:** close trading and supply links

Customs

Her Majesty's Customs clears imports through electronic declarations. Duty is charged at tariff rates by product, usually on the cost, insurance and freight (CIF) value; a temporary 2026 package used free-on-board value. Most goods are imported, so supply costs and lead times need planning.

COMPLIANCE

09 Regulators and compliance calendar

Who regulates what

Body	Role
Financial Services Commission	Registry of Corporate Affairs, registered agents, banks, insurance, funds; AML supervision
Inland Revenue Department	Payroll tax, stamp duty, property tax, hotel accommodation tax
International Tax Authority	Economic substance, tax information exchange
Her Majesty's Customs	Imports, exports and duties
Social Security Board	Social Security and NHI contributions
Financial Investigation Agency	Suspicious activity reporting
Labour and Immigration Departments	Work permits, entry and labour standards
Department of Trade	Trade licences
Information Commissioner	Data protection
Town and Country Planning	Planning and building approvals

Key filing dates

When	What
14th of each month	Social Security and NHI contributions for the previous month
21 days after each month end	Payroll tax monthly return and payment
30 April	Payroll tax annual return for the previous year
31 May or 30 November	Company annual fee, by half-year of incorporation
6 months after year end	Economic substance report, through the registered agent
9 months after year end	Annual financial return to the registered agent
Each year	Trade licence renewal

Changes to registers and beneficial owners must be filed within 30 days. Late fees and penalties build quickly, and companies can be struck off.

Anti-money laundering and data

Financial businesses and designated non-financial businesses must meet AML duties supervised by the FSC. The Data Protection Act, 2021 applies to public and private bodies; the first Information Commissioner took office in 2026.

ACTION PLAN

10 Your first 90 days: checklist

Use this checklist to track the essential steps from decision to first trading day.

Days 1–30: establish

- [ ] Agree business plan, structure and ownership
- [ ] Appoint a licensed registered agent
- [ ] Gather KYC documents for directors and owners
- [ ] Incorporate on VIRRGIN
- [ ] File registers and beneficial ownership
- [ ] Apply for the trade licence
- [ ] Apply to open business bank accounts

Days 31–60: register and license

- [ ] Register for payroll tax, Social Security and NHI
- [ ] Register for hotel accommodation tax if relevant
- [ ] Apply for sector licences and planning approvals
- [ ] Advertise posts and apply for work permits
- [ ] Apply for a land holding licence if needed
- [ ] Lease premises and arrange insurance cover

Days 61–90: operate

- [ ] Set up the accounting system and chart of accounts
- [ ] Set up payroll and statutory contributions
- [ ] Issue written employment contracts
- [ ] Build the filing calendar
- [ ] Put AML and data protection policies in place
- [ ] Confirm economic substance position

Ongoing

- [ ] Monthly payroll tax, Social Security and NHI
- [ ] Company annual fee
- [ ] Annual financial and economic substance returns
- [ ] Update registers within 30 days of changes
- [ ] Renew trade licences and work permits on time

YOUR PARTNER

11 How Dawgen Global helps

One Dawgen Global team supports you through our Caribbean Service Desk, managed from our headquarters in Kingston.

Market entry and structuring

Choice of vehicle, structuring, feasibility studies and business plans.

Incorporation and corporate secretarial

Formation with a licensed registered agent, registers, annual returns and beneficial ownership.

Tax advisory and compliance

Payroll tax, stamp duty, economic substance and cross-border planning, through our Caribbean Tax Service Desk.

Accounting and payroll outsourcing

Bookkeeping, annual financial returns, payroll and a Virtual CFO.

Audit and assurance

Audits, reviews and special-purpose reporting for lenders and regulators.

HR, immigration and legal support

Contracts, HR policies, work permit applications and legal process support, with our panel of attorneys.

Risk and compliance

AML programmes, data protection compliance, internal audit and governance.

Technology and cyber

Systems selection, digital transformation, cybersecurity and AI governance.

Licence applications

Trade licence, land holding licence and duty concession applications.

Start with a conversation

Tell us your plans for the British Virgin Islands, and we will set out the steps, timeline and costs. Some regulated services are performed by affiliated firms; we will advise you of the arrangements when you make a request. Fees are tailored to each client's circumstances and set out in an engagement letter. Email **bvi@dawgen.com** or **info@dawgen.global**, or call (876) 926-5210.

Talk to the British Virgin Islands Caribbean Service Desk

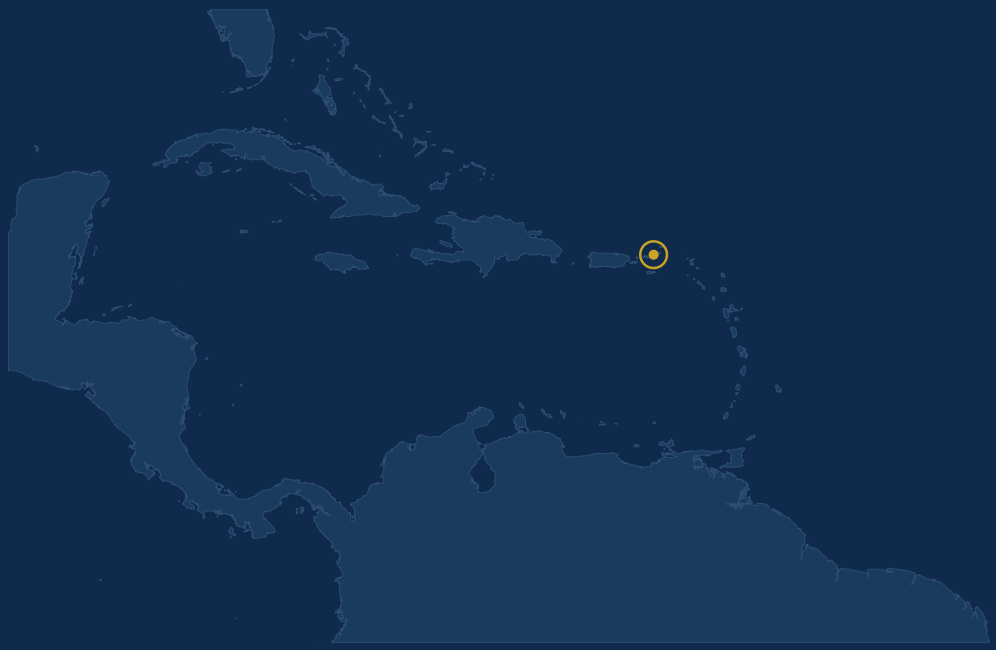
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Key official sources

- BVI Financial Services Commission and Registry of Corporate Affairs (bvifsc.vg)
- Government of the Virgin Islands (gov.vg)
- Inland Revenue Department (gov.vg)
- International Tax Authority (bviita.vg)
- Social Security Board (vissb.vg)
- National Health Insurance (vinhi.vg)
- Department of Trade, Investment Promotion and Consumer Affairs (gov.vg)
- Virgin Islands laws online (laws.gov.vg)



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