

Annual Returns for Regulated Funds in the British Virgin Islands

On 9 September 2008, the British Virgin Islands Financial Services Commission ("FSC") announced the introduction of an annual reporting regime for all British Virgin Islands ("BVI") private, professional and public funds.

Known as Mutual Funds Annual Returns ("Annual Returns"), the new reporting regime is expected to become mandatory for the year ending 31 December 2008. It replaces the FSC's previous voluntary mutual fund survey. Funds that are not regulated under the Mutual Funds Act, 1996 (as amended), for example closed end funds, are not required to submit an Annual Return.

Information to be disclosed in Annual Returns

Each regulated fund must report on the following:

- basic prudential and governance information, which includes information on its registered agent and functionaries; and
- summary financial information for the relevant reporting period, which includes beginning NAV, total subscriptions, total redemptions, net income/net loss, dividends/distributions, ending NAV and year-end gross assets.

Asset allocation details are required, but there is no need to set out specific details of individual investments.

Details of investors do not have to be disclosed in Annual Returns.

When do Annual Returns need to be filed?

The reporting period for Annual Returns is every calendar year, ending on 31 December. Funds will be required to submit Annual Returns within six months of the end of each reporting period.

Required Action

Completion of Annual Returns by regulated funds is voluntary for the reporting period ending 31 December 2007. As stated above, it is anticipated that Annual Returns will become mandatory for the 2008 reporting period. This means that the FSC will require Annual Returns for 2008 to be filed by 30 June 2009. Funds could be faced with enforcement action if they fail to meet this deadline.



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Purpose of Annual Returns

The FSC intends to use the information filed in Annual Returns to measure and develop the BVI funds industry whilst at the same time meeting international reporting standards. We understand that the FSC will not make Annual Returns publicly available, but may share information gathered from them on an aggregate basis.

For a copy of the FSC's full guidance notes, please refer to the 'Latest Documents' section at www.bvifsc.vg. The FSC anticipates that an electronic reporting system will be in place in time for Annual Returns relating to the reporting period ending 31 December 2008.

If you require assistance or have any queries on this or related topics, please call or email your usual Maples and Calder contact or, alternatively, one of the following:

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