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# Regulatory Update

Caribbean – Q3 2025

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# Quick Fire Updates

## BVI UPDATES

### 1. Policy on Rights of Access to the Register of Beneficial Ownership for BVI Business Companies and Limited Partnerships

The BVI Government issued a [press release](#) on 23 June 2025 announcing the publication of its new [Policy on Rights of Access to the Register of Beneficial Ownership](#) (the **Policy**) which sets out the framework for granting access to the Register of Beneficial Ownership for BVI business companies and limited partnerships maintained by the Registrar of Corporate Affairs (the **Registrar**).

The Policy provides for access to beneficial ownership (**BO**) information for the purposes of anti-money laundering (**AML**), countering the financing of terrorism (**CFT**) and counter-proliferation financing (**CPF**) and aims to meet the Government's commitment to improving corporate transparency in line with international standards, whilst ensuring the protection of personal data and privacy rights.

The Policy grants access to BO information to any natural or legal person who can demonstrate a legitimate interest under one or more of the following circumstances:

- in connection with the investigation, prevention or detection of suspected activity involving money laundering, terrorist financing and/or proliferation financing;
- when acting as an obliged entity (ie, a financial institution or other person subject to AML/CFT/CPF requirements under BVI legislation) conducting customer due diligence obligations in accordance with the BVI AML/CFT/CPF laws and the information is required for that purpose; or
- where the legal entity concerned is linked to a person who has been convicted of, or is the subject of criminal proceedings for, an offence involving money laundering, terrorist financing or proliferation financing.

Under the Policy, **legitimate interest** means a demonstrable and bona fide interest in accessing beneficial ownership information for one or more of the purposes outlined above. The interest must be based on credible information or objective indicators and must be specific to the legal entity concerned.

Access under the Policy is limited to certain BO information concerning individuals who, directly or indirectly, hold a 25% or more ownership interest or equivalent control in a BVI business company or limited partnership.

The Policy will be implemented with a transitional period of nine months, commencing on **1 July 2025**, to allow for system enhancements, user testing, dissemination of guidance and processing of exemption applications. The full regime will be operational on **1 April 2026**.

### 2. Amendments to the beneficial ownership regime

The BVI Business Companies and Limited Partnerships (Beneficial Ownership) (Amendment) Regulations 2025 (the **Amendment Regulations**) were gazetted on **1 July 2025** and came immediately into force to amend the BVI Business Companies and Limited

Partnerships (Beneficial Ownership) Regulations, 2024 (the **BO Regulations**).

As envisaged by the Policy, a new Division of Part IV (*Inspection of the Register*) introduces the criteria for legitimate interest access to BO information for AML/CFT/CPF purposes. The BO information available where such a request is granted is limited.

Where a request is made for legitimate interest access, notice will be given to the legal entity to which the request relates (unless an 'obliged entity', being an entity that has obligations to carry out customer due diligence (**CDD**) or enhanced CDD under the BVI AML regime). Such notice will detail the purpose for which the BO information requested will be used and, in the case of a legal person making the request, the name of the legal person on whose behalf the request is made.

Upon receipt of the notice, the legal entity will have five days to file an objection showing cause why the request should not be granted (eg, that the request is not made for a proper purpose or contains misleading or inaccurate information). Where a decision is made by the Registrar not to grant access, this will be valid for three years and may be renewed for a further period upon application.

The Amendment Regulations also provide that a person may at any time apply in the approved form to the Registrar seeking an exemption from the disclosure of BO information.

The Amendment Regulations introduce various other changes, including to extend the exemptions for filing BO information by providing that the BO Regulations do not apply to:

- a legal entity that is a subsidiary of a fund (including a foreign fund), provided that the fund collects, keeps and maintains adequate, accurate and up to date information on the beneficial owners of the legal entity and can provide that information to the Registrar within 24 hours upon request;
- a BVI business company that is a subsidiary of a company which is listed on a recognised exchange; or
- a BVI business company in which the BVI Government or the government of a foreign country or territory holds more than 50% of the shares or voting rights.

The Amendment Regulations also provide that the obligation for a company to collect, keep and maintain BO information under section 96A of the BVI Business Companies Act, Revised Edition 2020 (the **BCA**) does not apply to a company whose shares are held by a trustee that is:

- licensed under the Banks and Trust Companies Act, Revised Edition 2020; or
- regulated for AML/CFT/CPF purposes in a country other than the BVI.

New provisions empower the Registrar to issue a restriction notice on any rights or transactions in a 'relevant interest' of the beneficial owner where the Registrar has been notified of such beneficial owner's failure to respond to a notice requesting BO information under regulation 18 of the BO Regulations. A 'relevant

interest' is 10% or more of the shares or voting rights in a company or 10% or more of a share of the capital or profits or voting rights in a limited partnership.

Additional penalties as related to failures to comply with the BO regime have been added to Schedule 3 of the BO Regulations with amounts ranging between \$10,000 and \$75,000.

The transitional provisions set out in the Amendment Regulations provide that, from **1 July 2025**:

- an existing legal entity has 6 months to comply with the requirements of the Amendment Regulations;
- any person may, from **2 January 2026**, apply for an exemption from the disclosure of beneficial ownership information; and
- the Registrar will not accept an application to inspect the BO Register or provide a copy of an entry in the BO Register until **1 April 2026**.

### 3. Beneficial ownership filing fees

The BVI Business Companies (Amendment of Schedule 1) Order 2025 was gazetted on **1 July 2025** and came immediately into force. Schedule 1 of the BCA has been amended to add fees for:

- a request to inspect, or receive a copy of an entry in, the BO Register in relation to one legal entity - \$75;
- an application for an exemption from the disclosure of BO information - \$50;
- an application for renewal of an exemption from the disclosure of BO information - \$50; and
- a certified copy of an entry in the BO Register - \$75.

### 4. Industry Circular - Registrar updates

The BVI FSC published an [Industry Circular dated 24 April 2025](#) and an [Industry Circular dated 22 May 2025](#) providing updates from the Registrar in relation to:

- filing of beneficial ownership information;
- obtaining certified copies of registers of members; and
- restoration of struck off and dissolved companies.

#### Filing of beneficial ownership information

Batch/bulk filing function for filing of BO information is now available. The Registrar recommends that uploads be limited to a cap of 200 beneficial owners initially to allow for system monitoring. The BVI FSC has also published a related [Industry Circular dated 27 May 2025](#) to provide guidance on using the batch/bulk filing template.

Filing of BO information includes a dropdown [list of occupations](#) requiring the user to select the beneficial owner's occupation. Following suggestions submitted to the Registrar, a revised list of occupations was published on 22 May 2025.

Data exported from the practitioner's system in relation to occupation must align with a specific occupation description in the dropdown list. No immediate changes will therefore be made to this list after the deployment of the batch/bulk filing function. Any occupation submitted that is not in the dropdown will result

in the batch being rejected. If a specified occupation is not on the list, it should therefore be identified as 'other'.

For registers already filed, the system will automatically match the occupation filed with the occupation list. For those that cannot be matched, the system will place them under 'other.' However, the occupation displayed on the register will reflect what was stated in the text box.

The following bands of percentage interest for BO filings will be recorded on the BO register:

- |                |                |
|----------------|----------------|
| • 10% - 19.99% | • 50% - 59.99% |
| • 20% - 24.99% | • 60% - 69.99% |
| • 25% - 29.99% | • 70% - 79.99% |
| • 30% - 39.99% | • 80% - 89.99% |
| • 40% - 49.99% | • 90% - 100%   |

This approach aims to support immediate implementation and avoid any further delays in progressing the regime.

When filing BO information for companies listed on a recognised stock exchange:

- If the BVI business company itself is listed on a recognised stock exchange, the exemption option under the registration section is to be utilised.
- If the beneficial owner of a BVI business company is listed on a recognised stock exchange, the BO option under the registration section is to be utilised with the 'Add/Update Exempted Owner' function.

Agents and practitioners should refrain from filing fictitious BO information to test the VIRRGIN system. Filing false information or knowingly submitting inaccurate information to the BVI FSC is an offence for which enforcement action can be taken and which is punishable by a penalty fee being assessed to the entity.

#### Registers of members

Registers of members that were filed publicly can now be requested through the '[Request for Certifications](#)' function in VIRRGIN (stamped or certified copies). These are also available in a company search report.

#### Restorations

In accordance with the transitional provisions of the BCA, existing struck off and dissolved companies will not be restored to the register unless the Registrar is satisfied that the company has filed its:

- register of members;
- register of directors;
- beneficial ownership information; and
- if applicable, information on the requirements outlined in sections 118(5) and 118A(1A) of the BCA (in relation to a person licensed to provide director services),

or will file such information within 14 days after restoration.

If the required filings are not made within 14 days, the company will be struck off again and dissolved, and the applicable restoration fees and additional penalties will apply.

## 5. Industry Circular – Extension of filing deadline for filing of beneficial ownership information, register of members and director information, and registers of general partners and limited partners

The BVI FSC published an [Industry Circular dated 30 May 2025](#) announcing that, by virtue of a [Notice](#) issued by the Registrar, the transitional period for existing companies to file register of members, information on director services provided and beneficial ownership information in compliance with the BCA has been extended from **1 July 2025** for a period of six months ending on **1 January 2026**.

In a further [Industry Circular dated 4 June 2025](#), the BVI FSC announced that, by virtue of a [Notice](#) issued by the Registrar of Limited Partnerships, the transitional period for existing limited partnerships to file register of general partners, register of limited partners and beneficial ownership information in compliance with the Limited Partnership Act, Revised Edition 2020 has also been extended to **1 January 2026**.

These extensions are due to delays which have been experienced in completing and perfecting the electronic systems to facilitate compliance.

## 6. Industry Circular - Filing initial annual returns

The BVI FSC published an [Industry Circular dated 23 June 2025](#) reminding companies whose financial year is a calendar year that the nine month extension for filing initial annual financial returns (granted by [Notice dated 10 December 2024](#)) ended on 30 June 2025.

Companies whose financial year is not a calendar year are also reminded to take note of the equivalent nine month extension (granted by a [Notice dated 14 February 2025](#)) and to file their initial annual return before the end of the relevant extension period.

Where a company fails to file its initial annual return by the applicable deadline, its registered agent (**RA**) is required to notify the Registrar within 30 days of the date that the filing became due. From 1 July 2025, RAs may begin submitting notifications concerning non-filings via the VIRRGIN system using the '[Notice of Failure to File Annual Return](#)' transaction.

The Circular provides a further reminder that the requirement to file annual returns applies to all companies except:

- listed companies;
- companies regulated under a financial services legislation requiring the reporting of financial statements;
- companies that file their annual tax returns and financial statements with the BVI Government's Inland Revenue; and
- companies in liquidation (providing the company's liquidation commenced prior to the deadline for filing annual returns).

## 7. BVIFARS Payment Portal

The BVI International Tax Authority (**ITA**) issued a [press release](#) on 8 April 2025 confirming that the BVIFARS payment portal is live.

All relevant entities with FATCA, CRS and County-by-Country reporting obligations are required to enrol in the BVIFARS portal and pay an annual enrolment fee of \$185 by 1 June each year. Failure to enrol and pay the fee by the deadline will result in late fees and enforcement action.

The press release also provided that the new CRS additional information form (the **CRS Compliance Form**) is available. A new BVIFARS payment user guide and the guide to completing the CRS Compliance Form can be found on the ITA website under the [BVIFARS Tab – User manual](#).

The ITA confirmed in a [press release](#) on 23 May 2025 that the BVIFARS Portal is now also accepting payments from secondary users.

In a further [press release](#) issued on 28 May 2025, the ITA informed users of BVIFARS of the following:

- Any users experiencing difficulty making bulk payments should contact the ITA promptly at [payments@bviita.vg](mailto:payments@bviita.vg) with the subject line "BVIFARS Payment difficulties".
- Only primary and secondary users who have been assigned "FI permissions" under their access profile are authorized to make payments via the BVIFARS portal.
- Where an entity has submitted an entity deactivation request on or before 8 April 2025, the entity is not required to make the annual fee payment unless the request has been declined by the BVI ITA. Where a relevant entity makes an entity deactivation request after 8 April 2025 all filings must be up to date, including that the entity is in good standing with the annual fee, before proceeding with the application.
- The ITA website now includes real-time service status updates for the BVIFARS portal, including the payment module and email notifications.

## 8. BVI FSC Notice - Court ordered restoration process

The BVI FSC published a [Notice](#) on 15 April 2025 in relation to the procedure for a court ordered restoration process.

The Notice provides that, while the new permanent process is being finalised, applications for court ordered restorations are temporarily being processed under 'General Filing' in VIRRGIN, as a '[Restoration by Court Order \(existing dissolved companies\)](#)'.

Previously, only legal practitioners or existing RAs were permitted to file court ordered restorations through the General Filing function. With effect from **7 April 2025**, incoming RAs are now also permitted to submit court ordered restorations. This change aims to facilitate the filing of the appointment of the RA and the filing of registers of members, directors and beneficial ownership information after the company is restored.

The Notice details the procedure for court ordered restorations when filed by a legal practitioner or RA in General Filing:



**Step 1** – Court order restoration applications must be filed via General Filing.

**Step 2** – Upon receipt of the application, the Registrar will issue the person filing the application with:

- confirmation of any outstanding fees and penalties;
- a request for authorisation to deduct the requisite amount from the VIRRGIN account; and
- a request for the RA's account number.

**Step 3** – Upon receiving the RA's authorisation, the Registrar will proceed with processing the restoration request.

**Step 4** – The Registrar will issue a certificate of registration to the filing agent.

**Step 5** – Where an RA has not yet been appointed, an application for the appointment must be filed within 48 hours of the approval of the restoration.

The Notice also highlighted that:

- where the restoration is filed by a legal practitioner, the notice of the company's restoration must be promptly communicated by the legal practitioner to the incoming RA to ensure timely compliance;
- whilst this interim solution is in place, submitting a court order restoration application in VIRRGIN is not considered the final step in the process and the filing agent or legal practitioner must ensure completion of the additional steps outlined above to finalise the restoration procedure; and
- BVI FSC legal fees must be paid for transactions to be processed.

The BVI FSC will provide further notification once the permanent process has been finalised and is ready for use.

## 9. Q1 2025 BVI FSC Statistical Bulletin

The BVI FSC published its **Q1 2025 Statistical Bulletin** on 15 May 2025, providing information and analysis on financial services activities conducted during the calendar quarter.

## 10. BVI added to the FATF AML grey list

On 13 June 2025, the BVI was added to the Financial Action Task Force (FATF) list of jurisdictions under increased monitoring in the area of AML/CFT/CPF (the **Monitoring List**), commonly referred to as the FATF 'grey' list.

The inclusion of the BVI on this list has no direct consequences for persons using BVI vehicles and structures; no penalties or sanctions are imposed as a result. Jurisdictions on the Monitoring List must work collaboratively with the FATF to strengthen strategic deficiencies identified in assigned action plans and ensure alignment with FATF global standards.

Accordingly, the BVI has made a high-level political commitment to work with the FATF and the Caribbean FATF (CFATF) to strengthen the effectiveness of its AML/CFT regime.

The FATF acknowledged that, since the publication of the CFATF Fourth Round Mutual Evaluation Report (MER), the BVI has made noteworthy progress on the MER's recommended actions, including:

- increasing requests for international cooperation;
- establishing a CFT strategy and enhancing the analytical processes to identify terrorist financing cases;
- conducting a risk assessment of the non-profit organisations (NPOs) sector and identifying the specific NPOs at risk of terrorist financing abuse;
- improving coordination, outreach and training to implement terrorist financing and proliferation financing related targeted financial sanctions; and
- enhancing supervision and monitoring of the implementation of targeted financial sanctions by financial institutions and designated non-financial businesses and professions (DNFBPs).

In a **Press Release** dated 13 June 2025, the Government of the BVI welcomed that recognition, noting the progress already made, including the following:

- over 20 pieces of legislation have been amended or enhanced in the past year, including the Proliferation Financing (Prohibition) Act;
- the beneficial ownership regime has been strengthened by implementing new regulations for improved global information sharing and migrating data to the secure VIRRGIN platform;
- comprehensive risk assessments, including an updated Terrorist Financing Risk Assessment, an NPO Risk Assessment and the LPLA Risk Assessment, have been conducted to identify risks, vulnerabilities and emerging threats;
- enhanced technical guidance on crucial areas has been issued, including in relation to ongoing monitoring, introduced business, beneficial ownership, suspicious activity reporting and the virtual asset service provider (VASP) travel rule; and
- a new Sanctions Unit in the Attorney General's office has been established which, alongside the increased resources allocated to the National AML Coordination Unit, has improved the BVI's capacity to implement targeted financial sanctions and provide stakeholders with essential guidance on compliance.

The BVI will now continue to work with the FATF to implement its FATF action plan by:

- enhancing risk-based supervision of trust and corporate service providers, investment businesses and VASPs;
- ensuring that accurate and up-to-date beneficial ownership information is available to competent authorities and breaches of obligations are sanctioned;
- improving the quality of suspicious activity reports and ensuring that reporting is in line with risk;
- systematically pursuing money laundering investigations and prosecutions in line with risk;
- increasing the seizure and confiscation of criminal proceeds; and

- operationalising the new asset management framework.

#### 11. BVI publishes National Strategic AML/CFT/CPF Action Plan

The BVI Government issued a [press release](#) on 25 April 2025 announcing the publication of the [National Strategic AML/CFT/CPF Action Plan](#). The Action Plan was approved by the National Anti-Money Laundering Coordinating Council on 21 February 2025 and provides a comprehensive roadmap to enhance the BVI's resilience against money laundering, terrorist financing and proliferation financing.

The Action Plan is structured around key strategic objectives, including strengthening legislative reforms, advancing regulatory and law enforcement capabilities, improving supervision and oversight of financial institutions and DNFBPs, and enhancing BO transparency. It also focuses on improving detection, investigation, prosecution, and international cooperation to combat financial crime.

#### 12. Publication of Terrorist Financing Risk Assessment 2025

The BVI Government issued a [press release](#) on 25 April 2025 announcing the publication of the [Terrorist Financing Risk Assessment 2025](#), which builds on the first BVI Terrorist Financing Risk Assessment published in 2020.

This Risk Assessment provides a detailed analysis of the BVI's exposure to terrorist financing threats and vulnerabilities, covering a range of sectors and business types. This includes financial institutions, DNFBPs, virtual asset service providers, legal persons and legal arrangements.

The Risk Assessment confirms that the BVI continues to present a low risk for the collection and use of terrorist funds, though an area of medium-high risk that requires further consideration is the movement of terrorist funds through BVI entities, particularly via virtual asset platforms and business companies.

The Risk Assessment sets out targeted recommendations to further mitigate terrorist financing risk, including enhanced training for frontline agencies, better detection of virtual asset-related threats, and strengthened data sharing between domestic and international counterparts.

#### 13. BVI National Money Laundering, Terrorist Financing and Proliferation Financing Risk Assessment of Legal Persons and Legal Arrangements

The BVI FSC issued a [press release](#) on 17 April 2025 announcing the publication of the [National Money Laundering, Terrorist Financing and Proliferation Financing Risk Assessment of Legal Persons and Legal Arrangements](#) (the [LPLA Risk Assessment](#)).

The LPLA Risk Assessment considers the risks posed by legal persons and legal arrangements in the BVI to assist persons in understanding their risk exposure and help the BVI authorities to ensure appropriate measures are adopted to mitigate against the money laundering, terrorist financing, proliferation financing and

sanctions evasion risks connected to legal persons and legal arrangements.

The preparation of the LPLA Risk Assessment was guided by a written methodology which followed the FATF's Guidance on National Money Laundering and Terrorist Financing Risks Assessments. Financial institutions and DNFBPs are encouraged to review the LPLA Risk Assessment and its findings.

#### 14. BVI FIA Notice - DNFBP requirement to register

On 24 April 2025, a Public Notice from the BVI Financial Investigation Agency ([FIA](#)) was published in the [BVI Gazette](#) in relation to the requirement for DNFBPs to register.

The notice requires the following DNFBPs to register with the FIA:

- Legal practitioners, notaries public or accountants undertaking the following relevant business:
  - buying and selling of real estate;
  - managing of client money, securities, or other assets;
  - management of bank, savings or securities accounts;
  - organisation of contributions for the creation, operation or management of companies; or
  - creation, operation or management of legal persons or arrangements, or buying and selling of business entities.
- Real estate agents undertaking the relevant business of acting as a real estate agent when engaged in a transaction for a client concerning the buying and selling of real estate.
- Precious metals or precious stones dealers (when transactions involve accepting a cash payment of \$15,000 or more).
- Persons engaged in the business of buying and selling high valued goods, such as boats, vehicles, jewellery or other high valued goods (when transactions involve accepting a cash payment of \$15,000 or more).

A transaction involving accepting a cash payment of or above \$15,000 includes situations where the transaction is carried out in a single operation or in several operations that appear to be linked.

Persons engaged in dealing in precious metals/stones or high valued goods that do not engage in transactions that involve accepting a cash payment of \$15,000 or more, are not required to register at this time. However, if at any time in the future there is an increase or a change in business transactions which involves accepting a cash payment of \$15,000 or more, such persons are required to notify and register with the FIA immediately.

Similarly, legal practitioners, notaries public, accountants and real estate agents that are not currently conducting relevant business, are obliged to inform the FIA immediately if their services change to include any of the relevant business activities.

A DNFBP undertaking relevant business which fails to register with the FIA is liable to a penalty of \$100 for each day of non-compliance, up to a maximum of \$5,000. The FIA may also take additional enforcement actions against any such person.

## 15. BVI FIA Notice to DNFBPs and NPOs - Order of Returns

On 26 June 2025, a Public Notice from the FIA was published in the [BVI Gazette](#) in relation to the requirement for DNFBPs and NPOs to provide returns.

Following recent amendments to the Financial Investigation Agency Act, Revised Edition 2020, DNFBPs and NPOs are required to provide the FIA with a return containing information:

- on directors, senior officers and persons with significant interest and controlling interest;
- regarding preparation and submission of money laundering, terrorist financing and proliferation financing risk assessments of its business and affairs, including its policies, procedures, systems and internal controls; and
- on any other matter concerning the business or affairs of the DNFBPs or NPOs and its clients or donors.

Such return must be in the prescribed form, contain accurate and complete information and be submitted within the prescribed time frame. Each return will be requested annually between the period of October to December. Failure to comply with the requirement to file a return, will result in an administrative penalty.

The FIA may use the information provided in the return:

- for the purpose of analysing and developing statistical data or facilitating the supervisory functions of the FIA;
- in response to statistical inquiries by persons who are connected to or have interest in the work of the FIA, which the FIA considers to be legitimate and appropriate;
- for the purpose of meeting any obligation or undertaking of the FIA by virtue of its membership or association of any institution or organisation or of implementing any domestic or internationally established standard or commitment; or
- for some other purpose consistent with the duties and functions of the FIA.

## 16. BVI FIA Notice to DNFBPs and NPOs – Approval and appointment of MLRO

On 26 June 2025, a Public Notice from the FIA was published in the [BVI Gazette](#) in relation to the requirement for DNFBPs and NPOs to obtain approval for the appointment of a money laundering reporting officer (MLRO) following recent amendments to the Anti-money Laundering Regulations, Revised Edition 2020.

For the approval and appointment of a MLRO, the person must:

- be a natural person;
- at the minimum, hold a diploma or its equivalent with a post qualification experience of not less than three years;
- be fit and proper;
- have a broad knowledge of AML/CFT/CPF matters including knowledge of applicable regional and international treaties
- have a good understanding and appreciation of the BVI laws relating to AML/CFT/CPF; and

- possess the ability to make independent decisions and not be easily susceptible to undue influence in the performance of their functions.

The Notice details the following [forms to be completed](#) by the relevant person in an application for approval and appointment:

- Form A3a - DNFBPs Notification of Change of MLRO; and/or
- Form A1aa - DNFBPs Fit and Proper Assessment Form of MLRO.

An initial fee of \$200 is payable for the application for approval and a further \$200 is payable for the approval of the appointment of the MLRO.

An entity or professional must notify the FIA in writing no later than 14 days after its MLRO ceases to act and apply to the FIA for the appointment of a new MLRO within 21 days after the date the previous MLRO ceased to hold office.

Additionally, where a person appointed as a MLRO ceases to hold such office, the relevant person that appointed the MLRO must within 14 days after the person has ceased to hold office, notify the FIA and within 21 days apply for the appointment of a new MLRO.

Failure of a relevant business to comply with the above obligations, will result in an administrative penalty of up to \$60,000 (for an individual) or \$65,000 (for a corporate body).

The above obligations only apply to new MLRO applications and appointments and any person who was appointed as a MLRO prior to the Anti-money Laundering (Amendments) Regulations 2024 coming into force will continue to hold office as a MLRO as if their appointment was approved.

## 17. Asset Seizure and Forfeiture Act amendments

The [Asset Seizure and Forfeiture \(Amendment\) Act, 2025](#) came into force on **17 April 2025** to address deficiencies in the Asset Seizure and Forfeiture Act, 2020 (the **ASFA**) identified in the CFATF Fourth Round MER as relates to international standards on AML/CFT. The amendments broaden the scope of applicable offences, streamline procedures and strengthen institutional coordination by:

- widening the scope of the ASFA by replacing references to specific 'designated offences' with broader terms such as 'any criminal offence';
- updating the composition of the Asset Seizure and Forfeiture Management Committee to include the Attorney General and the Director of Public Prosecutions (**DPP**);
- clarifying that both the Attorney General and the DPP may make applications for a management order under the ASFA and allow applications for management orders to be heard simultaneously with proceedings for any criminal offences; and
- extending the application of the management order provisions to offences under other relevant enactments to align with other legislative frameworks.

## 18. Drug Trafficking Offences Act amendments

The [Drug Trafficking Offences \(Amendment\) Act, 2025](#) came into force on **6 June 2025**, amending the Drug Trafficking Offences Act, Revised Edition 2020 (the **DTOA**) to align it with internationally recognised standards, in accordance with the United Nations Convention against Corruption (known as the Merida Convention) and CFATF recommendations. The amendments address identified deficiencies and enhance the BVI's compliance with international obligations by:

- introducing new provisions for the use of special investigative techniques in drug trafficking investigations, including covert operations and controlled deliveries;
- amending the penalty provisions in the DTOA to ensure they are dissuasive, proportionate and aligned with the Proceeds of Criminal Conduct Act, Revised Edition 2020 (the **POCA**); and
- inserting a new section to formalise international cooperation provisions and reinforce the requirement for timely and efficient processing of mutual legal assistance requests.

## 19. Proceeds of Criminal Conduct Act amendments

The [Proceeds of Criminal Conduct \(Amendment\) Act, 2025](#) came into force on **6 June 2025**, amending the POCA to address deficiencies identified in the CFATF Fourth Round MER by enhancing the provisions relating to restraint, forfeiture, mutual legal assistance and asset recovery by:

- adding a definition of 'financial institution' to ensure consistency in the application of AML standards by directly referencing the scope of 'relevant business';
- enabling restraint orders to be sought at any point from the commencement of a criminal investigation in the BVI to the final settlement of a confiscation order;
- extending the reach of restraint orders over all property connected to money laundering, terrorist financing or predicate offences, including assets transferred to third parties;
- adjusting the penalties for offences to align them with the penalties under the DTOA;
- inserting a new Part titled 'Investigations' to introduce advanced confiscation techniques and modernise investigative tools. The new Part covers:
  - production orders;
  - search and seizure warrants;
  - disclosure orders;
  - customer information orders;
  - account monitoring orders; and
  - evidence overseas;
- adding a new provision to facilitate cooperation with foreign jurisdictions, enabling timely and effective action on requests for assistance related to money laundering investigations and asset recovery; and
- inserting new provisions to reinforce the enforcement of confiscation and restraint orders.

## 20. Criminal Justice (International Cooperation) Act amendments

The [Criminal Justice \(International Cooperation\) \(Amendment\) Act, 2025](#) came into force on **6 June 2025**, amending the Criminal Justice (International Cooperation) Act, Revised Edition 2020 (the **CJIC**) to provide enhanced tools for timely and efficient international cooperation in line with the CFATF recommendations. The amendments:

- facilitate the prompt provision of feedback for requests for cooperation by empowering the Attorney General to respond to requests for assistance under the CJIC more efficiently, including through investigative measures;
- expand the powers of investigating officers:
  - giving them authority to conduct investigations, obtain statements, make copies of documents, take samples and, where necessary, conduct searches of persons; and
  - enabling them, with judicial authorisation, to search persons and seize evidence related to offences, even in cases not directly involving searches of premises; and
- ensure the observation of individual rights and protections during investigations, particularly regarding legal representation and protection against compelled testimony.

## 21. Customs Management and Duties Act amendments

The [Customs Management and Duties \(Amendment\) Act, 2025](#) came into force on **6 June 2025**, amending the Customs Management and Duties Act, 2010 (the **CMDA**) to ensure timely and effective cooperation by His Majesty's Customs (**HMC**) in meeting international obligations. The amendments:

- empower competent authorities to temporarily restrain currency or bearer negotiable instruments to investigate suspected money laundering, terrorist financing, predicate offences or false declarations;
- improve HMC's powers to question individuals and provide safeguards for the exercise of powers;
- expand HMC's cooperation with foreign law enforcement agencies and regulatory authorities (to be provided in a timely manner), allowing collaboration for investigative purposes under safeguarded data protection standards ;
- enable HMC to:
  - assist foreign authorities through enquiries and information sharing;
  - require written assurances of reciprocal support and confidentiality adherence; and
  - refuse assistance or require cost-sharing if foreign standards are insufficient; and
- grant immunity to the Commissioner of Customs for disclosures made in good faith, supporting international cooperation without undue liability.

The [Customs Management and Duties \(Amendment\) \(No. 2\) Act, 2025](#) was published in the BVI Gazette on 29 May 2025 but is not yet in force. Once in force, it will amend the CMDA to exempt vessels owned by a BVI company and registered in the BVI from import duties.



## 22. Merchant Shipping Act amendments

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The [Merchant Shipping \(Amendment\) Act 2025](#) came partially into force on **16 June 2025**, amending the Merchant Shipping Act, 2001 to:

- update the list of qualifying persons for owning a BVI ship;
- enhance the implementation of the safety convention in the BVI; and
- give effect to regional and other codes of practice relating to the safety of ships.

## 23. Mutual Legal Assistance (United States of America) (Amendment) Act amendments and Mutual Legal Assistance (Tax Matters) Act amendments

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The [Mutual Legal Assistance \(United States of America\) \(Amendment\) Act, 2025](#) came into force on **6 June 2025**, amending the Mutual Legal Assistance (United States of America) Act, Revised Edition 2020, to provide that the BVI competent authorities will respond to, and assist with, a request made for mutual legal assistance in a timely manner. Upon receipt of a request, the BVI Mutual Legal Assistance Authority will also take appropriate measures to provide feedback in a timely manner to the authority that submitted the request.

The Mutual Legal Assistance (Tax Matters) (Amendment) Bill, 2025 was published in the BVI Gazette on **3 June 2025** but is not yet in force. Once in force, it will amend the Mutual Legal Assistance (Tax Matters) Act, Revised Edition 2020, to:

- clarify the type of 'Financial Institutions' with notification requirements;
- broaden the category of offences for a reporting BVI Financial Institution; and
- identify the person to be penalised in relation to a reporting BVI Financial Institution which is a legal arrangement.

## 24. Mourant Guides and Updates

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Mourant has uploaded the following BVI Updates and Guides to our website over the last quarter:

- [Equity and debt capital markets: the Caribbean advantage](#)
- [BVI closed-ended funds](#)
- [BVI open-ended funds](#)
- [The BVI beneficial ownership regime](#)
- [BVI Key Filing Dates 2025](#)
- [BVI Approved Managers Regime](#)
- [Continuing obligations for BVI approved funds](#)
- [Continuing obligations for BVI incubator funds](#)
- [Continuing obligations for BVI private and professional funds](#)
- [The BVI's new CRS additional information forms – a new reporting obligation](#)
- [Creation of security by a BVI company](#)
- [Taking security over shares in a BVI company](#)

## 25. Mourant Online Training

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Mourant has a new, specialised online [BVI/Cayman AEOI compliance training](#) programme available for financial institutions,

their directors and service providers to assist them in understanding their obligations and demonstrating compliance. Please contact [ClientTraining@Mourant.com](mailto:ClientTraining@Mourant.com) for further information.

# Quick Fire Updates

## CAYMAN UPDATES

### 26. Filing deadline for audited financial statements and FAR forms extended to 7 July 2025

The Cayman Islands Monetary Authority (CIMA) issued a [Notice](#) on 1 July 2025 announcing that, for funds with a 31 December financial year end, the deadline for filing audited financial statements and associated Fund Annual Return (FAR) forms has been extended from 30 June 2025 to **7 July 2025** due to system-related disruptions. No late filing penalties will be imposed if the requisite filings are made during this period.

### 27. DITC Updates - CRS and FATCA

The Department for International Tax Cooperation (DITC) have published an [Updates Bulletin dated June 2025](#) in relation to 2024 CRS & FATCA reporting deadlines and the lists of reportable and participating jurisdictions for CRS.

The Bulletin reminds industry that the DITC Portal is open for 2024 CRS and FATCA submissions with the following deadlines for financial institutions (FIs) in scope:

Reporting obligation	FIs in scope	Deadline
2024 Registration (Notification)	An entity that became an FI after 30 April 2024	30 April 2025
2024 CRS Reporting (CRS XML)	FIs with CRS reportable accounts	31 July 2025
2024 CRS Filing Declaration (nil return)	All FIs with a CRS reporting obligation	31 July 2025
2024 FATCA Reporting (FATCA XML)	FIs with FATCA reportable accounts or FIs that wish to submit a nil return (not mandatory)	31 July 2025
2024 CRS Compliance Form	All FIs with a CRS reporting obligation	15 Sept 2025

The Bulletin also notes that updated lists of CRS Reportable and Participating Jurisdictions were published on 31 March 2025 (as highlighted in our [Q2 Regulatory Update](#)) and provides a reminder that:

- a **Participating Jurisdiction** is a jurisdiction that has an agreement in place and has committed to exchange CRS information by an agreed date; and
- a **Reportable Jurisdiction** is a Participating Jurisdiction that has entered into an information exchange agreement with the Cayman Islands, which triggers an obligation to exchange financial account information in accordance with the CRS (ie, a jurisdiction that has an activated exchange agreement).

As not every Participating Jurisdiction has an activated exchange agreement with the Cayman Islands, not all Participating Jurisdictions will appear on the list of Reportable Jurisdictions.

Once a Participating Jurisdiction Person becomes a Reportable Jurisdiction Person, there is an obligation on the FI to collect the tax Identification number (TIN) of that Account Holder or Controlling Person. If the TIN is available in the FI's records it must be reported as a mandatory field. Where the FI does not already have TIN in its records, it must make reasonable efforts to obtain and report the TIN by the end of the second calendar year following the year in which the accounts were identified as Reportable Accounts.

### 28. CIMA List of approved stock exchanges updated

An amended CIMA [List of Approved Stock Exchanges](#) dated 22 April 2025 has been published in the Cayman Islands Gazette. This list relates to stock exchanges approved by CIMA for purposes the following acts:

- Banks and Trust Companies Act
- Companies Management Act
- Insurance Act
- Mutual Funds Act
- Private Funds Act
- Securities Investment Business Act
- Virtual Asset (Service Providers) Act.

### 29. CIMA Circular - Key Findings from Onsite Inspections of Registered Persons

A [Supervisory Information Circular](#) was issued by CIMA on 8 May 2025 in relation to key findings from onsite inspections of 'registered persons' (RPs) under the Securities Investment Business Act (2020 Revision) (as amended).

The overall findings found an improvement in AML/CFT compliance by RPs and acknowledged the progress that RPs have made in implementing their AML/CFT policies, procedures, systems and controls in the following areas:

- employee training and awareness programme;
- oversight of AML/CFT compliance function;
- outsourced AML/CFT compliance functions;
- assessing risks and application of a risk-based approach;
- internal reporting; and
- record keeping.

However, improvements were not seen in the following areas:

- customer due diligence (CDD) and ongoing monitoring documentation; and
- independent AML/CFT audit function.

A review of RPs' policies and procedures and the adequacy and effective implementation of their AML/CFT programmes (including outsourced AML/CFT functions) revealed the following percentages of RPs inspected with indicated weaknesses:

- Risk-based approach - 58%

- Customer identification, verification and ongoing monitoring - 41%
- Sanctions compliance systems and controls - 36%
- Internal reporting - 26%
- Employee screening - 13%
- Counter proliferation financing - 12%
- Record keeping - 10%
- Independent periodic AML/CFT audit to evaluate system controls - 9%
- Periodic review of procedural manuals to incorporate regulatory changes - 6%
- Groupwide programmes - 5%.

A review across customer files revealed the following weaknesses:

- Sanctions compliance - 28% of findings indicated weaknesses in the documentation of customer sanctions screening during onboarding and an ongoing basis, and of resolution of potential matches.
- Customer risk assessments - 24% of findings indicated weaknesses in the documentation of customer risk assessments and the risk factors considered before determining their overall customer risk category and the appropriate level and type of mitigation to be applied.
- Missing or inadequate CDD documentation - 19% of findings indicated weaknesses in the documentation of identification and verification to evidence the identity of the ultimate beneficial owners or controllers and relevant parties.
- Ongoing monitoring - 18% of findings indicated weaknesses in documentation of ongoing monitoring to evidence periodic customer file reviews and transaction monitoring
- Simplified due diligence (SDD) measures - 6% of findings indicated weaknesses in the documentation of the basis for applying SDD measures for low-risk customers.
- Enhanced due diligence (EDD) measures - 3% of findings indicated weaknesses in implementing EDD measures for high-risk customers.
- Source of wealth and/or funds - 1% of findings indicated weaknesses in maintaining the documentary evidence of the customer's source of wealth and/or funds or information to verify the origin of the funds or the accumulated wealth.

### 30. CIMA Regulatory Policy on Licensing and Registration of Virtual Asset Service Providers

A new CIMA [Regulatory Policy on Licensing and Registration of Virtual Asset Service Providers](#) was gazetted on 30 May 2025 and came immediately into effect. The Regulatory Policy sets out the criteria for CIMA to approve:

- registration under section 4(1)(a) of the Virtual Asset (Service Providers) Act (2024 Revision) (the **VASP Act**) to carry on virtual asset service in or from within the Cayman Islands;
- a virtual asset service licence under section 8 of the VASP Act to provide virtual asset custody service or operate a virtual asset trading platform; and
- a waiver under section 16 of the VASP Act to carry on virtual asset service in or from within the Cayman Islands.

It includes sections on:

- general considerations to be taken into account before applying for registration or licensing;
- the procedure for registration and licensing of VASPs;
- the assessment criteria for registering and licensing of VASPs, including the following:
  - fit and proper criteria;
  - ownership and control;
  - corporate governance;
  - business plan; and
  - risk management, internal operational systems and controls;
- the checklist of required documents available on CIMA's website;
- the procedure for handling transitional arrangements following the introduction of the VASP licensing regime; and
- the waiver provisions where, in exceptional circumstances, CIMA may waive the requirement for a licence or registration under the VASP Act for a 'Supervised Person' that is licensed or registered by CIMA under any of the other regulatory laws.

### 31. Virtual Asset (Service Providers) (Amendment) Bill

The [Virtual Asset \(Service Providers\) \(Amendment\) Bill, 2025](#) was published in Cayman Islands Gazette on 28 May 2025.

Once enacted, the Bill will amend the definition of 'issuance of virtual assets' or 'virtual asset issuance' in the VASP Act to exclude (in accordance with any CIMA statement of guidance or rule that may be issued):

- the issuance of an equity interest as defined under the Mutual Funds Act (2025 Revision) and the Securities Investment Business Act (2020 Revision) (as amended); or
- an investment interest as defined under the Private Funds Act (2025 Revision).


A new subsection 2(3) will also provide that the amendment of the words 'issuance of virtual assets' or 'virtual asset issuance' has effect for any tokenisation of an equity interest or an investment interest that may have occurred prior to the date of the commencement of the amending Act.

### 32. CIMA Regulatory Policy on Domestic Systematically Important Deposit-Taking Institutions

An updated version of the CIMA [Regulatory Policy on Domestic Systematically Important Deposit-Taking Institutions \(D-SIDTIs\)](#) was gazetted on 23 May 2025. The previous May 2023 version of this Regulatory Policy has been updated in the sections relating to announcement of D-SIDTIs, allocation to higher loss absorbency buckets and, in Appendix I, in the assessment methodology.

### 33. CIMA Regulatory Handbook updated

On 27 June 2025, revised versions of volumes 1 and 2 of CIMA's Regulatory Handbook were gazetted and came into immediate effect. A related [Industry Notice](#) was published on CIMA's website on 2 July 2025.



The [Regulatory Handbook - Volume 1](#) (and its [Appendices](#)) set out the policies and procedures to be followed by CIMA, its committees and officers in the discharge of CIMA's regulatory and co-operative functions. The amendments enhance provisions related to external membership and stakeholder engagement.

The [Regulatory Handbook Volume 2 – The Enforcement Manual](#) establishes the framework governing CIMA's enforcement regime in instances of non-compliance with the Regulatory Acts by Authorised Persons. The amendments consolidate procedures concerning enforcement actions, administrative fines, publication and lost contact.

### 34. Mourant Guides and Updates

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Mourant has uploaded the following Cayman Updates and Guides to our website over the last quarter:

- [Equity and debt capital markets: the Caribbean advantage](#)
- [Private Capital: A Mid-Year Stocktake](#)
- [The Cayman Islands virtual asset service providers regime](#)
- [An introduction to AEOI Compliance – BVI and Cayman Islands](#)
- [Subscription credit facilities - An offshore lawyer's perspective.](#)

### 35. Mourant Online Training

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Mourant now offers specialised online [Cayman AML Training](#) and [BVI/Cayman AEOI compliance training](#) programmes for financial institutions, their directors and service providers to assist them in understanding their obligations and demonstrating compliance. Please contact [ClientTraining@Mourant.com](mailto:ClientTraining@Mourant.com) for further information.



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