

UPDATE

A finance lawyer's guide to the BVI Business Companies Act and beneficial ownership regime changes in 2025

Update prepared by Marianne Wilson (British Virgin Islands)

This update considers the effect of recent legislative changes in the British Virgin Islands (BVI), which aim to ensure the jurisdiction meets global anti-money laundering standards, and the impact of such changes in relation to financing transactions involving BVI companies.

Introduction

The fight against money laundering has intensified over the last few years, with increased legislation being implemented across the offshore jurisdictions in order to help combat money laundering and terrorist financing, and to meet global standards set by the EU and FATF and consequently avoid being placed on the dreaded blacklist.

Two significant changes have been introduced in the BVI in 2025 which, on the face of it, appear to impact financings involving BVI companies. These changes are as follows:

- the requirement for a BVI company to file its register of members with the BVI Registrar of Corporate Affairs (the **Registrar**); and
- the ability for the Registrar to issue a restriction notice (a **Restriction Notice**) against a BVI company where the beneficial owner has failed to respond to a notice requesting beneficial ownership information under the BVI Business Companies and Limited Partnerships (Beneficial Ownership) Regulations, 2024 (as amended, the **Beneficial Ownership Regulations**).

Whilst these may seem like a cause for alarm on first glance, they do not detrimentally impact on a lender (or a borrower) with regards to financings.

Filing of the register of members

The BVI Business Companies (Amendment) Act, 2024 (the **Amendment Act**) came into force on 2 January 2025. One of the key changes that the Amendment Act made to the BVI Business Companies Act, Revised Edition 2020 (the **Business Companies Act**) is a requirement for every company, save for certain exceptions, to file a copy of its register of members with the Registrar.

It should be noted that, although the copy register of members held by the Registrar will be available to domestic competent authorities and law enforcement agencies in the lawful discharge of their responsibilities (in addition to the company and its registered agent), it will not be generally available to the public.

In addition, a company may still opt for its register of members (including any notations as are typically included on finance transactions where security has been granted over the company's shares) to be publicly accessible, and therefore the lender is still protected in the same way it was previously – ie, where the company has agreed to make its register of members publicly accessible, any third parties who obtain a company search and review the register will be on actual notice of the security.

A key point to note about this regime (whether before or after the change brought about by the Amendment Act) is that the company must agree to this. The lender cannot do it on its behalf (as it can for

registering particulars of security granted by a company over its assets) and it is not uncommon for this public filing not to be made in a financing (including, for example, if it is an individual shareholder rather than a corporate shareholder).

For more information on the 2025 changes to the Business Companies Act, please see our guide: [Changes to the BVI business companies regime introduced](#).

Restriction Notices

As mentioned above, the Registrar is now empowered to issue a Restriction Notice on any rights or transactions in a 'relevant interest' of the beneficial owner where the Registrar has been notified by a legal entity (eg, a company) of such beneficial owner's failure to respond to a notice requesting beneficial ownership information under the Beneficial Ownership Regulations. A relevant interest is 10% or more of the shares or voting rights in a company, or 10% or more share of the capital or profits of, or voting rights in, a limited partnership.

Whilst a Restriction Notice is in effect, there are a number of restrictions in place on such relevant interest, including:

- (a) any transfer of such relevant interest being void; and
- (b) no rights being exercisable in respect of the relevant interest,

which will leave any lender with share security over BVI shares concerned about the ramifications of a Restriction Notice being in place during an enforcement scenario.

However, the BVI is a creditor friendly jurisdiction and the legislator has catered for this by providing that a Restriction Notice will not affect or prejudice the rights of a secured creditor over the relevant interest or take effect if the relevant interest is subject to a pre-existing security interest granted to a third party who is not affiliated with the legal entity. In addition, the Registrar may withdraw a Restriction Notice where it discovers that the rights of a person with a security interest are being unfairly affected by the Restriction Notice.

This is good news for the lender and means that they should not be prejudiced by the introduction of this change (the vast majority of secured lending transactions involving third party lenders). That said, a 'belt and braces' approach (if acting for the lender) would be to include a representation from the grantor of the security in the relevant finance document(s) that there is no Restriction Notice in place in respect of the shares. Confirmation that there is no Restriction Notice in place should also be obtained from the registered agent, and ideally an undertaking to inform the lender if one is issued. No other additional changes or comfort should be required.

Please see our guide for more detail on the BVI beneficial ownership regime generally: [The BVI beneficial ownership regime](#).

Next steps

For more information, please reach out to your usual Mourant contact or one of the key contacts listed in this update.

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