



REGULATORY UPDATE CARIBBEAN

Q3 2026

LEGAL
GOVERNANCE
CONSULTING

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BVI UPDATES

1. BVI FSC Compliance Inspection Priorities for 2026

The BVI Financial Services Commission (BVI FSC) issued a [Press Release](#) on 27 April 2026 providing that it has established its 2026 Compliance Inspection Programme (which will cover the period of March 2026 to February 2027).

Inspections will be increased by 25% to target around 50 licensees, with a focus on the higher-risk trust and corporate services providers (TCSPs), investment business and virtual asset service providers.

All inspections will have an anti-money laundering, countering the financing of terrorism and counter-proliferation financing (AML/CFT/CPF) component, with some including a full-scope AML/CFT/CPF assessment due to the elevated risks they present. Further inspections may be added to programme following analysis of the revised annual return for TCSPs.

2. Economic substance - suspended late penalties and incorrect financial periods

The BVI International Tax Authority (ITA) issued a [Notice](#) on 19 May 2026 providing that late filing penalties under the economic substance regime remain suspended due to system errors following the transition to the Virtual Integrated Registry Regulatory General Information Network (VIRRGIN). The ITA will issue a further notice before penalties resume.

The ITA issued a [further notice](#) to registered agents on 15 June 2026 relating to issues arising with previously approved financial period changes during the transition to VIRRGIN and incorrect financial periods being populated while attempting to make economic substance filings.

The ITA is working to update the relevant information and has requested that a copy of the final spreadsheet received from the ITA be provided, excluding any entities for which a new financial period alteration has already been requested and approved in VIRRGIN. This is aimed at correcting alteration requests for financial periods approved by the ITA before 22 December 2026 that have incorrect dates populated while attempting to file economic substance declarations.

3. BVI FSC Update - economic substance filing fees

The BVI FSC published an [Industry Circular](#) on 1 July 2026 confirming that fees for 2026 economic substance filings through VIRRGIN will not be implemented. Details of the new fee regime for economic substance filings through VIRRGIN for 2027 will be shared by the BVI FSC following consultations with industry carried out earlier this year

4. National Financial Services Strategy Survey

The BVI FSC published an [Industry Circular](#) on 3 June 2026 seeking input from the financial services industry to better understand current strengths, key challenges and future

opportunities via a [confidential survey](#). The survey information will be used in the development of the National Financial Services Strategy and the related implementation roadmap.

5. BVI FSC Statistical Bulletin Q1 2026

The BVI FSC published its [Q1 2026 Statistical Bulletin](#) on 2 June 2026, providing key statistics, information and analysis on financial services activities within the first quarter of 2026.

6. BVI FSC Quarterly Newsletter Q2 2026

The [BVI FSC Newsletter: Quarter 2 of 2026](#) was published on 30 June 2026. This edition covers:

- Regulatory perspectives at FinTech on the Seas 2026
- Increasing proliferation financing understanding
- Strengthening targeted financial sanctions compliance, including a new educational video available to assist financial institutions and designated non-financial businesses and professions in understanding their obligations relating to targeted financial sanctions
- Risk-based supervision through enhanced 2026 Compliance Inspection Programme
- The role of Virgin Islands trade marks agents
- BVI maintains strong corporate sector momentum
- Registry corner:
 - Filing beneficial ownership information queries
 - Annual fee, penalty and strike-off dates
 - Requests to have submitted transactions rejected
- Authorisation and supervision division calendar of upcoming filing and requirements deadlines – Q3 2026
- Recent financial services engagement and events

7. BVI FIA licensing fees for AMLive portal users

The BVI Financial Investigation Agency (FIA) published an [Industry Circular](#) on 21 June 2026 reminding all reporting entities of the licensing framework for users of AMLive. Effective 1 January 2026, reporting entities must use the AMLive portal to file suspicious activity/transaction reports. Reporting entities should ensure that they have the necessary user licenses to comply with the filing requirements. Licence fees are payable to the FIA.

8. Information Commissioner appointed

The BVI Government issued a [Press Release](#) on 9 June 2026 announcing the appointment of Ms. Melissa Brewley as Information Commissioner with effect from 11 May 2026.

As Information Commissioner, Ms. Brewley will monitor and enforce compliance with the Data Protection Act, 2021 by public and private bodies, receive and investigate complaints regarding alleged breaches of data protection principles, develop and deliver educational programmes to increase public awareness, and advise on legislative, administrative, and procedural reforms to strengthen the BVI's data protection framework.

Quick Fire Updates

9. Mourant online AEOI compliance training

Mourant offers a specialised online [BVI/Cayman AEOI compliance training](#) programme for financial institutions, their directors and service providers to assist them in understanding their obligations and demonstrating compliance. For further information, please contact ClientTraining@Mourant.com.

10. Mourant Guides and Updates

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

- [BVI company information - What can be obtained from public and third-party sources?](#)
- [Crypto-Asset Reporting Framework \(CARF\) in the BVI - how will it impact crypto businesses?](#)
- [BVI succession planning and the use of private investment companies](#)
- [The Second Act: Resurrecting Dissolved Companies in the BVI and Cayman Islands to Address Post-Voluntary Liquidation Surprises](#)

Quick Fire Updates

CAYMAN UPDATES

11. Industry Advisory – CRS and economic substance updates

In an [Industry Advisory](#) issued on 19 June 2026, the Department for International Tax Cooperation ([DITC](#)) provided common reporting standard ([CRS](#)) and economic substance updates on:

- CRS and FATCA deadlines
- closure of the DITC portal for the submission of CRS XMLs
- transition to CRS XML Schema Versions 3.0
- updated CRS self-certification forms effective 1 January 2026
- updated CRS administration forms and CRS guidelines
- DITC Portal security enhancement
- economic substance communication changes.

For further details, please see our briefing on [Common Reporting Standard and Economic Substance updates](#).

12. Proceeds of Crime (Amendment) Act, 2026

The [Proceeds of Crime \(Amendment\) Act, 2026](#) came into force on 12 May 2026 and amends the Proceeds of Crime Act (2025 Revision) to:

- appoint the Minister responsible for financial services, or a designate of the Minister, as chair of the Anti-Money Laundering Steering Group ([AMLSG](#));
- provide for the continuing establishment of the Inter-Agency Coordination Committee and permit information sharing between members of that Committee and members of the AMLSG; and
- add a new requirement for annual performance reports by every competent authority responsible for investigating or prosecuting money laundering, associated predicate offences and terrorist financing.

13. Proposed changes - Local Companies (Control) Act

The [Local Companies \(Control\) \(Amendment\) Bill, 2026](#) was gazetted on 28 May 2026. If enacted as drafted, the Bill would amend the Local Companies (Control) Act (2025 revision) to empower the Cabinet to put in place a moratorium on the grant of licences generally or in respect of any kind or type of business of any where it is in the public interest to do so.

14. Updated fees – Trade and business licences

The [Trade and Business Licensing \(Amendment of Schedule 1\) Regulations, 2026](#) and the [Local Companies \(Control\) \(Fees\) \(Amendment\) Regulations, 2026](#) came into force on 28 April 2026 increasing fees for:

- accounting firms with trade and business licences ([TBLs](#));
- real estate and property development businesses with TBLs and local companies control licences;
- Caymanian property developers; and
- exempted companies with TBLs.

Fees for accounting firms are now separated by categories of audit firms, accountancy service providers and insolvency firms. The amount of the fee will depend on the number of accountants and other professionals at the firm.

For further details, please see the Government [Press Release](#).

15. Regulatory policy on auditor approval

A new [Regulatory Policy - Approval of an Auditor for a Regulated Entity](#) (the [Policy](#)), which establishes the Cayman Islands Monetary Authority's ([CIMA](#)) criteria and application process for approving auditors of regulated entities, was gazetted on 17 June 2026 and will come into effect on 1 January 2027.

Requirements for regulated entities

- The Policy will apply to all CIMA-regulated entities which are required to appoint an approved auditor by the applicable regulatory act, unless an exemption is granted
- Regulated entities must comply with the policy from the first accounting period after 1 January 2027
- If a regulated entity changes its auditor, CIMA may require it to disclose reasons for the change
- CIMA also has the power to require the replacement of an auditor

Requirements for auditors

- To be recognised as an 'Approved Auditor' and included on CIMA's list of Approved Auditors, firms must apply by a formal written request (with supporting documentation and fees)
- Existing Approved Auditors will be deemed to have met the approval criteria under the Policy, provided they remain in compliance with ongoing requirements
- When accepting instructions to act for a regulated entity, the Approved Auditor must provide CIMA with a letter of consent indicating the acceptance of such appointment and including any relevant information and/or documents
- To receive approval under the Policy, an audit firm must:
 - have a physical presence in the Cayman Islands (including a place of business, human, technological, and other resources); however, CIMA does not require the audit work to be conducted solely in the Cayman Islands provided the audit report is reviewed and signed off in the Cayman Islands
 - be registered and in good standing with the Cayman Islands Institute of Professional Accountants ([CIIPA](#))
 - comply with ethical standards issued by the International Ethics Standards Board for Accountants
 - have partners with minimum of 5 years expertise of auditing financial institutions at a management level, who undertake continuing professional development and maintain good standing with CIIPA
 - have adequate resources and capacity staffing
 - have a competent quality assurance process

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- have appropriate policies and procedures adhering to ethical and independence requirements
- comply with professional indemnity insurance requirements
- Auditors must, in relation to the regulated entity:
 - notify CIMA of matters such as insolvency concerns, regulatory breaches, or suspected misconduct
 - notify CIMA of any material changes within 21 days
 - communicate internal control deficiencies to management and, where required, CIMA.

16. New General Registry platform for manual corporate filings and beneficial ownership access

The General Registry issued an [Advisory](#) on 15 April 2026 announcing the launch of its new payment platform for submitting beneficial ownership legitimate interest access or access restriction requests and certain corporate filings.

Users may now register on the platform and pay by debit/credit card for:

- legitimate interest access to, and requests to restrict, beneficial ownership information; and
- manual applications relating to corporate filings. For companies, this includes changes in registered offices, members and directors.

17. Thematic Review of Reinsurance Companies

CIMA released its [Thematic Review of Reinsurance Companies](#) report in June 2026, relating to inspections conducted between mid-2025 and Q1 2026. The review focussed on corporate governance, stress testing, cash flow testing and capital and collateral adequacy management.

The report highlights examples of effective practices, areas of enhancement and recommendations for improvement. Areas where weaknesses were observed include the following:

- lack of sufficiently clear board-committee mandates, irregular and undocumented board meetings, a lack of periodical board-self assessments and lack of board oversight of critical risk reports;
- failure to conduct independent assessments or internal audits on key risk areas, including capital management; and
- poor documentation and lack of oversight on material outsourced functions.

The report concludes with a reminder that regulated entities must comply fully with their regulatory obligations and are expected to maintain policies, procedures, systems and controls that are appropriate, effective, and proportionate to the nature, scale, and complexity of their business, and which must be reviewed regularly and kept up to date.

18. Mourant online AML and AEOI compliance training

Mourant 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 for further information.

19. Mourant Guides and Updates

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

- [Common Reporting Standard and Economic Substance updates](#)
- [Top 'take-aways' from the Mourant Cayman Regulatory Conference 2026](#)
- [The Second Act: Resurrecting Dissolved Companies in the BVI and Cayman Islands to Address Post-Voluntary Liquidation Surprises](#)
- [Privy Council clarifies the scope of the just and equitable winding up jurisdiction in *Aquapoint LP*](#)

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