

BVI FINANCIAL SERVICES COMMISSION



Q4 - 2025

NEWSLETTER

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FOUNDING MD/CEO - DR MATHAVIOUS**
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2025**



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WHO WE ARE



Advisors

To the Government on matters relevant to the financial services industry. Our advice is provided with a view to ensuring that BVI laws and regulations and the scope of supervision are compatible with international standards; and appropriate for sustainability of the BVI financial services industry.



Regulators

We continually strengthen the quality of regulation, regulatory approaches and policies to maintain a well-regulated environment and protect market participants.



Collaborators

With other public and private sector stakeholders to foster the development of a financial services environment that will remain competitive and attractive for legitimate business.



Companies Registry

We administer the registry legislation, enabling and facilitating commercial activity through innovative company registrations.



PROTECTING

the interests of the general public and market participants by fostering a stable financial services environment.



ENSURING

that the financial services industry complies with domestic and internationally accepted regulatory standards and best business practices.



ENHANCING

and protecting the reputation of the Territory by combating the misuse of BVI legal persons and legal arrangements.

End of Year

Message from the from the MD/CEO of the BVI FSC

As 2025 draws to a close, I take this opportunity to reflect on the year. First, I would like to extend my sincere gratitude to financial services industry participants and stakeholders for their ongoing efforts to comply with our regulatory and supervisory frameworks and uphold the BVI as a leading and reputable international finance centre.

2025 ACCOMPLISHMENTS

This year, the BVI Financial Services Commission successfully targeted several objectives outlined in the 2025 Strategic Work Plan. These included:

(a) Substantially implementing the risk-based supervision framework, enabling us to better identify those licensees that require enhanced monitoring from our dedicated Specialised Supervision Unit team, while reducing silo supervision enabling us to better identify and manage risks and better allocate resources.

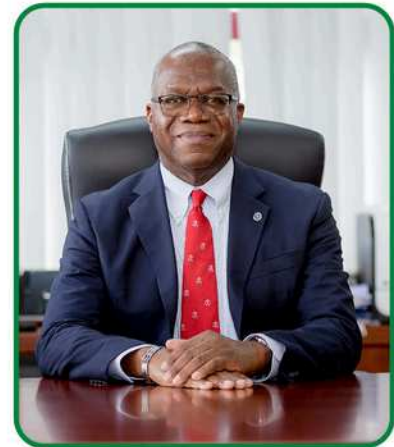
(b) Completing the implementation of the Beneficial Ownership (BO) regime in the VIRRGIN system. This was a massive project, and the rollout brought on inevitable challenges that typically accompany the introduction of large new processes. Nevertheless, our Operations, Information Technology, and Registry – Beneficial Ownership Unit teams, continue to overcome hurdles, by taking stock of feedback and making the necessary adjustments to ensure that registered agents are supported in completing this task, and the regime is substantially brought online with the necessary fine-tuning.

Also, the industry will have noted our recent Circular notifying that VIRRGIN Lite was opened from 1st to 31st December 2025 to use by our overseas practitioners. This decision stems from conversations with our stakeholders.

This temporary measure is intended to address the backlog in BO filings. Thus, this is a critical short-term measure aimed at ensuring that we demonstrate our commitment to achieving our target of 90% population coverage of BO information in VIRRGIN more swiftly.

(c) Improving our supervisory regime as relates to the fit and proper component, through adoption of enhanced controls and processes, focused training and increased collaboration with counterparts locally, regionally and internationally.

(d) The Commission is guided by the FATF recommendation for stronger supervisory controls for Virtual Asset Service Providers. We continue to collaborate widely with persons from the private sector, with one such group being the VASP Advisory Committee. The outcome of our 2025 consultations has been a number of recommendations covering a wide range of virtual assets activity, including stablecoins, decentralised exchanges, and initial coin offerings. The Commission is reviewing suggestions on what the regulatory environment for these products should look like. Although our research on these matters is still in the exploratory stage, we will continue to assess what exists in the BVI and discuss whether there is a need to bring these matters under the Commission's supervision framework.



Mr Kenneth B. Baker
Managing Director/ CEO



Integrity
Accountability



(e) Partnering with the Robert Mathavious Institute (RMI) for financial services at HLSCC, to facilitate free AML/CFT/CPF masterclasses addressing compliance obligations with respect to customer due diligence, and Suspicious Activity Reporting (SARs). The third masterclass focused on the misuse of legal persons and legal arrangements for Money Laundering, Terrorist Financing, and Proliferation Financing training over 700 industry participants. The overwhelming demand for these courses has prompted us to initiate discussions about offering a new round of these Masterclasses in early 2026.

(f) Publishing a number of guidance documents related to AML with the aim of enhancing clarity of expectations, consistency in compliance, and general efficiency and effectiveness. Further, in terms of adherence to requirements for institutional risk assessments coming out of our compliance inspections, we have seen marked improvements, which we interpret as having a direct link to our clearly articulated requirements. We encourage licensees to continue taking the necessary steps to ensure compliance, as well as to verify client details against sanction notices and take appropriate action in relation to sanctioned and high-risk individuals.

(g) Commencing work to strengthen our strategic relationship with the Virgin Islands Deposit Insurance Corporation (VIDIC) via a Memorandum of Understanding which is expected to crystallise delineated roles in our co-monitoring function. The co-monitoring relationship between the Commission and VIDIC is expected to be strengthened further, with pending changes to the legislative framework, specifically the Banking Act and the Banking Code of Practice.

Looking back on 2025, I must also acknowledge the profound losses we endured. In August, we lost our Deputy Director for Authorisation (in the Authorisation and Supervision Division), Ms Trevecca Hodge. That grief was further compounded when, almost one month later, we lost our inaugural Managing Director and CEO, Dr Robert A Mathavious, OBE. We paid tribute to both in various ways, and in the case of Dr Mathavious, dedicated our Fall 2025 Meet the Regulator Forum to his honour, holding talks under the theme '*Comprehensive Citations on Robert A Mathavious' Contributions to BVI Financial Services Blueprint, Strategy and Endowment*'. Both Ms Hodge and Dr Mathavious' contributions and dedication will continue to be remembered, as their legacies help to inspire our future actions.

FUTURE OUTLOOK

The Commission intends to continue strengthening its supervisory initiatives by improving the technological infrastructure that supports regulatory efforts to help us to become more agile in our attempts to keep pace with the rapidly changing landscape of regulatory supervision, particularly in the fintech space.

In addition to the above, our teams are working feverishly to ensure systems development for the Commission to house the Economic Substance ecosystem. BVI companies and partnerships conducting "relevant activities" in the BVI are required to file an Economic Substance Declaration. Like Beneficial Ownership, the Economic Substance regime will also benefit from digital integration in VIRRGIN; this is expected to go live in early January 2026. We expect to address this adaptation in greater detail during our anticipated first quarter 2026 Meet the Regulator Forums.

We know that the time ahead may be both exciting and challenging, given the multitude of tasks involved in keeping pace with evolving local and international regulatory expectations; nevertheless, the Commission will continue to work collaboratively with industry stakeholders to ensure that they receive sufficient clarity in expectations, which permits them to meet our requirements as well as their client needs.

Finally, I would like to express my pride in both the professionalism and resilience of my staff. Together, we have navigated challenges, embraced opportunities and delivered results that speak volumes about the strength of our institution. I also acknowledge the support and cooperation of BVI financial services industry participants, whose efforts have allowed us to make progress and advance our shared goals of strengthening the financial services sector.

On behalf of the Board of Commissioners, management, and staff, I wish everyone a restful, safe and happy holiday season with your family and friends, and a successful and rewarding 2026.

 Kenneth B Baker



Integrity
Accountability



FALL 2025 FSC MEET THE REGULATOR FORUM HONOURS FOUNDING MD/CEO DR MATHAVIOUS

On 9th December 2025, the BVI Financial Services Commission, together with leaders from across the BVI and international financial services sector, gathered to honour the work and legacy of founding Managing Director and Chief Executive Officer, Dr Robert Anderson Mathavious, OBE. The tribute unfolded against the backdrop of an extraordinary Meet the Regulator (**MTR**) Forum at the Eileene L Parsons Auditorium, H Lavity Stoutt Community College.

THEME: 'Comprehensive Citations on Robert A. Mathavious' Contribution to BVI Financial Services Blueprint, Strategy and Endowment'

BVI FSC
MTR FORUM



FALL 2025 FSC MEET THE REGULATOR FORUM HONOURS FOUNDING MD/CEO DR MATHAVIOUS ...CONTD.

Paying homage to the man whose vision, influence, and determination significantly forged both the foundation and core of the BVI financial services industry as we know it, almost 300 distinguished guests came together to consume a comprehensive and authentic story, of why Dr Mathavious is considered the father of BVI financial services. Guests included Dr Mathavious' widow, Mrs Prudence Mathavious, his family, FSC Board Commissioners, and prominent figures such as the Premier and Minister of Finance, Honourable Dr Natalio D Wheatley; Minister for Health and Social Development, Honourable Vincent Wheatley; Junior Minister for Financial Services and Economic Development, Honourable Lorna G Smith, OBE; Territorial At-Large Representative, Honourable Ronnie W Skelton, and former Premier Dr Orlando Smith, OBE. Also present were several former FSC Board Commissioners, senior public servants, Commission staff, and a broad representation of the financial services community.

Forum presenters included:

- Mr Gerard Farara, KC, Chairman of the BVI FSC Board of Commissioners
- Mr Kenneth Baker, BVI FSC Managing Director and CEO
- Mr Glenroy Forbes, Partner – Forbes Hare
- Mr Clarence Faulkner, Managing Director – PMI Global Inc
- Ms Dancia Penn, OBE, KC, Managing Partner – Dancia Penn and Co
- Mr Chernio Jallow, KC, Director/Policy Development and External Relations – BVI FSC
- Mr Glenford Malone, Deputy Managing Director/Regulation – BVI FSC
- Mr Brodrick Penn, Deputy Managing Director/Operations – BVI FSC
- Ms Ayana Hull, Head/Private Wealth & Regulatory – Harneys
- Hon Lorna Smith, OBE, Jr Minister for Financial Services and Economic Development
- Ms Elise Donovan, CEO – BVI Finance
- Ms Simone Martin, Founder and CEO – Ignus Solutions
- Mr Gareth Thomas, Managing Director – Leeward (BVI)
- Mr Jonathan Fiechter, Former Deputy Chairman – BVI FSC Board of Commissioners
- Mr Barry Goodman, Former Managing Director – Trident Trust
- Mr Russell Harrigan, CEO – Oyster Global Marketing Group

As the programme progressed, each speaker revealed little-known facts, permitting the discussions to unfold the history of BVI financial services and unmistakable connection with Dr Mathavious, the man who dreamed big, stood firm, stayed ahead of the game, and mandated excellence from the industry and his team of regulators. Attendees praised the programme's depth and structure, for illuminating aspects of Dr Mathavious' pioneering work that, prior to the Forum, were not fully understood or appreciated.

In his remarks, Mr Gerard Farara, KC, Chairman of the FSC Board of Commissioners, captured the essence of Dr Mathavious' impact: *"Robert possessed a unique blend of diplomatic, interpersonal, and professional skills, qualities essential for building the Commission's international reputation and ensuring the sustainability of the financial services industry. His commitment to the Virgin Islands and determination to secure this economic pillar were unwavering."*

FALL 2025 FSC MEET THE REGULATOR FORUM HONOURS FOUNDING MD/CEO DR MATHAVIOUS ...CONTD.

Mr Farara recalled how Dr Mathavious' leadership principles and commanding presence earned him the moniker "Midas Mathavious", a testament to his influence.

FSC Managing Director and CEO, Mr Kenneth Baker, echoed these sentiments, highlighting Dr Mathavious' gift for diplomacy and consensus-building:

"Mr Mac had the natural ability to distil diverse viewpoints into a clear vision that inspired unity. His proactive engagement with successive governments ensured a deep understanding of the sector's importance and paved the way for legislative modernisation."

In a poignant gesture, Mr Baker presented Mrs Mathavious with an education grant for their daughter Jady's university studies and announced a donation to the Robert A Mathavious Memorial Trust. Further cementing Dr Mathavious' legacy, the FSC unveiled the Robert A Mathavious Scholarship, an annual award supporting three aspiring financial services professionals at the Robert Mathavious Institute for Financial Services, HLSCC.

The programme featured archival video tributes from industry stalwarts and a stirring performance of "You Raise Me Up" by the FSC Corporate Choir, an emotional crescendo and addendum to the Deputy Managing Directors' for Regulation and Operations tribute, titled 'Eye for Talent, High Performers, and Future Leaders'.

Dr Robert A Mathavious was more than a leader of regulators, he was a visionary whose work propelled the BVI onto the global financial stage. His legacy endures in the institutions and legislation he championed, the professionals he mentored, and the economic opportunities that will continue to shape the Virgin Islands for the foreseeable future.



LIMITED PARTNERSHIP (FINANCIAL RETURN) ORDER, 2025

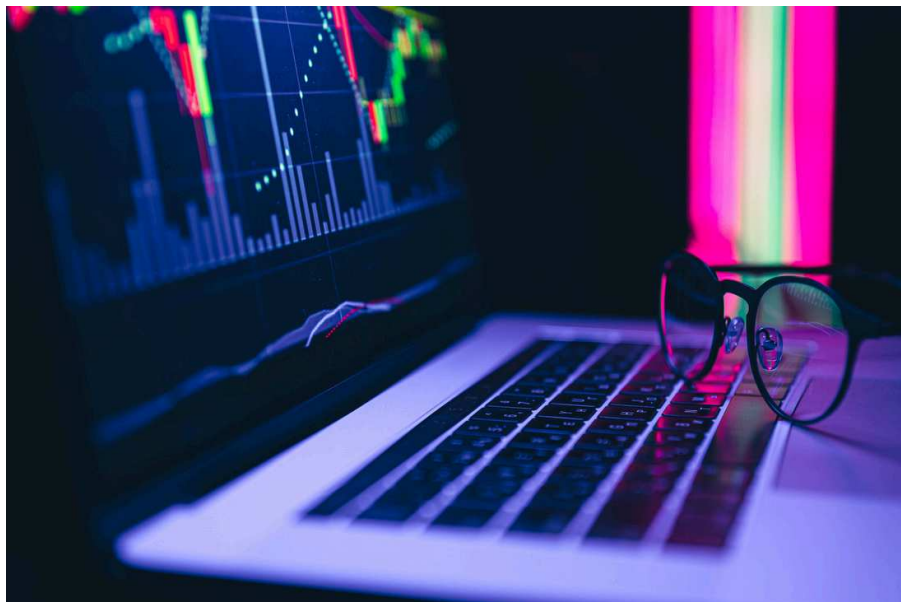
In accordance with its powers under section 54A(2)(b) of the Limited Partnership Act, Revised Edition 2020 (the **Act**), on 19th November 2025, the BVI Financial Services Commission published the Limited Partnership (Financial Return) Order, 2025 (the **Order**). The Order outlines the form of the financial return that a limited partnership must submit to its registered agent in compliance with its annual financial submission obligations. The Order was deemed to take effect from 1st September 2025.

Pursuant to section 54A(2)(a) of the Act, a limited partnership is required to submit an annual financial return to its registered agent within 9 months after the end of the year to which the financial return relates. Where a limited partnership has a financial year that corresponds with a calendar year (i.e., 1st January to 31st December), the limited partnership's first financial return will become due as at 1st January 2026, and accordingly, the limited partnership will have until 30th September 2026 to submit its annual return to its registered agent. Where a limited partnership's fiscal or financial year does not correspond to a calendar year, the date when its first annual return filing becomes due will depend on the month when its financial year commences.

The requirement to file applies to all BVI limited partnerships except:

1. a limited partnership that is regulated under a financial services legislation and provides financial statements to the Commission in accordance with the requirements of that financial services legislation; and,
2. a limited partnership that files its annual tax return to the Inland Revenue Department, accompanied by the limited partnership's financial statements.

The Schedule to the Order specifies the form of the Annual Financial Return.



CHANGES ARE COMING TO THE UK SANCTIONS LIST

As a British Overseas Territory, the Virgin Islands (**VI**) implements all international sanctions, including targeted financial sanctions (**TFS**) that are extended to it through United Kingdom (**UK**) Orders in Council. This includes the UK's autonomous sanctions regimes which are imposed under the Sanctions and Anti-Money Laundering Act 2018 and apply to all UK persons and entities globally. The UK also imposes sanctions stemming from resolutions passed by the United Nations Security Council (**UNSC**) that have been imposed under Chapter VII of the UN Charter. The obligation to adhere to these sanctions designations are applicable to individuals, Financial Institutions (**FIs**), Designated Non-Financial Businesses and Professions (**DNFBPs**), Non-Profit Organisations (**NPOs**), law enforcement agencies and Competent Authorities. Sanctions directly linked to countering terrorist financing and proliferation financing are a core obligation for FIs, DNFBPs and NPOs in preventing TF and PF.



Sanctions designations and delistings included in the UK Consolidated Sanctions List (UK Sanctions List) are published in real time in the form of Sanctions Notices by the Foreign Commonwealth Development Office (**FCDO**) and the Office of Financial Sanctions Implementation (**OFSI**). The Financial Services Commission (**FSC**) and Financial Investigation Agency (**FIA**) subsequently post these Sanctions Notices on their respective websites and disseminate them to all entities under their remit within 24 hours.

Effective January 28, 2026, the UK Government will consolidate its sanctions publications into a single authoritative UK Sanctions List, published and maintained by the FCDO. This list will replace the OFSI Consolidated List of Asset Freeze Targets and the existing FCDO list, becoming the sole authoritative source for all UK sanctions designations.

CHANGES ARE COMING TO THE UK SANCTIONS LIST ...CONTD.

For the BVI, this consolidation means that FIs, DNFBPs and NPOs can rely on one authoritative list for all UK sanctions designations. The shift to a singular list streamlines sanctions information, simplifies access to sanctions data and reduces screening and duplication of compliance work caused by maintaining two separate sanctions lists. It will also strengthen consistency in sanctions screening and enhance the ability of persons to more effectively meet international standards.

FIs, DNFBPs and NPOs should take proactive steps to review and update internal policies and procedures to ensure compliance with the UK Sanctions List. Reporting systems should be updated to reflect the new identifier for UK sanctions targets – the “Unique ID”, as targets will no longer be identified with an OFSI Group ID.

The UK Sanctions List, however, will continue to include “OFSI Group ID” identifiers for those persons designated prior to 28 January 2026, as these historic Group IDs will remain valid for use in licence applications and frozen assets or suspected sanctions breach reporting if applicable.

The link to the Guidance on Moving to a Single List for UK sanctions designations may be found [here](#).

The UK Sanctions List, which is published on the FSC’s website, provides a clear and accessible reference point for FIs, DNFBPs, NPOs, and the public to understand who is designated or subject to restrictions. To support this and enhance compliance, FIs and DNFBPs should be guided by the Virgin Islands Sanctions Guidelines (**Guidelines**) which sets out best practices for meeting sanctions obligations, including conducting risk assessments, due diligence and client screening, monitoring, reporting and asset freezing (where applicable). A key requirement is to ensure that effective systems and controls are in place to screen customers, including beneficial owners and directors, against the UK Sanctions List, both at the start of a business relationship and on an ongoing basis whenever updates to the sanctions list occur and according to the risk profile of existing customers and business relationships. Application of these systems and controls, strengthens compliance and supports effective risk management by ensuring that FIs, DNFBPs, NPO can quickly identify whether clients or counterparties are subject to restrictions and avoid dealings with sanctioned individuals or entities, reducing the risk of inadvertent breaches and subsequent penalties.

In accordance with the Governor’s delegated authority under the sanctions framework of the Virgin Islands, FSC will continue to publish all relevant designations and delisting notices issued by the FCDO on its website.

All stakeholders are encouraged to review the new format and ensure their compliance systems are updated accordingly.



UNPACKING THE VI'S 2025 LEGAL PERSONS AND LEGAL ARRANGEMENTS NATIONAL ML, TF, AND PF RISK ASSESSMENT

The 2025 Virgin Islands (**VI**) National Money Laundering, Terrorist Financing and Proliferation Financing Risk Assessment (**RA**) of Legal Persons (**LP**) and Legal Arrangements (**LA**) was conducted to identify the threats, vulnerabilities and resulting risks associated with VI legal persons and legal arrangements. The comprehensive assessment demonstrates the Virgin Islands' continued commitment to identifying, assessing and mitigating risks in meeting with FATF requirements to safeguard the financial services system. The assessment not only identifies the threats and vulnerabilities associated with legal persons and arrangements established in or operating in the VI but also offers insights into emerging risks and recommendations for mitigation.

Threats

The threat assessment considered data from international typologies and domestic cases involving LPs and LAs to determine the potential threat caused by these entities being involved in ML, TF and PF. The assessment revealed the following threat levels:

ENTITY TYPE	ML	TF	PF
<i>BVI Business Companies</i>	High	Medium High	High
<i>Other Legal Persons</i>	Medium Low	Low	Low
<i>Legal Arrangements</i>	Medium Low	Low	Low

Vulnerabilities – LPs

The vulnerability assessment of LPs considered various factors including, size and control, business characteristics, cross-border links and accessibility. The ease of incorporation, use of corporate directors, cross-border links, and reliance on third party introducers by LPs increase exposure for misuse. The RA found that BVIBCs limited by shares represent 99% of all LPs and are particularly exposed due to their large numbers and international reach. On the other hand, Foreign Companies (which are primarily regulated insurance companies) and Private Trust Companies (**PTCs**) show lower vulnerability due to fewer risk exposures based on nature of business.

Vulnerabilities – LAs

The vulnerability assessment of LAs also considered various factors including, size and control, trust features, cross-border exposures links and accessibility and barriers to entry. Trusts, especially express trusts which constitute 86% of all trusts in the VI, are vulnerable due to their flexible structures, private nature and geographical exposures.

UNPACKING THE VI'S 2025 LEGAL PERSONS AND LEGAL ARRANGEMENTS NATIONAL ML, TF, AND PF RISK ASSESSMENT ...CONTD.

Residual Risk

After considering the ML, TF and PF threats, identified vulnerabilities and controls in place to mitigate these vulnerabilities, the assessment found the residual ML, TF and PF risk for each type of LP and LA to be as follows:

ENTITY TYPE	ML	TF	PF
<i>BVIBC- Limited by Shares</i>	Medium High	Medium High	Medium High
<i>BVIBC– Limited by Guarantee (shares)</i>	Medium High	Medium High	Medium Low
<i>BVIBC– Limited by Guarantee (non shares)</i>	Medium High	Medium High	Medium High
<i>Unlimited Company</i>	Medium High	Medium High	Medium High
<i>Unlimited Company (non shares)</i>	Medium High	Medium High	Medium Low
<i>Segregated Portfolio Company</i>	Medium High	Medium High	Medium Low
<i>Restricted Purpose Company</i>	Medium High	Medium High	Medium Low
<i>Private Trust Company</i>	Medium Low	Medium Low	Medium Low
<i>Limited Partnership</i>	Medium High	Medium Low	Medium Low
<i>International Partnership</i>	Medium Low	Medium Low	Medium Low
<i>Partnership without Legal Personality</i>	Medium High	Medium Low	Medium Low
<i>Foreign Companies & PTCs</i>	Medium Low	Medium Low	Medium Low
<i>Vista Trusts</i>	Medium High	Medium Low	Medium Low
<i>Express & VISTA Trusts</i>	Medium High	Medium Low	Medium Low

UNPACKING THE VI'S 2025 LEGAL PERSONS AND LEGAL ARRANGEMENTS NATIONAL ML, TF, AND PF RISK ASSESSMENT ...CONTD.

Misuse of LPs/LAs: Consequences

The report highlighted the consequences that misuse of VI LPs and LAs for ML, TF or PF could have on the jurisdiction. Potential impacts include:

- lower profits for the financial sector;
- Negative impact on financial sector reputation;
- Changes in foreign direct investment; and
- Lower public sector revenues.

Emerging Risk

Emerging risks identified that may impact the level of ML, TF and PF risk to which LPs and LAs may be exposed include:

- Decentralised governance models pose challenges in identifying beneficial ownership and control, and difficulties in complying with applicable laws as there may not be a central authority identified who controls the structure and against whom to enforce compliance;
- Geopolitical shifts – increased global conflicts and relationships between high-risk regions which create new channels to establish complex structures, obfuscate ownership, and facilitate ML, TF, PF and sanction evasion; and
- Cryptocurrency and FinTech structures – increased opacity of beneficial ownership, increased novelty and complexity make it difficult for industry practitioners to adapt to the rapidly changing industry.

Recommended Actions

The report provided a number of recommendations to help the VI better mitigate the risks associated with LPs and LAs, including:

- enhancing statistical data maintained by law enforcement agencies;
- improving data collection on legal persons and arrangements;
- identifying and considering the risks of foreign legal arrangements that have sufficient links to the VI;
- continuing to develop and enhance understanding of risk of legal persons and legal arrangements;
- ensuring all aspects of FATF Recommendations 24 and 25 are addressed in VI legislation and implemented (particularly those relating to collection and maintenance of accurate and up to date beneficial ownership information);
- implementing risk-based verification of beneficial ownership information and dissuasive penalties for non-compliance with beneficial ownership filing requirements);
- strengthening compliance among legal and accounting professionals through outreach and inspections and sanctions for non-compliance;
- increasing outreach to the private sector, particularly to TCSPs, and legal and accounting professionals on LP/LA related risks and their role in mitigating such risks; and
- providing training to regulators and Law Enforcement agencies on how LPs and LAs can be misused to commit ML, TF and PF offences.

FIs and DNFBPs are encouraged to review the comprehensive risk assessment report, which can be found [here](#) under the AML/CFT section of the FSC's website. FIs and DNFBPs should consider the information in the Risk Assessment Report when carrying out their own institutional and customer risk assessments to help identify the relevant ML, TF and PF risks. The Commission and the FIA will utilise their desk-based and onsite supervision mechanisms to test compliance and ensure these findings are appropriately incorporated. All entities should take steps to remain vigilant, keep updated on evolving ML, TF and PF threats associated with LPs and LAs, and ensure ongoing diligence in mitigating identified risks.



BREAKING DOWN THE VIRGIN ISLANDS TERRORIST FINANCING RISK ASSESSMENT 2025

The 2025 Virgin Islands Terrorist Financing Risk Assessment (**RA**) evaluates domestic and international terrorist financing exposure, identifies emerging threats and recommends strategic actions to mitigate TF risk. The 2025 RA provides an update to the Territory's first TF RA conducted in 2020 and builds on the Territory's understanding of its TF risk exposure, while enhancing its commitment to national security and meeting international standards.

Identified Risk

Terrorist Financing (**TF**) is the collection or movement of funds to support terrorist activities, whether directly or indirectly. These funds may be derived from legitimate or illicit sources, with the key feature being their intended use to support terrorism. In assessing the level of the Virgin Islands (**VI**) exposure to TF risk, the RA considered how VI Financial Institutions (**FIs**), Designated Non-Financial Businesses and Professionals (**DNFBPs**), Legal Persons (**LPs**) and Legal Arrangements (**LAs**) may be involved in the collection, movement and use of funds for TF purposes.

The FIs assessed, comprised of Banks, Financing Businesses, Money Services Businesses, Insolvency Practitioners, Insurance Businesses, Investment Businesses, Trust and Corporate Service Providers (**TCSPs**), and Virtual Asset Providers (**VASPs**). The DNFBPs included Accountants, Lawyers and Notaries, Real Estate Agents, Dealers in Precious Metals and Stones (**DPMS**) and High Value Goods Dealers (**HVGDs**).

The findings indicate that the risk of FIs, DNFBPs, LPs (particularly BVIBCs) and LAs being used internationally to finance terrorism directly or to collect funds for TF purposes was low, as was the risk of TF for domestic purposes. However, the risk associated with the movement of funds through VI entities to facilitate TF internationally was found to be Medium-High. The RA, therefore, focused on scenarios in which VI entities could be used to facilitate the movement of funds through the financial system to fund terrorist activities. These scenarios were identified through the typologies discussed below.

Typologies

Four TF typologies of concern were identified in relation to the movement of funds for the purposes of TF. The impact of each of the four typologies was assessed in relation to each FI and DNFBP sector to determine the overall level of risk of each of the typologies occurring, which was assessed as follows:

Typology	Description	Rating
Typology 1	Abuse of VI legal entities for TF purposes	Medium High
Typology 2	Use of VI entities as a conduit for the transit of funds intended to facilitate terrorism abroad, with funds being sent via the VI entity	Medium High
Typology 3	Facilitation of movement of funds for TF purposes by VI service providers, whether knowingly or unknowingly, without funds entering or moving through the VI or VI entity	Medium Low
Typology 4	Facilitation of the movement of cash, bearer negotiated instruments precious metals and stones (or dual use goods relevant to TF) through or from the VI	Low

BREAKING DOWN THE VIRGIN ISLANDS TERRORIST FINANCING RISK ASSESSMENT 2025 ...CONTD.

Sectoral Assessment

Identified Vulnerabilities

Vulnerabilities within each of the FI and DNFBP sectors as well as those impacting LPs, LAs and NPOs that could increase the possibility of the identified threats persisting were identified and considered. A synopsis of the factors that were taken into consideration to arrive at each sector rating is outlined below:

Vulnerability Rating	Sector	Factors
High	VASPs	<ul style="list-style-type: none"> • High client volumes • Links to countries that posed higher risk for terrorism and TF
	TCSPs	<ul style="list-style-type: none"> • Management of large number of BVIBCs and trusts • Provision of services to clients in countries that pose higher risk for TF
	Legal Persons and Legal Arrangements	<ul style="list-style-type: none"> • High susceptibility to misuse (especially BVIBCs)
Medium-Low	Investment Business	<ul style="list-style-type: none"> • Exposure to clients in countries of higher risk for TF
	Lawyers and Notaries	<ul style="list-style-type: none"> • Provision of services to clients in countries that pose higher risk for TF
	Money Service Businesses (MSBs)	<ul style="list-style-type: none"> • Cash-intensive but transactions are in person (face to face) • Percentage of persons conducting transactions from countries of higher risk for TF are negligible, • Connections to countries of higher risk for TF are minimal
	Real Estate Agents (REAs)	<ul style="list-style-type: none"> • No clients or other linkages to jurisdictions of higher risk for TF • Deficiencies identified with internal controls
	Dealers in Precious Metals and Stones (DPMS)	<ul style="list-style-type: none"> • Minimal suspicious transaction reporting • Deficiencies identified with internal controls
	High Value Goods Dealers (HVGd)	<ul style="list-style-type: none"> • Minimal suspicious transaction reporting • Deficiencies identified with internal controls

BREAKING DOWN THE VIRGIN ISLANDS TERRORIST FINANCING RISK ASSESSMENT 2025 ...CONTD.

Vulnerability Rating	Sector	Factors
Low	Banking	<ul style="list-style-type: none"> Types of services offered are limited Face-to-face delivery channels Client base and activity limited in relation to jurisdictions of higher risk for TF No prepaid cards, foreign correspondent banking services Good internal controls
	Insurance	<ul style="list-style-type: none"> Types of service offered are primarily domestic Face to face delivery channels Mainly local clients Only 1% of client base linked to a jurisdiction classified as higher risk for TF Good internal controls
	Financing Business	<ul style="list-style-type: none"> Sector size is small Minimal services offered No linkage to jurisdictions of higher risk for TF Good internal controls
	Insolvency	<ul style="list-style-type: none"> Primarily not ongoing business No linkages to jurisdictions of higher risk for TF
	Accountants	<ul style="list-style-type: none"> Majority are regulated clients from jurisdictions of higher risk for TF were negligible Satisfactory compliance programmes
	Non-Profit Organisations (NPOs)	<ul style="list-style-type: none"> Primarily domestic in nature Low level of TF threat and abuse

Application of Controls

The report also considered the systems, policies and procedures FIs and DNFBPs have in place and the effect these controls had on mitigating the identified vulnerabilities. Controls in place by the private sector were considered to determine the effectiveness of entities' compliance with CFT requirements. In relation to the public sector, which covered the FSC and FIA, law enforcement agencies, Office of the Director of Public Prosecutions and the Attorney General's Chambers, controls were contextualised in terms of how effective monitoring and enforcement mechanisms are in mitigating TF risk. Controls identified in the 2025 Legal Persons and Legal Arrangements Risk Assessment relative to TF and the 2024 NPO TF Risk Assessment were also factored, as were the controls identified to mitigate TF risk in relation to the movement of cash and precious metals and stones.

Emerging Risks

The RA also considered new threats on the horizon stemming from global trends and technological advancements. The RA identified the following emerging risks that may be challenging to manage and could elevate the TF risk level of the VI if left unchecked due to its potential ongoing exposure given its position as an International Finance Centre.

Area of Risk	Factors
Virtual Assets (VA)	<ul style="list-style-type: none"> Increasing misuse of cryptocurrency by terrorist groups due to lack of consistent regulation globally Ease of obscuring virtual transactions Capacity to undermine regulatory controls when they involve person-to-person transfers with no regulated intermediary and no clear jurisdictional boundaries to the transaction Rapidly evolving technology, especially the convergence of traditional fundraising with technology enabled fundraising, social media platforms, person to person transactions that make financial trail and challenging to follow.
Decentralised Finance (DeFi)	<ul style="list-style-type: none"> No central authority identified who controls the structure and against whom to enforce compliance making it difficult to comply with applicable laws Obscures beneficial ownership, control and fund flows which makes it appealing to terrorist organisations
Artificial Intelligence (AI)	<ul style="list-style-type: none"> Used for propaganda, deepfakes, and identity fraud which can be used to bypass AI model safeguards and spread social alarm
Geopolitical Shifts	<ul style="list-style-type: none"> Closer ties between high-risk jurisdictions may create new vulnerabilities as they can forge new pathways for finance terrorism

Recommendations

The RA outlines recommended strategic actions for law enforcement, regulators and private sector entities to mitigate the risk of TF, including:

- enhancing training (on TF typologies especially) and resources for law enforcement and regulators;
- improving beneficial ownership transparency and enforcement;
- improving data collection and inter-agency cooperation;
- strengthening risk-based supervision of high risk sectors (such as strengthening oversight of VASPs) and conducting targeted inspections for high risk sector entities;
- implementing recommendations in relation to LPs and LAs based on the VI LP/LA RA;
- implementing targeted outreach for high risk sector entities; and,
- continued monitoring of virtual asset activities and emerging technologies.

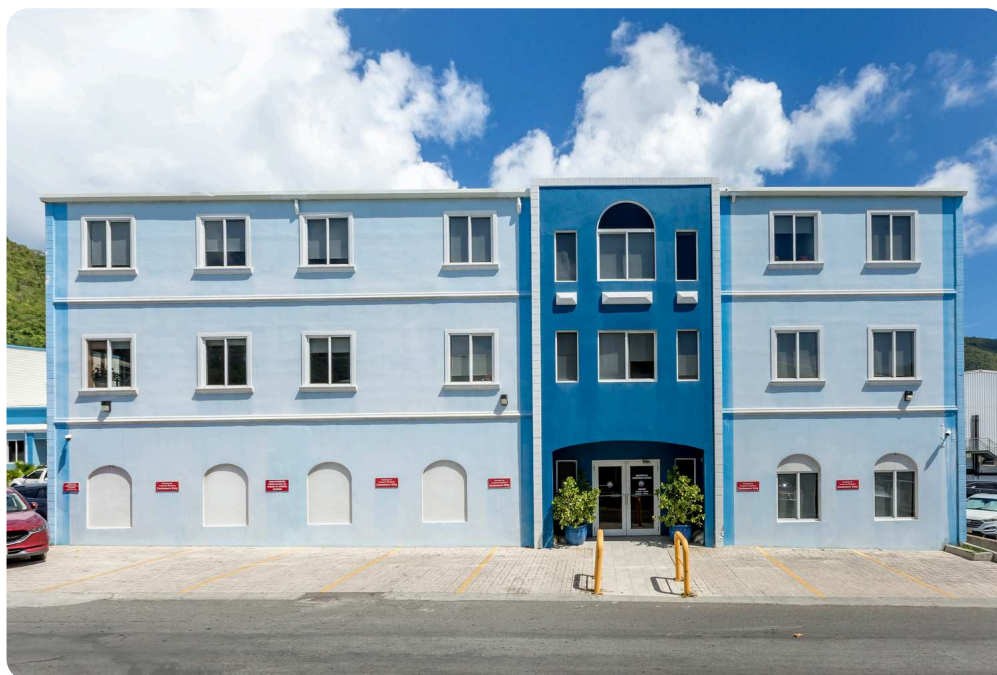
Public and private sector entities are encouraged to review the comprehensive risk assessment report, which can be found [here](#) under the AML/CFT section of the FSC's website, and consider its findings. All entities should take the necessary steps to mitigate their TF risks by integrating the findings of this and other risk assessments into their own institutional and customer risk assessments. The FSC and the FIA will continue to utilise their desk-based and onsite supervision mechanisms to test compliance and ensure these findings are appropriately incorporated. Entities should continue to remain vigilant and keep updated on evolving ML, TF and PF threats.



REGISTRY CORNER

Filing BO Information – General Queries

The Registrar of Corporate Affairs is requesting that queries related to the filing of beneficial ownership information or other questions related to beneficial ownership be sent by email to bo@bvifsc.vg.



Annual Fee, Penalty and Strike-Off Dates

Industry practitioners are reminded that when the annual fees, penalty, and strike-off dates fall on a public holiday or on a weekend, the date for the action required by law will take place on the next working day.

Requests to Have Submitted Transactions Rejected

When submitting a request for a transaction to be rejected, please email support@bvifsc.vg with a copy to registrars@bvifsc.vg.

Queries Related to Filing of Beneficial Ownership

The Registrar of Corporate Affairs is requesting that queries related to the filing of beneficial ownership information or other questions related to beneficial ownership be sent by email to bo@bvifsc.vg.

AUTHORISATION AND SUPERVISION DIVISION – CALENDAR OF UPCOMING FILING DEADLINES

DUE DATE: 10 January 2026

ENTITY/LICENCE TYPE	FILING/REQUIREMENT	SUBMISSION CHANNEL
<ul style="list-style-type: none"> Banks Class I and Class II trust licensees* Category A and Category D insurers Category 5 investment business licence 	A list of internal audit reports prepared during Q4 2025, with a summary of areas covered by each report.	<p>Banks and other entities under specialised supervision: specialisedsupervision@bvifsc.vg</p> <p>All other entities: prudentialsupervision@bvifsc.vg</p>

DUE DATE: 14 January 2026

ENTITY/LICENCE TYPE	FILING/REQUIREMENT	SUBMISSION CHANNEL
<ul style="list-style-type: none"> Authorised Representatives (SIBA) Authorised Representatives (VASPA) 	On a quarterly basis, submit the names of all funds and licensed entities for which it provided Authorised Representative services.	prudentialsupervision@bvifsc.vg

DUE DATE: 15 January 2026

ENTITY/LICENCE TYPE	FILING/REQUIREMENT	SUBMISSION CHANNEL
<ul style="list-style-type: none"> Banks 	Prudential Returns for Q4 2025	specialisedsupervision@bvifsc.vg
<ul style="list-style-type: none"> Money Services Business licensees – Class A 	<ul style="list-style-type: none"> 3.5% transaction levy Transaction levy report for Q4, 2025 	<p>Check, wire transfer, etc. specialisedsupervision@bvifsc.vg</p>

AUTHORISATION AND SUPERVISION DIVISION – CALENDAR OF UPCOMING FILING DEADLINES ...CONTD.

DUE DATE: 31 January 2026

ENTITY/LICENCE TYPE	FILING/REQUIREMENT	SUBMISSION CHANNEL
<ul style="list-style-type: none"> Banks Trust Companies Company Management Financing Business Money Services Business Authorised Custodians 	Annual Licence Fees	<p>Check, wire transfer, etc.</p> <p>Banks and other entities under Specialised Supervision: specialisedsupervision@bvifsc.vg</p> <p>All other entities: prudentialsupervision@bvifsc.vg</p>
<ul style="list-style-type: none"> Trust Companies Company Management Approved Investment Managers Incubator Funds Approved Funds 	Annual Returns	<p>Entities under Specialised Supervision: specialisedsupervision@bvifsc.vg</p> <p>TCSPs: tcspretturns@bvifsc.vg</p> <p>All other entities: prudentialsupervision@bvifsc.vg</p>
<ul style="list-style-type: none"> Incubator Funds 	Semi-Annual Reports	prudentialsupervision@bvifsc.vg
<ul style="list-style-type: none"> Banks 	Large Exposures Report	specialisedsupervision@bvifsc.vg

DUE DATE: 28 February 2026

<ul style="list-style-type: none"> Insurance Business 	Annual Licence Fees	<p>Check, wire transfer, etc.</p> <p>Entities under Specialised Supervision: specialisedsupervision@bvifsc.vg</p> <p>All other entities: prudentialsupervision@bvifsc.vg</p>
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DUE DATE: 31 March 2026		
<ul style="list-style-type: none"> Banks Trust Companies Company Management Financing Business Money Services Business Insurance 	Annual Compliance Officer Reports	<p>Banks and other entities under Specialised Supervision: specialisedsupervision@bvifsc.vg</p> <p>All other entities: ComplianceOfficerReports@bvifsc.vg</p>
<ul style="list-style-type: none"> Insolvency Practitioners Investment 	Annual Licence Fees	<p>Check, wire transfer, etc.</p> <p>Banks and other entities under Specialised Supervision: specialisedsupervision@bvifsc.vg</p> <p>All other entities: prudentialsupervision@bvifsc.vg</p>
<ul style="list-style-type: none"> Banks 	Large Exposures Policies	specialisedsupervision@bvifsc.vg
<ul style="list-style-type: none"> Insolvency Practitioners Investment Business Licensees Insurance (All Insurance Licence Types) 	Annual Prudential Returns	<p><u>Entities under Specialised Supervision:</u> specialisedsupervision@bvifsc.vg</p> <p>- <u>Insurance entities:</u> insurancereturns@bvifsc.vg</p> <p><u>Investment Business:</u> investmentreturns@bvifsc.vg</p> <p><u>All other entities:</u> prudentialsupervision@bvifsc.vg</p>

AUTHORISATION AND SUPERVISION DIVISION – CALENDAR OF UPCOMING FILING DEADLINES ...CONTD.

WITHIN SIX MONTHS OF THE FINANCIAL YEAR END		
<ul style="list-style-type: none"> All licensees and funds except where exempted 	Audited Financial Statements (must be accompanied by all relevant prescribed documents)	Banks and other entities under Specialised Supervision: specialisedsupervision@bvifsc.vg TCSPs: financialstatementsTCSP@bvifsc.vg Insurance: financialstatementsINS@bvifsc.vg Investment: financialstatements@bvifsc.vg
<ul style="list-style-type: none"> Approved Funds Incubator Funds Approved Managers 	Financial Statements (not required to be audited)	Hard copy and/or electronic copy via financialstatements@bvifsc.vg
ON OR BEFORE THE FOURTEENTH DAY OF EACH MONTH		
<ul style="list-style-type: none"> Insurance ** 	Monthly Trustee Statement	Specified insurers under Specialised Supervision: specialisedsupervision@bvifsc.vg Specified under Prudential Supervision: prudentialsupervision@bvifsc.vg

*A Class I or Class II trust licensee that does not hold customer monies or has determined that due to its nature, size, and complexity, it does not require an internal audit function, is not required to file a list of internal audit reports.

**Applicable only to a Trustee of a Domestic Business Trust who is required to make this filing pursuant to Regulation 16(1) (c) of the Insurance Regulations, in respect to specified insurers.

Notes:

1. This schedule is provided as a courtesy; regulated entities are not absolved from submissions due to any errors or omissions herein.

2. If a due date falls on a holiday or weekend, the Commission will accept filings/reports due for submission on the next business day without enforcing any penalties.

Trust and Corporate Services Providers Returns

Trust and Corporate Services Providers (TCSPs) are reminded that annual returns for the 2025 filing period are due by 31 January 2026 as required by the Financial Services (Prudential and Statistical Returns) Order, 2009 (as amended). All TCSP returns should be submitted electronically using the new Trust and Corporate Services Provider Annual Return. Returns filed using the old Prudential Return for Fiduciary Services Business will NOT be accepted.

The electronic Return and guidance on how to complete the new Return are available under the 'Annual Returns' tab on the Commission's Home page.

AML Returns

All regulated persons

(i) holding a licence issued pursuant to:

- Section 10 (1) of the Banks and Trust Companies Act, 1990;
- Section 4 (3) of the Company Management Act, 1990;
- Section 6 (2) of the Securities and Investment Business Act, 2010;
- Section 8 (2) of the Insurance Act, 2008;
- Section 476 of the Insolvency Act, 2003;
- Section 9 (2) of the Financing and Money Services, 2010;

(ii) holding a licence as an insurance manager or insurance intermediary pursuant to section 40 (2) of the Insurance Act, 2008;

(iii) approved as:

(a) a virtual asset services provider pursuant to section 7(1) of the Virtual Assets Service Providers Act, 2022; or

(b) an approved investment manager pursuant to regulation 7 (1) of the Investment Business (Approved Managers) Regulations, 2012

are reminded that AML Returns for the 2025 reporting period are due by 31 March 2026 as required by the Financial Services (Prudential and Statistical Returns) Order, 2009 (as amended). All AML Returns must be filed online using the VIRRGIN Returns AML/CFT Returns Portal which may be accessed [HERE](#).

NOTE: Returns filed after their statutory deadline will be subject to penalties in accordance with the Financial Services (Prudential and Statistical Returns) Order.

FSC Regulators Among Presenters at BVI Ideas Festival 2025

The Deputy Managing Director for Regulation, Mr Glenford Malone, recently sat on a panel which examined the evolving role within the global virtual assets regulatory and supervisory regime. The conversation which took place at the BVI Ideas Festival, highlighted how the Territory has successfully positioned itself as a hub for Virtual Asset Service Providers (VASPs) and FinTech enterprises, balancing innovation with robust regulatory oversight.

The discussion reinforced that the BVI is not only embracing innovation but also setting benchmarks for responsible growth in the FinTech and virtual asset sectors.



FSC Represented at Singapore Fin Tech Festival 2025

Managing Director and CEO of the Commission, Mr Kenneth Baker, led a delegation of Commission executives, including Asia Representative Office Director, Mr Shane Baptiste, at the 10th edition of the Singapore FinTech Festival. The Festival is a global platform for dialogue on the future of finance, bringing together regulators, financial institutions, fintech firms, and technology providers from around the world. Also in attendance were representatives of the BVI Government's Hong Kong Office.

The Commission's delegation engaged with a number of financial services professionals, including fintech, regtech, and supotech providers, and attended key sessions on regulatory supervision, compliance, and digital innovation. Mr Baker and Mr Baptiste also participated in sessions at the Global Finance & Technology Network (GFTN) Forum, a policy-focused platform facilitating high-level discussions among regulators on emerging supervisory challenges, including stablecoins and digital assets.

In support of the Commission's mandate to strengthen regulatory co-operation, the delegation also held private discussions with counterparts from the Bermuda Monetary Authority, the Monetary Authority of Singapore, the Securities and Exchange Board of India (SEBI), and the International Financial Services Centre Authority of India, dialoguing on supervisory approaches and cross-border collaboration.



FSC Joins BVI Finance for STEP Asia Conference 2025

The BVI Financial Services Commission joined BVI Finance at the STEP Asia Conference 2025, where it engaged extensively with practitioners who utilise BVI trust and fund structures as part of holistic wealth-planning solutions. The STEP Asia Conference is the the region's premier wealth-planning and private client conference.



PUBLIC STATEMENTS

The BVI Financial Services Commission considered it necessary to issue the following Public Statements during the fourth quarter of 2025 to protect customers, creditors, or persons who may have been solicited to conduct business with purported financial services entities.

The public is advised to exercise caution when conducting business with the following:

ENTITY	DATE
TCWB / TCWB.US	9 October 2025
Port Economic (BVI) Limited	22 October 2025
EWC IMPERIAL CAPITAL LTD.	29 October 2025
OPTIONTRADES FINANCES SERVICE	26 November 2025
NICOLETA OPREA	15 December 2025

All Commission-issued Public Statements can be accessed via the Commission website - [HERE](#).

BVI & HONG KONG FIRST-QUARTER, 2026 HOLIDAYS AFFECTING OPERATIONS

Virgin Islands Holidays	
1 January 2026	New Year's Day
9 March 2026	The Anniversary of the Birth of Hamilton Lavity Stoutt
Hong Kong Holidays	
1 January 2026	New Year's Day
17 – 19 February 2026	Lunar New Year



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