



Joint Industry Circular No. 2

Compliance with Sanctions Obligations – Reminder of What is Expected

The Financial Services Commission (“FSC”) and the Financial Investigation Agency (“FIA”) are reminding entities licenced or otherwise authorised or approved to carry on business in and from within the Virgin Islands (“VI”) that as an Overseas Territory, the Virgin Islands is required to comply with **all** sanctions issued by the United Kingdom (“UK”) extended to it by way of the relevant Overseas Territories Sanctions Orders.

Conducting Business

The FSC and FIA recognise that de-risking is a business decision which should be taken based on the individual risk appetite of each entity. However, any entity wishing to deal with funds or economic resources of, or on behalf of, a designated person, or a BVI company or other entity where the beneficial owner is a designated person **must** apply for a licence from the Office of the Governor to carry out such business. This includes for payment of annual fees and other expenses. The procedure for licensing is set out in the *Virgin Islands Sanctions Guidelines*. A copy of the Guidelines can be found [here](#) on the FSC’s website and [here](#) on the FIA’s website.

Reporting

Entities are required to file a Compliance Reporting Form with the Office of the Governor in relation to any information they may have regarding suspected designated persons, frozen assets, or suspected sanctions breaches. This Form is also set out in the *Virgin Islands Sanctions Guidelines*. In addition, entities are required to file a SAR with the FIA where there are any suspected breaches of Sanctions Orders or where a person, including a company, has conducted a reportable transaction.

Sanctions and Penalties

Entities are reminded that any breach of financial sanctions is considered to be a serious criminal offence. Under the Overseas Territories Sanctions Orders, breaches of financial sanctions carry a maximum penalty of up to seven years imprisonment on indictment and, on summary conviction, to imprisonment for a term not exceeding six months or a maximum fine of UK £5,000 or its equivalent in US Dollars. This may be separate and apart from other actions that may be taken against an entity under relevant financial services and law enforcement legislation.



Compliance

Entities are asked to ensure compliance with the relevant Overseas Territories Sanctions Orders and make the necessary filings with the Office of the Governor to avoid potential enforcement action being taken.

UK Financial Sanctions Notices are published on both FSC and FIA websites, and entities are notified via email when these are updated. If any entity does not receive these notices, it should email the FSC at corpcomm@bvifsc.vg and/or the FIA at sanctionsnotice@fiabvi.vg to be added to the mailing lists. However, entities should note that a failure to receive notification of any particular publication does not absolve them from their legal obligation to comply with the requirements and restrictions outlined in the relevant Overseas Territories Sanctions Orders.