

BVI Company Annual Renewal Guideline Note

The BVI company stated in this quotation, unless otherwise advised, refers to business company registered in the British Virgin Islands in accordance with the BVI Business Companies Act 2004. This type of company is also commonly known as offshore company, international company or tax free company.

A British Virgin Islands company is required to renew its registration, registered agent and registered office in the year following the year of registration and each year thereafter (all together known as basic annual renewal). The amounts of basic annual renewal fees are USD950 and USD1,850 for companies with a capital of 50,000 shares and more than 50,000 share respectively.

The timing of payment of annual renewal fees depends on the date of incorporation. For companies registered in the first half year, annual maintenance fee is due for payment on or before 30 April; for companies registered in the second half year, annual maintenance fee is due for payment on or before 31 October.

Failure to pay for the annual renewal may result in penalty or even result in the company being struck off from the Register.

In additional, a BVI company is also required to prepare and file a economic substance report once a year. This is usually done at the time of renewal of the company

The annual renewal fee and economic substance reporting fee stated in this guideline note are for general reference only and are subject to change from time to time.

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1. BVI Company Annual Compliance

(1) Basic Annual Renewal

The basic annual renewal cost, which would normally cover annual licence fee or franchise tax, annual registered office and annual registered agent, for the second and subsequent years a BVI company are as follows:

(a) Companies with 50,000 Shares or Less

For companies with a registered capital of not more than 50,000, the annual renewal fees for the second and subsequent years are USD950.

(b) Companies with more than 50,000 Shares

For companies with a registered capital of more than 50,000 shares, the annual renewal fees for the second and subsequent years are USD1,850.

The deadlines for payment of basic annual renewal fee depends on the date of incorporation. For companies registered in the first half year, annual maintenance fee is due for payment on or before 30 April; for companies registered in the second half year, annual maintenance fee is due for payment on or before 31 October.

Kaizen will send a renewal notice to all our clients 2 months before the due date for payment. If you do not receive our renewal notice by 30 April (first half year company) or 31 October (second half year company), please inform us accordingly.

(2) Economic Substance Reporting

The BVI Economic Substance (Companies and Limited Partnerships) Act requires all legal entities to report and file relevant information about their business annually. For the company conducting business activity in the scope of Relevant Activities, it is also required to demonstrate a degree of economic substance within the BVI in order to prevent profit shifting.

Our fee for data collection, uploading and submission of information in compliance of the above ES Reporting requirement is USD500 per annum. This fee will be collected together with the annual renewal fee stated in subsection (1) above.

For details, please refer to [BVI Economic Substance Act, 2018 Guideline Note](#).

(3) Keeping of Financial Records

The BVI Business Companies Act requires all BVI Companies to keep financial records and underlying documentation. Those materials can be kept at any place around the world, but the Record-Keeping Address and Record Keeper need to be known by the Registered Agent of the Company. The documents need to be kept for a period of 5 years from the date of the transaction they relate to.

Financial Records can be any document which ‘explains’ the Financial Transactions of the Company. Such records may be but are not limited to Invoices, Bank Statements, Agreements, and any other document of accounting significance.

Kaizen can assist client’s BVI company with fulfilling this obligation, by storing all documents in our safe and secure servers, as well as preparing the accounting records where requested.

(4) Audit of Financial Statements

There is no law or regulation requires that the financial statements of a BVI company be audited. However, if in case where there is a need to have the financial statements of a BVI company audited, Kaizen, as a public accounting corporation registered in Hong Kong, can carry out such an audit using International Financial Reporting Standards (IRFS). Our fee for audit service will be quoted upon request.

2. Time of Payment**(1) Companies Incorporated on the 1st Half of the Year**

For companies incorporated during the first half of the year, that is, from 1 January to 30 June, the annual renewal fees are due for payment on or before 31 May each year (except the year of incorporation). In any case if the payment is paid after the due date, the following penalties will be imposed:

Annual Renewal Fees Payment Date	Penalties
1 June - 31 July	10% of the Annual Renewal Fee
1 August - 31 October	50% of the Annual Renewal Fee
1 November or later	Company being Struck Off

(2) Companies Incorporated on the 2nd Half of the Year

For companies incorporated during the second half of the year, that is, from 1 January to 30 June, the annual renewal fees are due for payment on or before 30 November each year (except the year of incorporation). In any case if the payment is paid after the due date, the following penalties will be imposed:

Annual Renewal Fees Payment Date	Penalties
1 December - 31 January	10% of the Annual Renewal Fee
1 February - 30 April (of the following year)	50% of the Annual Renewal Fee
1 May or later (of the following year)	Company being Struck Off

3. Notice of Annual Renewal

Kaizen will normally send out notice of annual renewal two months before the due date for payment of annual renewal fees. Client should arrange payment on or before 15 May (for company incorporated on the first half) and 15 October (for companies incorporated on the second half) so as to allow Kaizen sufficient time to arrange payment of annual licence fee or franchise tax.

In any case that you do not receive notice from Kaizen before 30 April (for companies incorporated on the first half) and 30 September (for companies incorporated on the second half), please kindly take the initiative to inform us.

Kaizen will send out the annual renewal notice to the email address designated by client. Therefore, Kaizen shall be notified of any change of the designated within 14 days. Kaizen should not be held liable for any penalty or consequences arising from late payment of official filing fee if Kaizen is not being informed of such a change within the notice period prescribed above.

If you wish to obtain more information or assistance, please visit our official website at www.kaizencpa.com or contact us through the following:

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