

THE VALUE OF A BVI DIRECTOR: MORE THAN A NAME ON THE REGISTER

For many BVI companies, appointing a BVI-based director is not simply a corporate housekeeping exercise. Done properly, it can provide meaningful governance, support the company's operational substance and help align the way a business is actually managed within the jurisdiction in which it is established. The question is not whether every BVI company needs a local director. It is whether having one makes commercial, regulatory or tax sense for the particular structure.

WHEN LOCAL GOVERNANCE MATTERS

A BVI company may have directors based across several jurisdictions, particularly where it is owned or operated by an international group. However, where the BVI is intended to be more than the company's place of incorporation, there can be significant value in having a director who is based in the BVI and actively participates in the company's decision-making.

For businesses with genuine BVI operations, a local director can provide continuity of governance and ensure that important decisions are made by someone with a practical understanding of the BVI legal and regulatory environment. It can also be particularly relevant where the company is intended to establish or maintain a meaningful level of substance in the BVI.

THE LOCAL MANAGEMENT QUESTION

This becomes more important where the company's activities have potential tax or regulatory implications in other jurisdictions. Onshore tax authorities may consider factors such as where strategic decisions are made, where the company is effectively managed and controlled, and where its income-generating activities are carried out when determining matters such as tax residence or permanent establishment. A company incorporated in the BVI should therefore not assume that its place of incorporation, registered office or registered agent alone determines its tax position.

For companies within the scope of the BVI economic substance regime, the analysis is similarly substantive rather than simply formal. Depending on the relevant activity, the requirements can include being directed and managed in the BVI, carrying out core income-generating activities in the BVI and maintaining adequate employees, premises and expenditure having regard to the nature and scale of the business.

A BVI director can therefore form an important part of a wider substance model but should not be viewed as a box-ticking solution. The quality of the governance, the expertise of the directors, where decisions are actually made and the nature of the company's activities all matter.

MORE THAN CORPORATE ADMINISTRATION

LBG
LITTLE BAY GROUP
BRITISH VIRGIN ISLANDS



ABOUT LBG

EXPERIENCED PROFESSIONALS

Legal and accounting professionals, with extensive experience in corporate services, fiduciary, directorship, accounting, compliance, voluntary liquidation and consultancy services.

ANCILLARY SERVICES

The Little Bay Group provides director, compliance, VASP authorised representative and accounting services to a select number of BVI entities and has significant experience in the BVI financial services sector.

An effective director should do more than attend meetings and sign resolutions. The role involves understanding the business, challenging management where appropriate, exercising independent judgement and ensuring that the company's affairs are properly governed.

For internationally owned businesses, a BVI-based director can also provide a valuable local perspective. This may include oversight of regulatory obligations, meeting filing deadlines, ensuring compliance with KYC requirements, engagement with BVI professional advisers and service providers, consideration of local legal and regulatory developments, and ensuring that the company's governance arrangements remain appropriate as the business develops.

This is particularly relevant for businesses operating in regulated or higher-risk sectors, including investment structures, fintech and digital assets, where governance, compliance and regulatory expectations can be more demanding.

THE LITTLE BAY GROUP APPROACH

At the Little Bay Group, we provide professional BVI director services to companies that require experienced, engaged and commercially minded local governance. Our directors bring extensive experience across corporate administration, financial services, compliance, governance and BVI regulatory matters. We work with clients and their advisers to understand the purpose and activities of the company rather than treating the directorship as an isolated service.

Our director offering includes but is not limited to board participation and meeting management, review and approval of corporate actions, oversight of material transactions, liaison with shareholders and advisers, regulatory and compliance oversight, maintenance of appropriate corporate records and support in establishing governance arrangements that are proportionate to the business.

Our director service can also sit alongside the other services provided by the Little Bay Group. As a BVI corporate services provider with an FSC company management licence, we can support clients with incorporations, registered agent and registered office services, compliance, accounting, company secretarial and related corporate administration. The ability to coordinate these functions through one BVI provider can make it easier to maintain consistency between the company's governance, records, compliance obligations and day-to-day administration.

For businesses looking to build genuine BVI presence, that joined-up approach can be particularly useful. Substance is not created by appointing a local director in isolation; it is created by ensuring that the company's governance, people, activities and infrastructure are aligned with the role the BVI is intended to play in the structure. The right BVI director should therefore be more than a name on the register. They should be part of the company's governance framework, bringing local knowledge, independent judgement and practical experience to the way the business is managed.

NEXT STEPS

Should you have any queries regarding the above, please do not hesitate to contact Sharon Mungall, Managing Director & General Counsel (sharon@littlebayconsulting.com and +1 284 346 1638) and Helen Janes, Managing Director (helen@littlebayconsulting.com and +1 284 340 0104) via email, telephone, WhatsApp or Telegram.

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ABOUT LBG

RECENT EXPERIENCE

Providing authorised representative services and compliance advisory support to BVI-registered VASPs.

Assisting clients with licence applications, regulatory submissions and ongoing engagement with the FSC.

Preparing tailored policies and procedures manuals for VASPs, including AML/CFT /CPF and operational frameworks.

Delivering management and governance support for regulated and unregulated entities, including companies owned by UHNWIs.

Extensive experience supporting international clients with RORA, corporate governance and regulatory compliance in the BVI.