

INVESTMENT MANAGERS — BVI

The BVI Approved Investment Manager regime explained

The BVI's Approved Manager regime remains the Caribbean's most cost-efficient on-ramp for a start-up or mid-sized fund manager — provided the fund stays under its hard AUM ceilings and the promoter is comfortable trading governance breadth for regulatory speed.

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Overview

The Approved Manager regime is a purpose-built, lighter-touch alternative to a full BVI SIBA investment business licence, created by the Investment Business (Approved Managers) Regulations and administered by the BVI Financial Services Commission. It allows a BVI business company or limited partnership to act as investment manager or adviser to BVI private, professional, incubator and approved funds, equivalent funds from a list of recognised jurisdictions, and certain other structures approved case by case by the FSC. Individuals cannot be Approved Managers — only a corporate vehicle or limited partnership qualifies.

Eligibility is fundamentally an AUM test: the manager's open-ended business must not exceed US\$400 million in aggregate assets under management, and its closed-ended business must not exceed US\$1 billion in aggregate capital commitments, tracked separately where a manager runs both. The regime deliberately strips away most of the governance apparatus that applies to a full licensee — the general BVI Regulatory Code does not apply, and there is no mandated compliance officer, capital adequacy requirement, or professional indemnity insurance mandate — while still requiring baseline fit-and-proper screening, AML/CFT compliance, and periodic financial and regulatory filings.

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Key features

Feature	BVI Approved Manager
AUM / commitment caps	≤US\$400m aggregate AUM (open-ended); ≤US\$1bn aggregate commitments (closed-ended); tracked separately
Application fee	US\$1,200 one-time (confirm current FSC schedule)
Annual fee	US\$1,800, due 31 January (confirm current FSC schedule)
Approval timeline	Lodge ≥7 days before commencement; provisional operation permitted pending formal approval
Ongoing obligations	Unaudited financials within 6 months of FYE; annual return by 31 Jan; AML/CFT return; 14-day notice of material changes

Feature	BVI Approved Manager
Capital adequacy / PI insurance	Not required — express exemption from BVI Regulatory Code and capital/insurance obligations
Eligibility criteria	BVI company or LP (not an individual); minimum two directors; fit-and-proper screening of directors, officers and 10%+ interest holders

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Regulatory framework

The statutory foundation is BVI SIBA: section 4(1) prohibits carrying on investment business without a licence, and Schedule 3 sets out the licensable categories, with investment management and investment advice being most relevant to fund managers. The Approved Manager regime is created as subordinate legislation under that Act, effectively exempting a qualifying manager from needing a full licence at all, substituting a lighter approval process. Applicants engage a BVI registered agent or legal advisor to prepare and lodge the application package — constitutional documents, director and officer particulars, fund and management-agreement details, an AML/CFT manual, and the application fee — with the FSC at least seven days ahead of the intended start date, and may commence business provisionally while the FSC completes its review.

Once approved, the Approved Manager sits under lighter ongoing supervision: an annual return and renewal fee by 31 January, unaudited financial statements signed by a director within six months of financial year-end, an AML/CFT return, and notification of any material change within 14 days. Breach of the AUM caps is treated seriously: the manager must notify the FSC promptly and then has a limited window either to bring AUM back under the cap, apply for a full licence, or obtain the FSC's written consent to continue operating above the threshold.

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Practical considerations

- Build AUM headroom into the fund's structuring documents from day one — approaching the caps should trigger an early conversation with counsel about migrating to a full licence well before a breach.
- Because the regime exempts Approved Managers from capital adequacy and PI insurance requirements, institutional investor due diligence may probe this gap — consider arranging voluntary PI cover regardless of the statutory exemption.
- Confirm the underlying fund, or its foreign equivalent, genuinely falls within a recognised jurisdiction and a qualifying fund category before relying on Approved Manager status.
- Use the provisional operating window deliberately as a launch-timeline tool, but do not treat it as a substitute for genuine FSC engagement.
- Migration to a full licence triggered by AUM growth is not automatic — it requires a fresh application with materially heavier documentation and a longer review timeline, so plan the transition well ahead of an anticipated cap breach.
- Confirm application and annual fee figures against the FSC's current published fee schedule before quoting them to clients.

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How Berkley can help

Berkley Fund Services works alongside BVI and Cayman investment managers and their legal counsel to keep the fund-level filings, investor records and administrator-facing obligations that accompany each manager regime running smoothly. Managers weighing up their licensing options are welcome to discuss a proposed structure with Berkley's team.

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