

GOVERNANCE & OPERATIONS

Ongoing compliance for BVI funds

Launching a BVI fund is only the beginning — every SIBA category carries its own calendar of annual filings, fees and deadlines, and missing them can put a fund's good standing at risk.

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Overview

Every BVI fund, regardless of category, sits within a common compliance spine set by the Securities and Investment Business Act, 2010 and the FSC's supporting regulations: an annual return, an FSC recognition or registration fee, maintenance of the fund's appointed officers, and continued adherence to the investor, NAV and audit thresholds that define its category. Categories that carry a statutory audit requirement — Professional, Public and Private Investment Funds — must in addition file audited financial statements within six months of financial year-end, while Private, Incubator and Approved Funds are not statutorily required to audit, though many still do so voluntarily for investor comfort.

Beyond the SIBA-specific calendar, every BVI fund must maintain anti-money laundering and counter-terrorist financing compliance, including a designated money laundering reporting officer, and must meet the BVI's economic substance notification and FATCA/CRS reporting obligations that apply across BVI business generally, not only to funds. Directors and administrators share responsibility for tracking this calendar in practice, and a fund's choice of category at launch materially shapes how demanding that ongoing compliance workload will be.

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Key features

Obligation	Applies to	Timing
Annual return / FSC fee	All categories	Annually, per FSC schedule
Audited financial statements	Professional, Public and Private Investment Funds (voluntary for others)	Within 6 months of financial year-end
Incubator Fund term	Incubator Fund only	2 years from recognition, extendable by up to 12 months
NAV cap monitoring	Incubator (US\$20m) and Approved Fund (US\$100m)	Continuous
Investor cap / threshold monitoring	Private (50), Incubator/Approved (20), Professional (US\$100,000 minimum)	Continuous, at every subscription
AML/CFT officer maintenance	All categories	Ongoing

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Obligation	Applies to	Timing
Economic substance notification and FATCA/CRS reporting	All categories	Annually

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Regulatory framework

The FSC's supervisory approach differs by category in intensity but not in kind: Private and Professional Funds, recognised on filing, are expected to self-monitor their qualifying thresholds and notify the FSC of material changes, while Public Funds and Private Investment Funds sit under closer ongoing engagement reflecting their registration (rather than recognition) status and, for Public Funds, retail distribution. Across all categories, the FSC retains the power to request information, review compliance, and act on breaches of the fund's constitutional terms or category thresholds.

A fund's directors bear ultimate responsibility for compliance, but in practice a competent administrator carries much of the operational burden — tracking category thresholds at each subscription and redemption, coordinating the annual audit where required, preparing and filing the annual return, and flagging any approaching cap or term expiry (most acutely for Incubator Funds) well before it becomes a compliance issue. Given the number of moving parts across even a single fund, promoters should treat the ongoing compliance calendar as a standing agenda item for the board, not an annual scramble.

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Practical considerations

- Build a compliance calendar at launch covering every applicable deadline — annual return, audit (where required), AML/CFT review, economic substance notification and FATCA/CRS reporting — rather than relying on ad hoc reminders.
- For Incubator Funds specifically, start conversion planning at least six months before the two-year term (or its extension) expires — conversion documentation takes materially longer to prepare than the fund's original two-day approval.
- Track investor and NAV thresholds at every subscription, not only at year-end — breaches are often identified only in hindsight without continuous monitoring.
- Confirm which compliance functions are handled by the administrator, which by the directors, and which by counsel — gaps most often arise where responsibility is assumed rather than explicitly allocated.
- Even where an audit is not statutorily required, weigh the investor-relations and future-conversion benefits of a voluntary audit against its cost.
- Treat FSC fee deadlines as fixed regardless of the fund's own financial year-end — aligning internal reminders to the FSC's calendar, not the fund's, avoids a common administrative miss.

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How Berkley can help

Berkley Fund Services administers the full ongoing compliance calendar for BVI funds across all six SIBA categories — NAV calculation and threshold monitoring, annual return preparation, coordination with auditors and appointed persons, and AML/CFT and economic substance support — so that directors have a single point of oversight rather than a patchwork of deadlines to track themselves. Promoters are welcome to discuss their fund's specific compliance calendar with Berkley's team at any stage of the fund's life.

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