

FUND TYPES — BRITISH VIRGIN ISLANDS

The BVI Professional Fund

The default vehicle for institutional strategies marketed to a broad base of sophisticated investors, the Professional Fund trades an unlimited investor count for a US\$100,000 minimum ticket and a mandatory audit.

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Overview

The Professional Fund is the second of BVI SIBA's two “recognised” open-ended categories, and is the structure most commonly used by established or growing managers running an open-ended strategy for institutional and high-net-worth investors. Unlike the Private Fund, it carries no cap on the number of investors, but restricts participation to “professional investors” — broadly, persons whose ordinary business involves the acquisition or disposal of the relevant kind of property, or who have signed a professional investor certificate confirming a minimum net worth, together with a minimum initial investment of US\$100,000 per investor (unless the investor otherwise qualifies as a professional investor).

Because it is recognised on filing rather than requiring prior FSC approval, a Professional Fund can typically launch on a similar timeline to a Private Fund, while accommodating a materially larger and more institutional investor base. The trade-off is a mandatory annual audit and the ongoing need to verify and evidence each investor's professional investor status — obligations the Private Fund does not carry, but which most institutional allocators expect as standard practice regardless of the category chosen.

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Key features

Feature	Professional Fund	vs. Private Fund
Investor cap	Unlimited (professional investors only)	50, or unlimited on a private-invitation basis
Minimum investment	US\$100,000, unless the investor separately qualifies as a professional investor	None prescribed
Audit requirement	Required	Not mandatory
FSC process	Recognition on filing a complete application	Recognition on filing, same process
Typical use case	Institutional strategies open to a broad professional investor base	Family offices, club deals, closely held vehicles

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Regulatory framework

As with the Private Fund, recognition follows on the filing of a complete application through a BVI registered agent — constitutional documents, offering document, and details of the fund's directors, administrator, auditor and any appointed manager — together with the applicable fee. The FSC does not vet the fund's terms in advance in the way it does for a Public Fund, but retains the power to review the application and query non-compliance after the fact.

Ongoing obligations centre on the annual audit — due within six months of financial year-end, using an auditor acceptable under BVI's flexible audit regime, which permits IFRS, UK GAAP, US GAAP or Canadian GAAP and does not require a BVI-based auditor — together with an annual return, an FSC fee, and continued verification that each investor meets the professional investor or US\$100,000 minimum-investment test. Fund administrators typically take primary responsibility for verifying and documenting professional investor status at subscription, given the FSC's expectation that this evidence be available on request.

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Practical considerations

- Document professional investor status at subscription, not retrospectively — certificates and supporting evidence should be collected and retained as part of the onboarding process for every investor relying on the professional investor route rather than the US\$100,000 minimum.
- Confirm the chosen auditor and GAAP standard are acceptable under the flexible BVI audit regime before finalising service-provider agreements, particularly where the manager has an existing non-BVI auditor relationship it wishes to preserve.
- A Professional Fund is the natural landing point for a fund that outgrows the Private Fund's 50-investor cap — plan the conversion mechanics with counsel before the cap is reached, rather than after.
- Where the fund intends to eventually seek institutional allocators with formal manager-licensing requirements, confirm the manager's own BVI Approved Manager or full licence status aligns with the fund's Professional Fund category.
- Build the annual audit timeline into the fund's operational calendar — the six-month post-year-end deadline is a hard compliance date, not a target.

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How Berkley can help

Berkley Fund Services administers BVI funds across all six SIBA categories, handling NAV calculation, investor register maintenance, FSC and International Tax Authority filings, and coordination with a fund's auditor, directors and appointed persons. Promoters weighing up which BVI category best fits a proposed structure are welcome to discuss their plans with Berkley's team before finalising an offering document.

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