



## **BVI International Business Companies with Bearer Shares**

In recent months there has been much speculation regarding the future for bearer shares as the BVI, like other jurisdictions, respond to various initiatives on the conduct of its International Business Companies (IBC's). This information will apprise you of the position taken by the BVI and enable you to inform your clients accordingly.

The BVI has approved a **seven-year transitional period** before the new legislation affecting bearer shares will come into full effect. For the first four years, the situation will essentially stay as it is for existing IBC's. After that, for a further three years, those IBC's that retain the power to issue bearer shares would pay a small increase in their license fee (the amount has not yet been determined).

Clearly the seven-year period affords a significant period of time for those IBC's amenable to the issue of registered shares to amend their Memorandums & Articles of Association. We would suggest to address and discuss the issue with your clients and let us know how they wish to proceed. For those wishing to revert to registered shares, we shall be happy to arrange the necessary filings with the Registry of Corporate Affairs.

We should also like to reassure you of the continuing high level of confidentiality. Neither directors nor registered shareholders are a matter of public record in the BVI, and this will remain unchanged. In the longer term, the identity of shareholders will be required to be lodged with a custodian.

Unfortunately, the requirements for "authorized" and "recognized" custodians as contemplated by the new law are not as yet published. We will of course inform you of any new clarification on this point immediately as it becomes available.

We would like to take this opportunity to thank you for our mutually beneficial business relationship, and wish you a very Merry Christmas and a Bright and Prosperous New Year.

ATU General Trust (BVI) Limited

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