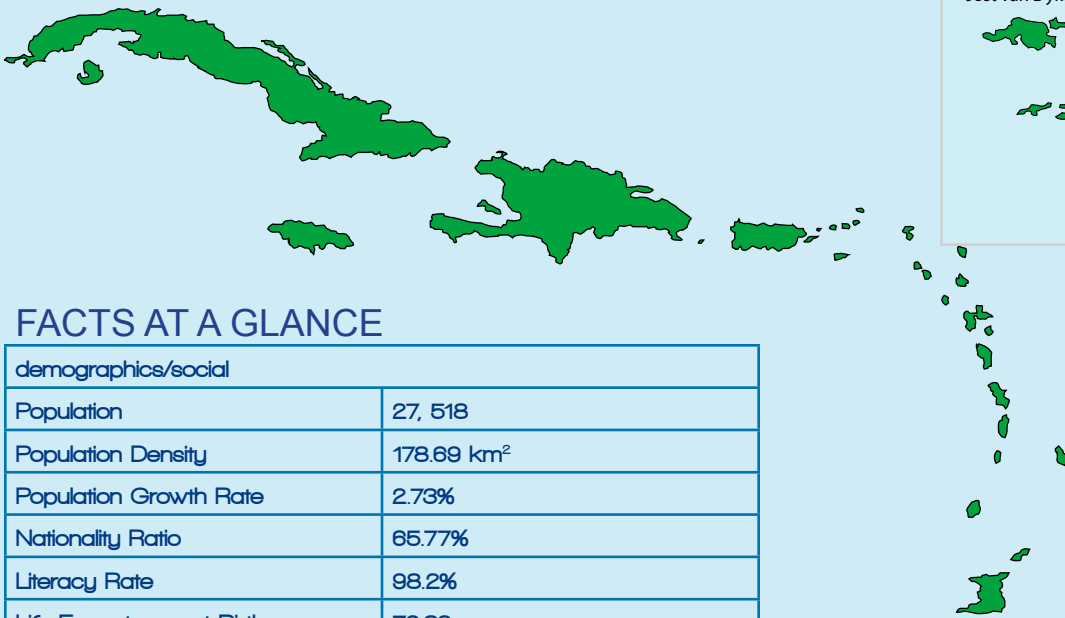


FAST FACT GUIDE



FACTS AT A GLANCE

demographics/social	
Population	27, 518
Population Density	178.69 km ²
Population Growth Rate	2.73%
Nationality Ratio	65.77%
Literacy Rate	98.2%
Life Expectancy at Birth	79.32
geography/climate	
Area	57.08 sq. miles
Rainfall	40"
Temperature	28°C
Time Zone	AST
Capital City	Road Town
government	
Currency	United States Dollar
Capital City	Road Town
Dependency Status	British Overseas Territory
Judicial System	Common Law
Head of State	Queen Elizabeth II (represented by the Governor)
economy	
GDP	US\$ 1.1 billion
GDP per Capita	US\$ 41, 546
Inflation Rate	2.3%
Unemployment Rate	3.1%
Labour Force	17, 481
Major Industries	Tourism and Financial Services
Exports	US\$ 1.1 billion
Imports	US\$ 819.5 million
communication	
Country Phone Code	284
Zip Codes	VG1110, VG1111, VG1112
Telecommunication Providers	4

Source: BVI Development Planning Unit

LOCATION

Located at 18.25 degrees north latitude and 64.30 west longitude is the beautiful British Virgin Islands (BVI). An archipelago of 40 islands, rocks, and cays. The main islands are Tortola, Virgin Gorda, Jost Van Dyke and Anegada. The islands are tropically located, endowed with pristine beaches and tranquil atmospheres.

CLIMATE AND GEOGRAPHY

With the exception of Anegada whose coral island is flat and ringed by one of the largest coral reefs in the world, the British Virgin Islands are volcanic in origin. Most of the islands are mountainous, with wide bays fringed by powder-white sand beaches. The highest point in the BVI is Mount Sage, at 1,716 feet above sea level.

Lying just over 1,000 miles from the equator, the BVI enjoys a sub-tropical climate. Tempered by variable trade winds, temperatures rarely drop below 77°F (25°C) in the winter, or rise above 90°F (32°C) in the summer. The average temperature is 83°F (28°C). Rainfall in the BVI averages 40 inches per year, with 70 percent of rain falling between April and October.

THE GOVERNMENT

The BVI is an overseas territory of the United Kingdom, with a large degree of internal self government. Originally settled by the English, Dutch, French and other Europeans, the Virgin Islands has been under the British Flag since 1672. A local government was first established during the plantation era, and functioned until 1902. In 1950, the local Legislative Council was re-established. Shortly after that, a ministerial system of government was established.

Today, the 13-member unicameral House of Assembly is the highest law-making body in the territory. Following an election, the majority political party forms the Government, and the Premier, who in turn names four other Ministers of Government form the Cabinet, which sets government policy. The Governor, who is appointed by the Queen, is responsible for the administration of the courts, internal security, defense, and public service; all other areas are the responsibility of the local government. General elections are due in the BVI in 2011.

LEGAL SYSTEM

The Territory's judicial system is based on Common Law, and consists of a Court of Appeals, High Court, Magistrate's Court and an Office of the Registrar

of the High Court. The highest court of appeal for the BVI is the Judicial Committee of the Privy Council in London. The Appeal Court and High Court are associated with the Organization of Eastern Caribbean States (OECS) of which the BVI has been an Associate Member since 1984.

POPULATION AND LABOUR FORCE

The population of the BVI is diverse and growing. Of the 27,518 persons living in the BVI approximately 82 percent are of Afro-Caribbean descent. The remaining population is Caucasian (7%); Mixed (6%); and East Indian (3%). Other minority ethnicities include Middle Eastern, Chinese and Portuguese. Between 1991 and 2001 (the date of the last census) the population increased by approximately 44 percent and based on projections it is expected to grow further (28 percent) reaching 30,000 by 2010. The major force driving population growth has been immigration mainly to meet the shortage in local labour supply. Approximately 62% of the work force (17,481) is composed of foreigners thus accounting for a diverse and varied labour force. The unemployment rate is low by international standards (3.1%) and is not expected to change significantly in the future given the high demand for human resources in the BVI.

The Government sector is the major employer providing jobs for approximately 44% of the work force in 2006 followed by the tourism industry and the financial services sector.

Annually there are twelve paid public holidays and the local labour code sets modest requirements for paid sick and holiday leave. Trade unions are virtually non-existent and work days lost through industrial action are infrequent. Local law provides for a work permit regime. Under this system a foreigner will only be granted with a work permit if a qualified local is not available to fill the position. The government has set a minimum wage of \$4 per hour to ensure that lower skilled workers would maintain a minimum standard of living.

SOCIAL SERVICES

EDUCATION

Publicly provided education is free at the primary, secondary and now tertiary levels thereby facilitating access to all children. Education is compulsory up to the age of 16. The Government's Ministry of Education operates 17 primary schools and four secondary schools, including a technical-vocational school and a school for disabled students. There are also several private primary and secondary schools; some parochial and some secular. The H. Lavity Stoutt Community College (HLSCC) is a two-year tertiary institution offering associate degrees in the areas of business, natural science, social services, hospitality, computer studies, marine studies and financial services. The College also offers specialty courses based on the needs of the labour market. Through affiliations with other tertiary institutions HLSCC also offers degree and master's programmes. The Education Act, 2004 regulates all aspects of the Territory's education system including Early Childhood Education.

HEALTH

Government health services are provided free to certain groups including full-time school children, the elderly, the mentally ill, health workers etc. Currently, primary health care is provided by Peebles Hospital, with additional services provided by a small private hospital and several medical clinics. Patients requiring treatment services beyond the scope of Peebles Hospital are referred to Puerto Rico, the USVI, Jamaica, Barbados and mainland United States.

The Government of the Virgin Islands has embarked on extensive development of the health care infrastructure and administration with the aim of improving primary health care services. In 2004 the Peebles Hospital annex was officially opened, and the construction of a new state-of-the art hospital is expected to be completed in early 2009. In 2007, a helipad to facilitate the transfer of patients from the outer islands to Tortola was completed. The BVI Health Services Authority established under the BVI Health Services Authority Act, 2004 is responsible for managing the public health care service throughout the Territory including the general administration and functioning of the Peebles Hospital and the recruitment and training of health care professionals.

THE ECONOMY

The BVI economy has transformed from agriculture-based to service-based over the last 50 years with two distinct economic pillars emerging, namely Tourism and Financial Services. The economy is characterised by high and sustained growth, low inflation, and low unemployment. The economy continues to grow on average at 6 percent per annum mainly due to developments in the tourism and the financial services industries with spill-over effects in the construction sector, both private (residential and commercial) and public. GDP in 2007 was over US\$ 1 billion with tourism and financial services contributing over 48 percent and real estate, renting and business services accounting for 19 percent. The economy is one of the strongest in the Caribbean and BVI has one of the highest GDP per capita incomes - over US\$ 41,000.

Prices in the BVI have increased moderately over the last five years with an average growth rate of 2%. Inflation is mainly "imported" from the United States. The unemployment rate is around 3% and has been relatively consistent since 1991 and is not expected to reflect any significant change from year to year.

The BVI's principal trading partner is the United States of America. The majority of imports (goods) originate from the United States including Puerto Rico and the US Virgin Islands. Similarly vast majority of BVI exports (in the form of services - specifically financial services and tourism) are used by United States consumers.

The steady growth in government revenue is driven by financial services levies (which is the major contributor to government revenues) payroll taxes and import duties as well as prudent fiscal management. In order to ensure sustained growth the BVI government continues to implement measures aimed at increasing revenue collection and managing expenditure levels.

PRIMARY SECTORS

TOURISM

Tourist Arrivals	2007e	2008e
Overnight	373,214	368,382
Excursionist (Cruiseship and daytrippers)	575,211	645,065
Totals	948,425	1,013,447
Overnight Accomodation	2007e	2008e
Hotel	108,978	112,121
Charter Boat	182,144	187,397
Other	66,934	68,864
Total	358,056	368,382

Source: Development Planning Unit

With its crystal clear waters and white sand beaches, breathtaking scenery, intricate coral formations, tranquil atmosphere and warm people the BVI is a popular destination for sports enthusiasts as well as those who want a peaceful vacation. The largest island Tortola is the major hub for most visitors and the starting point for discovering the other islands. Major attractions include the nature trails at Sage Mountain National Park, the huge boulders at the Baths, the pristine waters of White Bay, the wreck of the Rhone and the flamingos at Nutmeg Point. Water sports such as sailing, scuba diving, snorkelling, windsurfing, kite boarding and kayaking are extremely popular. Yearly scheduled activities which attract numerous visitors include: the Emancipation Festival in August, the BVI Music Fest in May, and the BVI Spring Regatta in April.

The year round tradewinds and numerous islands, inlets and cays have given the BVI the title of the 'sailing capital of the world'. The charter boat industry has expanded rapidly and contributes significantly to the overall visitor spend. Within the last five years cruiseship tourism has increased dramatically and has

prompted the development and improvement facilities to cater to the needs of the excursionist.

As one of the major contributors to GDP and government revenue the tourism sector is extremely important to the economic growth of the BVI. The sustained growth in the sector can be attributed to the implementation of innovative marketing programmes under the umbrella positioning “Nature’s Little Secrets” and sector specific marketing initiatives (such as the “Jewels of the BVI” which promotes the small locally owned and managed accommodations located on all the islands in the territory), the upgrading of tourist attractions and infrastructure (such as improvements to the port facilities) and strong growth in the global economy. The Government encourages investment in this sector and existing resorts are expanding and new ones are under development. In 2007 approximately 950,000 tourists visited the BVI with the majority of them originating from North America. Cruiseship tourists accounted for 61 percent of this total and the majority (51 percent) of overnighters patronise the charter boat industry. The number of tourists visiting the BVI’s shores is projected to surpass one million in 2008.

FINANCIAL SERVICES

FINANCIAL SERVICES	2007
Banking and Fiduciary	
Banking (General and Restricted)	9
Trust (General)	103
Trust (Restricted)	107
Company Managers	21
Registered Agents	117
Insurance	
Captives	392
Domestic	31
Managers	20
Mutual Funds	
Professional	317
<i>Professional (Cumulative Active)</i>	<i>1,694</i>
Private	87
<i>Private (Cumulative Active)</i>	<i>815</i>
Public	17
<i>Public (Cumulative Active)</i>	<i>222</i>
Managers and/or Administrators	68
Incorporations	
BVI Business Companies	77,022
<i>BVI Business Companies (Cumulative Active)</i>	<i>404,321</i>
Partnerships	113
<i>Partnerships (Cumulative Active)</i>	<i>471</i>
Insolvency	
Practitioners	15

Source: Financial Services Commission

The growth of the financial services sector in the BVI was mainly due to the success of the International Business Company (IBC) (now known as the BVI Business Company subsequent to the enactment of new incorporation legislation – BVI Business Company Act, 2004) first unveiled in 1984. In later years the BVI secured business that was redirected from Panama during the Noriega

regime and from Hong Kong when it was handed back to China in 1997. The Asian market thus accounts for a large portion of company incorporations in the Virgin Islands.

Modern and innovative legislation, a robust regulatory framework, clever marketing, economic and political stability, quality technology and communication facilities and a full range of legal, banking and account services have contributed significantly to the continued growth of incorporations. Closely related sectors such as captive insurance, investment business (mutual funds), trust and estate formation, company management and more recently corporate restructuring, securitisation and insolvency have developed and prospered as a result.

The industry is regulated by the Financial Services Commission (FSC) which is an autonomous body responsible for the licensing, regulation, supervision and inspection of all financial services business. Marketing of the financial services sector is conducted by the International Finance Centre (IFC) – a department within the portfolio of the Premier’s Office – which has organised various road shows in some of the major financial centres such as London, New York, Hong Kong, China, Dubai and Qatar. The Financial Investigation Agency (FIA) which was launched in 2004 functions as a specialist investigative law enforcement arm of the government with the objective of curbing financial crime. Its primary focus is to investigate the BVI financial services industry and support the Virgin Islands mutual legal assistance regimes.

The financial service industry is the major revenue contributor in the Virgin Islands accounting for more than half of government earnings, a significant share of GDP and employment. The major components of the BVI’s financial services sector are: Business Companies, Captive Insurance, Investment Business, Banking, Trustee and Company Management, Shipping and Trademarks.

BUSINESS COMPANIES

The BVI is one of the largest centres for the incorporation of business companies with over 800,000 companies (December 2007) incorporated since the enactment of the International Business Companies (IBC) Act in 1984. Approximately 400,000 are still active today. Because of the flexibility of its use BVI business companies have been used in a plethora of business transactions and structures including structured finance and securitisation, succession planning, IPOs and listings on stock exchanges and joint ventures etc. The incorporation regime has changed somewhat with the introduction of new company legislation – the BVI Business Companies Act, 2004 which replaced the IBC Act repealed on January 1, 2007. The core features of the IBC Act which made it a success remain along with improvements to ensure the longevity of the Virgin Island’s market share. The new Act for instance, widens the range of corporate vehicles available for use, simplifies the statement of capital and the registration of charges. 2007 was a record year with approximately 77,000 new companies incorporated thus proving that the sector continues to grow and expand.

INSURANCE (CAPTIVE)

The BVI captive insurance market is one of the fastest growing and the BVI boasts the fourth largest offshore captive insurance market in the world. At the end of 2007, 392 captive insurance companies were licensed with the majority of business originating from the United States. Other countries of origin include Guernsey, Taiwan, Switzerland, the Middle East and South America. In addition to this excellent geographic spread of business, there also has been a significant distribution of captives from an industry segment standpoint. The captives cover the following industries: finance and insurance (44%), construction (15%), health care (15%), retail trade (11%) and others (15%). The domestic insurance market is smaller in comparison. At the end of 2007, 31 insurance companies were licensed. The current insurance act also sets up the licensing regime for insurance managers and makes provision for segregated portfolio companies. The anxiously awaited new Insurance Act will replace the 1994 Act and provides a modern structure for licensing, supervision and administration of insurance business in the Virgin Islands while simultaneously meeting international insurance standards.

INVESTMENT BUSINESS

The BVI is one of the premier jurisdictions for fund domiciliation. The number of funds recognised and registered stood at 421 at the end of 2007. The

professional fund is the most popular; 62% of active funds are professional funds, 30% are private funds and 8% are public funds. The Mutual Funds Act of 1996 requires that all mutual funds must be either registered (public fund) or recognized (private and professional). Also any person who provides management or administrative services to a mutual fund must be licensed. Key advantages to registering or recognising a fund in the BVI include:

- Zero taxation on profits and capital gains;
- Registration in a wide variety of organisational forms – Business Company, Partnership, Unit Trust, Segregated Portfolio Company (this permits the differentiation and management of several distinct investment portfolios or asset classes within a fund);
- no minimum capital requirements or restrictions as to the type, denomination, number, classes and designation of rights of shares that can be created;
- no regulatory restrictions on investment policies or strategies, performance or fees;
- fast track procedure for professional funds
- no requirement for a local auditor to sign off on an account
- mutual funds do not have to be managed or administered from within the Virgin Islands

BANKING

The Virgin Islands is characterised as a conservative banking jurisdiction. At the end of 2007 there were 9 banking institutions licensed to operate in and from within the BVI with total assets of approximately US\$2.58 billion. The domestic market is serviced by six commercial banks which offer a wide range of competitive services: Scotia Bank (BVI) Limited, First Caribbean International Bank, First Bank Virgin Islands, Banco Popular de Puerto Rico, VP Bank (BVI) and the National Bank of the Virgin Islands. The banking sector is regulated by the Financial Services Commission under the Banking and Trust Companies Act, 1990 and subsequent amendments.

INSOLVENCY

The Virgin Islands boasts a modern comprehensive insolvency regime that meets the needs of the growing incorporation, investment and financial services activities in the BVI. The governing legislation, the Insolvency Act 2003, makes provisions for the licensing and regulation of insolvency practitioners a wide range of liquidation and rehabilitation alternatives, a director's disqualification regime and the establishment of an Official Receiver's office. To date (2007) 15 insolvency practitioners are licensed under the Act.

TRUST MANAGEMENT

Trust Management forms a major component of financial services activity in the Virgin Islands. Trusts are formed under the Trust Ordinance 1961 (based on the English Trustee Act 1925), as updated and amended by the Trustee Amendment Act 1993 and 2003. The amendment Acts considerably modernise and update the legislation, creating a more flexible regime for trusts. Changes include provisions to make trusts more attractive in a commercial context and a new set of conflict of law rules that contain robust, comprehensive, and carefully crafted provisions to protect BVI trusts against "forced heirship" claims. In addition, the rules surrounding trust duty have been updated to make it clear what documents are subject to trust duty and how this must be paid. At the same time, rules which require no public register of trusts in retained, thereby protecting confidentiality.

The Virgin Islands Special Trusts Act, 2003 (VISTA) is another piece of legislation which updated the trust regime. VISTA trust, overcomes many problems associated with the "prudent man of business rule", which typically made trusts unattractive vehicles to hold assets which settlers intended trustees to retain. The Act enables a shareholder to establish a trust of his company which disengages the trustee from management responsibility and permits the company and its business to be retained as long as the directors see fit.

The new legislation, together with the highly flexible BVI Business Company, has opened up wider markets for the BVI trust. The BVI trust sector has experienced moderate growth since 1995 growing on average at a rate of 4% annually.

The majority of Virgin Island trusts are exempt from all taxes provided there

are no beneficiaries resident in the BVI, and that the trust does not conduct any business in the BVI or own any land in the jurisdiction.

There is a large and sophisticated community of professional advisers on trust matters in the Virgin Islands. Companies offering trust services must be licensed under the Banks and Trust Companies Act, 1990.

SHIPPING

As the sailing capital of the Caribbean and an esteemed corporate domicile, the Virgin Islands is also a popular jurisdiction for the registration of ships. In 2007 326 ships were registered. As a Category One Register, within the Red Ensign Group, large vessels of unlimited tonnage and mega yachts of up to 3,000 gross tons can be registered in the Territory. In both instances, the owners must be a Virgin Islands citizen, British citizen, British Overseas Territories Citizen, British subject, a British national under the Hong Kong Order 1986, a national of a European Union member state, or a body corporate incorporated in a member state of the European Union or a British possession, including the Virgin Islands. If you do not meet the nationality requirement, you may register a company in the Virgin Islands in order to register a vessel.

Registration procedure also requires the vessel be de-registered from its current registry, a survey of the vessel and the submission of ownership documents to the Registrar of Shipping. The registration fee is \$550, and an annual fee of \$100 is payable to maintain registration. In addition, there will be legal fees charged by the firm you choose to assist you with registration.

INFRASTRUCTURE

ELECTRICITY

Electricity in the BVI is 110/220 voltage. This Power is generated by the BVI Electricity Corporation, which is owned by the BVI Government.

WATER

The BVI Water and Sewerage Department, provides potable water throughout Tortola, Virgin Gorda, Jost Van Dyke and Anegada. Most of the water sold by the Water and Sewerage Department is desalinated sea water, treated through the process of reverse-osmosis.

In addition, most buildings and homes are constructed with cisterns (Water Tank). Rainwater is collected in these cisterns from the roof of the buildings or homes and flows into the cisterns through a guttering system. This water is safe for domestic use. There are also several local water companies which sell purified drinking water.

TELECOMMUNICATIONS

The BVI has a modern and high-quality telecommunications infrastructure. This existed since the 1960's. In 2006, the Government passed a new Telecommunications Act, which provides for gradual liberalization of the telecommunications sector. Because of this, there are now two companies offering mobile telephone services, with pending competition in other service areas. The area code is 284 and available services include long-distance and local land-line communication, wireless connectivity, high-speed Internet, and cable television.

TRANSPORTATION

It is easy to get around the BVI. Vehicles such as cars, buses, taxis etc., private and commercial boat services, and airplanes are among the most frequently used means of transportation in the BVI.

The Territory has a road network of approximately 200 miles, of which 160 miles are paved. These include main roads, primary, secondary, collector, and access roads, as well as agricultural feeder roads. The Public Works Department is the department charged with the periodic maintenance of this road system. This department also spearheads plans for road expansion.

There are four official passenger sea ports in the BVI: Road Town and West End on Tortola; Great Harbour on Jost Van Dyke; and Spanish Town on Virgin Gorda. Port Purcell, near Road Town, hosts the principal cargo port in the Territory. The BVI Ports Authority manages the port facilities at the various locations, as well as the Cruise Ship Pier in Road Town.

AIRPORTS

The BVI Airports Authority is the administration that oversees the airports. The Terrance B. Lettsome International Airport (code: EIS), is the main airport in the BVI; and is located on Beef Island which is joined to Tortola by a short bridge. There are daily flights to and from Puerto Rico, Antigua, St. Martin and other Caribbean Islands. The Government operates a helipad in Road Town and a number of private islands also maintain helipads.

ENTRY AND IMMIGRATION

Visitors to the BVI may be granted entry for up to one month at the ports of entry, providing they have return or ongoing travel arrangements, accommodations

Afghanistan
Armenia
Benin
Burundi
Albania
Azerbaijan
Bosnia-Herzegovina
Burma
Algeria
Bahrain
Bulgaria
Cambodia
Angola
Belarus
Burkina
Cameroon
Central African Republic
Chad
China (except Hong Kong)
Columbia
Comoros
Congo

Cuba
Djibouti
Dominican Republic
Egypt
Equatorial Guinea
Eritrea
Ethiopia
Gabon
Guyana
Haiti
Indonesia
Iran
Iraq
Israel
Ivory Coast
Jamaica
Jordan
Kazakhstan
Kirgizstan
North Korea
Kuwait
Laos

while in the Territory, and proof of sufficient means of support. Visitors wishing to stay longer must apply in person at the Department of Immigration in Road Town, Tortola, or the Valley, Virgin Gorda.

A valid passport is the principal requirement for entry into the BVI. On arrival to the BVI, you will go through screening by the Immigration Department as well as Her Majesty's Customs. Your luggage and person are subject to search.

Persons from the following countries must apply for a visa at the nearest British Embassy before travelling to the British Virgin Islands.

Lebanon
Liberia
Libya
Macedonia
Madagascar
Mali
Mauritania
Maldova
Mongolia
Morocco
Mozambique
Myanmar
Nepal
Niger
Nigeria
Oman
Pakistan
Peru
Philippines
Qatar
Russian Republic
Rwanda
Sao Tome & Principle
Saudi Arabia
Senegal
Slovakia
Somalia
Sudan
Suriname
Syria
Taiwan
Tajikistan
Thailand
Togo
Turkish Republic of Northern Cyprus
Turkenistan
Ukraine
United Arab Emirates
Uzbekistan
Vietnam
Yemen
Yugoslavia
Zaire