

British Virgin Islands

Overview:

The British Virgin Islands are a self-governing overseas dependent territory of the United Kingdom comprised of 36 islands in the Caribbean.

Territory:

36 islands in the Caribbean (16 of which are inhabited). The main islands are Tortola, Virgin Gorda, Anegada and Jost Van Dyke. ¾ of the population live on Tortola, which is 23 km (14 miles) x 3 km (2 miles). Highest Elevation: 1719.3 feet (521 meters) Coastline: 80 km

Location:

Located between the Caribbean Sea and the North Atlantic Ocean. The islands are approximately 80 km (50 miles) east of Puerto Rico, north of the Leeward Islands, and adjacent to the U.S. Virgin Islands.

Latitude and Longitude:

18 30 N Latitude and 64 30 W Longitude

Time Zone:

GMT -4

Total Land Area:

153

EEZ:

200

Climate:

Subtropical which is moderated by northeast trade winds. Low humidity. Annual mean temperature 28_ C. /78_ F., rainfall <60 inches. Hurricane and tropical storm season is July to October.

Natural Resources:

fish, gravel and sand

ECONOMY:

Total GDP:	
1996	503,200,000.00 USD
839000000	2,004.00 USD

Per Capita GDP:	
2004	38,500.00 USD

% of GDP per Sector:			
	Primary	Secondary	Tertiary
1996	2%	1.1%	96.9%
2007	1.8%	6.2%	96%

% of Population Employed by Sector			
	Primary	Secondary	Tertiary
1996	0.5%	2.9%	96.6%
2005	0.6%	40%	59.4%

External Aid/Remittances:

Growth:

1% (2002)

Labour Force:	
1994	10,869
1991	8,880

Unemployment	
Year:	Unemployment Rate (% of pop.)
1995	3%

2007	3%
1997	3.6%

Industry:

tourism, light industry, construction, rum, fresh fish, animals, fruit, gravel, sand, concrete block, offshore financial center

Niche Industry:

bareboat and sailing charter services, deep-sea fishing

Tourism:

Although tourism is a thriving industry, there are strict environmental regulations that govern its development. The region's successful offshore banking industry may allow the British Virgin Islands to further limit the growth of tourism if it begins to threaten the region's environmental stability. The government is also developing new markets in Puerto Rico, the French Caribbean Islands, Europe and Latin America. These initiatives aim to develop the tourist industry through regular communication with strategic partners (such as key tour operators) who are familiar with the target market.



Imports and Exports:	
External Budget: revenues: \$121.5 million expenditures: \$115.5 million (1997) Exports: \$25.3 million (2002) Partners: US Virgin Islands, Puerto Rico, US Imports: \$187 million (2002) Partners: US Virgin Islands, Puerto Rico, US	
Tot. Value of Imports	0.00 ()
From Eu:	
Import Partners (EU:)	
Partners Outside EU:	
Import Partners:	
Tot. Value of Exports	()
To Eu:	
Export Partners:	
Partners Outside EU::	
Export Partners:	
Main Imports:	
Main Exports:	

TRANSPORTATION/ACCESS

External:

Number of Airports:

scheduled air services in San Juan, Puerto Rico and St. Thomas or St. Croix in the US Virgin Islands service the islands of Tortola, Anegada, and Virgin Gorda in The British Virgin Islands.

Number of Main Ports:

Although accessing the other islands is more difficult, ferry shuttles do run between the islands.

Internal:

Air

Road:

Taxis are available on all islands. Bike, scooter and car rentals are also available. In addition to purchasing a temporary British Virgin Islands drivers license, visitors must possess a valid driver's license from their resident country to rent a car. Most islands also have bus services.

Sea:

The most popular method of transportation in the BVI is by sailboat charter. In order to charter a sailboat one must pass a proficiency test before being allowed to sail unsupervised.

Other Forms of Transportation:

Economic Zones:

Energy Policy:

Year	Total Energy Production (Mwh)	Type			Total Energy Consumption (Mwh)	Sector				
		Thermic (Mwh)	Geothermic (Mwh)	Other (Mwh)		Domestic (Mwh)	Commercial (Mwh)	Public Service (Mwh)	Industry (Mwh)	Public Lighting (Mwh)
2005	45,000,000	0	0	0	41,500,000	0	0	0	0	0



Official Currency:
US Dollar

Banking and Insurance:

Number of Banks and Credit Unions:
Number of Agricultural Credit Unions:
Number of Insurance Companies:

The BVI is considered a tax-free jurisdiction and, therefore, an excellent tax haven for the establishment of offshore banking. The BVI offers a more cost effective alternative to aspiring companies than other regions such as Bermuda and the Caymans. The Government supports the financial services sector through initiatives specifically designed to attract international investment companies from Asian, the Middle East and Eastern Europe. As a result, the BVI is not only the fastest growing captive jurisdiction, with over 260 registered insurance companies, but it also maintains approximately 400,000 registered offshore incorporations. Since 1998 the BVI has averaged around 40 new captive registrations each year. Insurance companies are regulated under the Insurance Act 1994 and Insurance Regulations 1995. The act requires property and casualty companies' assets to exceed their liabilities by 20%.

Financial Services:

In the 1980s, the government began promoting offshore registration to companies wanting to incorporate in the region. As a result, incorporation fees now generate substantial revenues. The introduction of a new insurance law in 1994 (which provides confidentiality and the regulation of any investigation of criminal offenses) has made the British Virgin Islands even more appealing to international businesses (although this has recently come under international scrutiny). The government of the British Virgin Islands is committed to protecting investors' rights to privacy and providing professional banking, legal, accounting, trust and management services. However, in recent years, its banking industry has become the target of an OECD (Organization of Economic Cooperation and Development) report that lists the islands as being one of 35 countries with harmful tax practices. In an effort to protect and enhance the reputation of its finance industry, the government has vowed to tackle the issue of money-laundering by continually changing and upgrading its financial services concepts. Recently, new state-of-the-art technology was installed in the Companies Registry. As a large offshore financial center, the region is vulnerable to money laundering. Several money laundering offences have been established by statute and are enforced by The Joint Anti-Money Laundering Co-ordinating Committee (JAMLACC), a broad based multi-disciplinary committee that was established in 1999.

Communications/E-Commerce:

state of the art. Extensive government and private sector information available online. English.

Public Ownership:

there are normally no restrictions on the purchase of property in The British Virgin Islands except on international business companies (see "important legislation" below). Before land is purchased by international investors an Alien Land Holding License (also called a Non-Belongers License) must be obtained from the Ministry of Agriculture, Trade & the Environment. It can take up to 18 months to receive this license. There is a \$50 fee for each person or company named on the application as well as a fee of \$150 per person or company named in the license. Necessary papers must be provided by all applicants in order for a background check to be performed, and submission of at least four successive newspaper advertisements that give the property description and property price of the real estate must be published. All properties must be purchased through an agency. Approximately 60% of the total land area is privately owned, with 75% of that land being owned by native Islanders, 18% to foreign investors, and 7% owned by non-indigenous British subjects. The remainder of land is owned by the crown. The government uses 3% of crown lands for its own purposes and rents 31% of its land to native islanders and some 7% to British subjects and foreigners; 59% of the crown land is not in use.

Land Use:

arable land: 20% permanent crops: 6.67% other: 73.33%

Agriculture/Forestry:

fruits, vegetables, livestock, poultry, fish The rearing of livestock is the most important agricultural activity, although poor soils limit the islands' ability to meet domestic food requirements.

Marine Activity:

Fishing:

Various species of fish, which provide one of the largest sources of protein for islanders, are also one of the largest exports. In 1983, fish exports contributed \$216,000 US to the economy.

Marine Life:

maritime claims: territorial sea: 3 nautical miles exclusive fishing zone: 200 nautical miles

Critical Issues:

Limited natural fresh water resources (except for a few seasonal streams and springs on Tortola, most of the islands' water supply comes from wells and rainwater catchments. The region maintains a well established sustainable development program, and, therefore, has very few environmental issues. Transshipment point for South American narcotics destined for the US and Europe.

JURISDICTIONAL RESOURCES

Capital:

Road Town (located on Tortola Island)

Political System:

Government type: parliamentary British overseas territory with internal self-government. Admin. Divisions: none Constitution: 1967, amended 1977 The original constitution provided for a ministerial system of government headed by a Chief Minister. In 1977 the new constitution made several changes including the appointment of a Governor and Deputy Governor. The constitution is scheduled for another review in January 2005. Among the topics to be discussed are the duties of the Attorney General and Government's need for a legal adviser; the definition of believer status and concerns of members of the community, the legitimate rights of indigenous people of the BVI, the efficiency and productivity of Government, the need for a human rights chapter in the constitution, the reserve powers of the Governor, and the functioning of Executive Council. Legal System: English Common Law. The system is administered by the Eastern Caribbean Supreme Court. In both criminal and civil cases, there is the right of appeal to the Court of Appeal with the ultimate right of appeal to the Privy Council in England. Internal Government: The British Virgin Islands have a parliamentary system of government with a unicameral Legislative Council consisting of 13 seats, 9 of which are elected by popular vote and 4 are at-large members. Members serve for four years. Currently the National Democratic Party holds 8 seats on the legislative council and the Virgin Islands Party holds 5 seats. Next election is to be held in 2007. Following legislative elections the leader of the majority party or the leader of the majority coalition is usually appointed premier by the governor. Associated Power: overseas territory of the UK, and member of the EU. Although The British Virgin Islands are self-governing, Britain remains responsible for external affairs, defense and internal security and international financial services. Queen Elizabeth II has been the head-

of -state since February 6, 1952, represented by Governor Tom Macan since October 14, 2002. Chief Minister Orlando D. Smith has been the head-of government since June 17, 2003. Judicial Branch: Eastern Caribbean Supreme Court consisting of the High Court of Justice and the Court of Appeal. There is one Supreme Court Judge who is a resident of the islands and presides over the High Court. There are also the Magistrate's Court; Juvenile Court; Court of Summary Jurisdiction.

Political Parties:

Concerned Citizens Movement (CCM) National Democratic Party (NDP) United Party (UP) Virgin Islands Party (VIP)

Important Legislation:

International Business Companies Act: enacted 1984, amended 1990 and 1994. Under this Act international companies are allowed to acquire and issue their own share; issue shares for consideration other than cash (denominated in any currency). They are only entitled to have one subscriber, one shareholder and one director. International businesses must hold regular corporate directors' or shareholders' meetings, and maintain books of account, records and minutes outside the jurisdiction. Although they are not required to file organisational or accounting information with the Registrar of Companies, all international businesses must file a memorandum of articles of association with the registrar. Share registers are available for inspection only by registered shareholders or by order of a British Virgin Islands court. There are no disclosure rules or minimum capital requirements. International business companies are not authorised to conduct business with residents, or local companies, or own land. Registration must be done through a local registration agent. The Companies Act: enacted 1963, amended 1994. Companies formed under the Companies Act 1963 are often referred to as "CAC," "CapCo," or "Cap 285" companies. There are private companies in the British Virgin Islands either limited by shares or by guarantee, or a combination of the two (occasionally they are unlimited). Public companies can also be formed under the Act. For these types of companies a Memorandum and Articles of Association must be filed at the Companies Registry. Foreign companies can reestablish themselves in the BVI without the necessity for reciprocal arrangements in the original country of incorporation. This Act allows the establishment of domestic companies limited by guarantee. These companies have no authorised share capital and no shareholders. A domestic company can also apply to the BVI Companies Registry for status as a "non-resident company" and thereby secure exempt status from BVI corporation tax on income not sourced in the BVI. However, the Act does require that the Memorandum and Articles of Association of a company limited by guarantee contain a declaration by each member contributing to the assets of the company. It states that if any person, during the time that he is a member, or within one year afterwards, is responsible for payment of the debts and liabilities (and any other necessary monetary adjustments) of the company contracted before the time at which he ceased to be a member. British Virgin Islands Partnership Act: enacted 1996. General and limited partnerships are registered under the Limited Partnership Act, 1996 and regulations. Although the act is primarily based on the provisions of the UK Partnership Act, 1980, some sections addressing limited partnerships, follow the American model of modern limited partnership legislation (specifically that enacted in Delaware). The limited partnership regulations cover general partnerships, including citation clauses, rules for partnerships, a partners' company code of conduct with clients, partners conduct amongst themselves, dissolution of a partnership, provisions for limited partnerships and legal assistance from the courts. Limited partnerships are classified into local limited partnerships and international limited partnerships. Limited partnerships are prohibited from carrying on banking business, insurance business or the business of company management unless licensed or exempt. International limited partnerships are subject to requirements similar to those of international business companies. Banks And Trust Companies Act: enacted 1990, amended 1995. This Act defines three categories of bank licenses: General, Class I restricted, and Class II restricted. Holders of general banking licenses must have a minimum paid up capital of \$2 million US, and must deposit \$500 000 US. The annual fee is \$20 000 US. Holders of Class I restricted licenses may not take deposits from or make investments in or with any British Virgin Islands resident except with another licensee or with an international business company. The minimum paid up capital requirement is \$1 million US and the minimum deposit requirement is \$500 000 US. The annual fee is \$16 000 US. Holders of Class II restricted licenses have the same restrictions as a Class I restricted licence, but can only receive funds from undertakings named in the license. The paid up capital, minimum deposit and annual fees are the same as a Class I restricted licence. Insurance Act: enacted 1994. Regulations: enacted 1995, amended 2002. This Act restricts the transferability of bearer shares. Shares must be held by an approved custodian within a licensed financial institution and are subject to anti-money laundering legislation. Anti-Money Laundering Code Of Practice: enacted 1999. This legislation ensures that appropriate regulatory authorities have adequate access to the records of licensees, including appropriate gateway provisions providing for the sharing of information with international supervisory and law enforcement authorities (see critical issues' above). Work Permits Ordinance (Labour Code Law): enacted 1980, amended 2003. Work permits are granted for no more than five years and are issued in one year intervals. Work permits will only be issued when there is no suitable local applicant for the job. Unlike other island jurisdictions in the region, the rules of this ordinance apply equally to government employees.

Principal Taxes:

The only significant tax in the BVI is income tax, which applies to the relatively few local companies and to individuals. Although there are customs duties (5%-20%) and some real estate taxes, there are no inheritance taxes, death duties, capital gains, capital transfer, or estate taxes. An International Business Company (IBC) registered under the IBC Ordinance is exempt from taxes provided it does not carry on business with persons resident in the BVI, own real estate in the BVI, or accept either banking deposits or contracts of insurance. Interest, dividends, rents royalties, and compensation paid by an IBC to persons who are not residents in the BVI are exempt from taxes. Capital gains realized by non-residents with respect to any shares are also exempt. There is a VAT tax. When applicable, a company's income tax rate is 15%. Resident companies are subject to tax on their worldwide income less deductions, yet if 90% of their profits are from trading outside the BVI jurisdiction the income tax rate is reduced to 1%. Tax Treaties: There are no double-taxation treaties with the United States. There are double taxation agreements with Japan and Switzerland.

Associated Power:

United Kingdom (EU)

Citizenship:

Currently citizens of Britain's overseas territories, including The British Virgin Islands are entitled to British citizenship. The British Overseas Territories Bill, passed in February 2002, provides automatic acquisition of British citizenship, including automatic transmission of citizenship to their children; the right of abode, including the right to live and work in the U.K. and the European Union (EU); the right not to exercise or to formally renounce British citizenship; and the right to use the fast track European Union/European Economic Area (EU/EEA) channel at the airport, free of U.K. immigration controls.

Paradiplomacy:

CARICOM (Caribbean Community; associate), CDP, Interpol, OECS (Organization of the Eastern Caribbean States; associate), UNESCO (associate), Caribbean Tourism Organization (CTO), Organization of Economic Cooperation and Development (OECD) .

HUMAN RESOURCES

Population: 22 187 (2004est.), 16 108 (1991), 10 985 (1980) Age structure: 0-14 years: 21.5% (male 2402; female 2361) 15-64 years: 73.5% (male 8395; female 7911) 65 years and over: 5% (male 594; female 524; 2004 est.) Median age: total: 30.9 years male: 31.1 years female: 30.7 years (2004 est.)

Island	Area (km sq.)	Population	% of Total Population
British Virgin Islands	153	23,552	100%

Population:

Year	Resident Population				
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Age of Population:	0-14	15-24	25-49	50-64	65 and up
2004	4763	0	0	0	1,118

Migration:

Net migration rate: 222 (2004 est.)

Crude Birth Rate:	
2004	14.96%
2007	14.87%

Life Expedctancy:

total population: 76.3 years

Crude Death Rate:	
2004	4.42%
2004	4.42%
2007	4.42%

Ethnicity:

black 83.4%, white 7%, Indian 3.4%, Asian 0.2%, Portuguese 0.1%, other 5.9% (2004)

Class Division:

Languages:

English (official)

Religion:

Protestant 86% (Methodist 33%, Anglican 17%, Church of God 9%, Seventh-Day Adventist 6%, Baptist 4%, Jehovah's Witnesses 2%, other 15%), Roman Catholic 10%, none 2%, other 2% (1991).

Literacy:

total population: 97.8% (def: over 15 can read and write; 1991)

Education System:

divided into primary and secondary stages. There are more than 30 schools public schools that service approximately 2000 students from kindergarten to grade 12. These schools are supervised by a commissioner of education and two district board of education supervisors, which consist of 5 members each. Children are required to attend school between the ages of 4 and a half and 16. Upon completion of grade 12 students may attend The College of the Virgin Islands located in St. Thomas, or one of the three campuses of The University of the West Indies (UWI), located in Jamaica, Barbados and Trinidad. There is also a 2-year branch campus on the island of St. Croix. The only college in the Virgin Islands is the University of the Virgin Islands. This university is located in St. Thomas, but there is a 2-year branch campus on the island of St. Croix.

Total Pre-schools:()	
Total Primary Schools	
First Level:	
Second Level:	
Third Level:	
Total Secondary Schools:	
Total Professional Schools	
Universities:	

Number of Schools per Island:										
	Pre-school		Elementary			High-school		Prof.	University	
	Pub	Priv	1	2	3	Pub	Priv		Pub	Priv

Students Enrolled:					
Year:	Pre-School	Elementary	High-school	Prof.	University



Teachers							
Year	Pre-School	Elementary			High-School	Prof.	University
		1	2	3			

Medical Services:

Medical services in the British Virgin Islands are limited. There is a small general hospital and several clinics on Tortola. In addition to the six doctors, one dentist, and sixty nurses, midwives and assistant nurses appointed by the government, there are also three doctors who maintain a private practice and an eight-bed hospital. Health care in the British Virgin Islands is the responsibility of the minister of social services and administrative and technical supervision is the responsibility of the chief medical officer. Although the national health policy mandates that the entire population is entitled to free health services, there are no medical facilities on islands other than Tortola. Virgin Islands Search and Rescue (Å“VISARÅ“) responds to medical emergencies and will transport patients to the nearest land point on Tortola for transfer by ambulance. There is no hyperbaric chamber in the BVI. Patients requiring treatment for decompression illness are transferred to St. John, U.S. Virgin Islands. Most sensitive medical cases are transferred to St. Thomas in the U.S. Virgin Islands.

HISTORY AND CULTURE

History:

In approximately 100 BC Arawak Indians settled the British Virgin Islands, migrating from the Orinoco Basin in South America. The Caribs arrived from South America in the mid-15th century, followed closely by Columbus in 1492, who named the islands Las VÅrgenes. Control of the islands repeatedly shifted until the Dutch established a permanent settlement on Tortola in 1648. In 1672 the English forced the Dutch from Tortola, and from Anegada and Virgin Gorda in 1680. The Europeans quickly introduced the harvesting of sugar cane and slavery. The islands became a British colony, and remained part of the Leeward Islands from 1872 until 1956, when the British Virgin Islands became a separately administered region. To preserve its economic ties with the U.S. Virgin Islands, the islands did not join the 1958-1962 West Indies Federation of British Virgin Islands. Between the mid-18th and early 19th centuries the islands prospered, producing sugar, cotton, rum, indigo and spices. The abolition of slavery in the 1830s, as well as the introduction of sugar beet in Europe and the US were devastating to the regions economy (settlers along with their capital left the region for more lucrative economies), and for the next 100 years the islandsÅ“ struggled. In 1917, the United States purchased the adjacent Danish West Indies (US Virgin Islands) as a strategic outpost in the Caribbean. At the same time, farming began to spur economic growth, encouraging social reform aimed at self-government. In the 1930s and 40s, livestock, vegetables and fishing were still the mainstay of the economy. However, in the 1960s Laurence Rockefeller leased a parcel of land in Virgin Gorda and built a luxury resort at Little Dix Bay. This event led to the advent of tourism. The airport at Beef Island was opened in 1968, and the opening of the first charter yacht operator in 1969 marked the beginning of the islandsÅ“ now largest niche industry.

Referenda:

Recent Significant Events:

Music, Dance, Handicraft and Patrimony:

Sources:

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The Government of the British Virgin Islands http://www.bvi.org.uk/facts_and_figures.asp.html 30th March 2008

CIA World factbook <https://www.cia.gov/library/publications/the-world-factbook/geos/vi.html> 30th March 2008

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