



British Virgin Islands – Economic Substance Classification Questionnaire 2021

Name of Company:			
Registration Number:			
Date of Incorporation:			
Has the financial period been amended?	No	Yes	If yes, please state the date:
Tax residency (place of management and control) of the Entity*	No	Yes	If yes, please state the jurisdiction:

* Please complete section D below and provide documentary evidence to demonstrate the tax residence of the Company if claiming residency outside the British Virgin Islands

In order for us to make the necessary filings in terms of The Economic Substance (Companies and Limited Partnerships) Act, as amended from time to time, please confirm the activity of the Company (guidance notes in annexure).

RELEVANT ACTIVITY

(A) **Pure Equity Holding Business (Holding companies)**

This is an entity that holds shares or ownership interests in other companies, LLPs, LLCs or limited partnerships, and only earns dividend and capital gains.

Please don't check this box if the Company also holds other forms of assets, such as bonds, government securities, immovable property (see guidance notes attached). If you have checked this box, the Company will be subject to reduced economic substance requirements.

If Box A is ticked, please confirm:

Total number of employees engaged in the relevant activity		
Total number of employees engaged in the relevant activity physically present in the British Virgin Islands		
Does the entity comply with its statutory obligations under the BVI Business Companies Act, 2004 or the Limited Partnership Act, 2017 (whichever is relevant)?	Yes	No
Does the entity actively manage its equity participations?	Yes	No

(B)

<input type="checkbox"/> Banking Business	<input type="checkbox"/> Shipping Business
<input type="checkbox"/> Insurance Business	<input type="checkbox"/> Financing and Leasing Business
<input type="checkbox"/> Fund Management Business	<input type="checkbox"/> Headquarter Business
<input type="checkbox"/> Distribution and Service Centre Business	<input type="checkbox"/> Intellectual Property Business

If a relevant activity is chosen from section B, please provide "Relevant Activity Annexure".



(C) None of the above

Dormant

Please describe the activity of the Company

(D) TAX RESIDENCY OUTSIDE THE BVI

Jurisdiction of tax residence:	
Does the company have a parent entity:	Yes: No:
If yes: Name of parent entity:	
Jurisdiction of formation of parent entity:	
Registration/company number of parent entity:	

Proof of tax residence provided:

DECLARATION

I/We the undersigned, acknowledge as follows:

1. The information provided by me herein is accurate and to the best of my knowledge correct;
2. By completing this questionnaire, I confirm having the authorisation of the Entity to request the classification services and provide this information;
3. The completion of the Questionnaire and any subsequent advice provided by Registered Agent shall be governed by the terms and conditions attached hereto;
4. Registered Agent shall be entitled to charge a fixed fee for the provision of this classification service; and
5. In the absence of any fraud, wilful default or gross negligence by Registered Agent shall not be liable for any loss or damage suffered by the Client and/or the Entity, including any penalties issued by a regulator, arising either before or after the termination of the client relationship, as a result of the Entity failing to meet the economic substance requirements required for the specific jurisdiction in which the Entity is resident.

Director of the Company

Administrator of the Company

Signed: _____

Name: _____

Name: _____

Position: _____

Position: _____

Date: _____

Date: _____



GUIDANCE NOTES

Please do not hesitate to contact us to discuss the classification of the Company

Relevant Activity	
Holding business	<p><i>means the business of being a pure equity holding entity</i> <i>“pure equity holding entity” means a legal entity that only holds equity participations in other entities and only earns dividends and capital gains.</i></p> <p>A legal entity will only fall within the definition if it holds nothing but equity participations, yielding dividends or capital gains. The ownership of any other form of investment (such as an interest bearing bond) will take the legal entity outside this definition.</p> <p>Equity participation includes shares in a company and encompasses other forms of investment in an entity which give the investor the right to participate in the profits of the entity. The interest of a general partner in a limited partnership will usually be of this quality.</p> <p>Entities which own other forms of asset (eg bonds, government securities, legal or beneficial interests in real property) will clearly not be pure equity holding entities (even if they also own equity participations) and will not be treated as carrying on holding business.</p> <p>Entities which hold assets which consist of or include assets which are not equity participations will not be pure equity holding companies, but likewise may be found to carry on other relevant activities.</p>
Banking Business	<i>has the meaning specified in section 2(1) of the Banks and Trust Companies Act, 1990</i>
Insurance business	<i>has the meaning specified in section 3(1) of the Insurance Act, 2008,</i>
Fund Management business	<i>means the conduct of an activity that requires the legal entity to hold an investment business license pursuant to section 4 and category 3 of Schedule 3 of the Securities and Investment Business Act, 2010</i>
Finance and Leasing business	<p><i>means the business of providing credit facilities of any kind for consideration.</i> <i>(a) consideration may include consideration by way of interest;</i> <i>(b) the provision of credit may be by way of instalments for which a separate charge is made and disclosed to the customer in connection with</i> <i>(i) the supply of goods by hire purchase,</i> <i>(ii) leasing other than any lease granting an exclusive right to occupy land, or</i> <i>(iii) conditional sale or credit sale.</i></p> <p>An entity which provides credit as an incidental part of a different sort of business will not thereby be treated as carrying on a finance and leasing business.</p> <p>Entities which hold debt or debt instruments for the purpose of investment will not be regarded as being in the business of providing credit facilities.</p> <p>The essence of the activity, as the definition makes clear, is the provision of credit facilities. The mere fact that an entity leases items does not mean it is carrying on a finance and leasing business.</p>
Headquarter business	<p><i>the business of providing any of the following services to an entity in the same group:</i> <i>(a) the provision of senior management</i> <i>(b) the assumption or control of material risk for activities carried out by any of these entities in the same group</i> <i>(c) the provision of substantive advice in connection with the assumption or control of risk referred to in paragraph (b)</i></p>
Shipping business	<p><i>means any of the following activities involving the operation of a ship anywhere in the world other than solely within Virgin Islands waters (as defined in section 2(2)(a) of the Merchant Shipping Act, 2001)</i> <i>(a) the business of transporting, by sea, persons, animals, goods or mail;</i> <i>(b) the renting or chartering of ships for the purpose described in paragraph (a);</i></p>



	<p><i>(c) the sale of travel tickets or equivalent, and ancillary services connected with the operation of a ship;</i></p> <p><i>(d) the use, maintenance or rental of containers, including trailers and other vehicles or equipment for the transport of containers, used for the transport of anything by sea;</i></p> <p><i>(e) the management of the crew of a ship.</i></p>
IP business	<p><i>means the business of holding intellectual property assets;</i></p> <p><i>“intellectual property asset” means any intellectual property right in intangible assets, including but not limited to copyright, patents, trade marks, brand, and technical know-how, from which identifiable income accrues to the business (such income being separately identifiable from any income generated from any tangible asset in which the right subsists);</i></p> <p><i>“income” in respect of an intellectual property asset includes</i></p> <p><i>(a) royalties;</i></p> <p><i>(b) capital gains and other income from the sale of an intellectual property asset;</i></p> <p><i>(c) income from a franchise agreement; and</i></p> <p><i>(d) income from licensing the intangible asset;</i></p>
Distribution and service centre business	<p><i>means the business of either or both of the following</i></p> <p><i>(a) purchasing from foreign affiliates</i></p> <p><i>(i) component parts or materials for goods; or (ii) goods ready for sale; and (iii) reselling such component parts, materials or goods;</i></p> <p><i>(b) providing services to foreign affiliates in connection with the business,</i></p> <p><i>but does not include any activity included in any other relevant activity except holding business;</i></p> <p>For an entity to carry on distribution and service centre business it must have a business which consists of purchasing assets from other entities in the same group, and/or a business providing services to entities in the same group. The affiliates in question must be “foreign” – that is to say an affiliate which is an entity which is not a legal entity for the purposes of the legislation.</p> <p>It should be noted that the following do not constitute distribution and service centre business:</p> <p>(a) the business of purchasing and reselling assets from, or providing services to, entities in the same group both of which are located in the BVI</p> <p>(b) the business of purchasing and reselling assets from, or providing services to, entities which are not part of the same group as the entity carrying on the business, even if located outside the BVI, or</p> <p>(c) occasional transactions within the description which do not form part of a business, but are undertaken ancillary to a different business.</p>

TERMS AND CONDITIONS

1. Introduction

- 1.1 The responsibilities and duties of Registered Agent are governed by the terms of the constitutive documents and Proper Law of the Entity. We would particularly draw your attention to any indemnity and charging clauses contained in the constitutive documents.
- 1.2 All services are confidential. Any information obtained during the course of the relationship shall not be disclosed to anyone, except where required by law or by the Client. Registered Agent shall, if authorised, act in liaison with a Client's professional advisers and if working on a matter in conjunction with professional advisers will assume, unless notified to the contrary, that information may be disclosed and or shared with such advisers.
- 1.3 Registered Agent does not provide investment advice and cannot accept responsibility for the tax implications arising from the Client's activities or those of any person connected with the Client.

2. Regulation

Registered Agent in the British Virgin Islands is licensed under the Bank and Trust Companies Act, 1990 which regulates the conduct of banks and trust companies carrying on business from and within the British Virgin Islands. It is Registered Agent's stated policy to fully accord with regulations in order to ensure that business is properly conducted in the best interests of those whom we serve. This includes maintenance of high standards of competence and staff training.

3. Anti-Money Laundering

The provisions of the British Virgin Islands Anti-Money Laundering Code of Practice require Registered Agent to obtain certain customer due diligence information and documents (the "Information") from the client prior to the commencement of a business relationship, during the course of ongoing business activity, for example, when opening a bank account, and upon termination. The Information must be provided on the basis that it will be used with the Client's implied authority as and when required in the course of the Entity's administration and management. It may be necessary to seek further information

about the Client, the Client's family, associates, business and the source and provenance of any assets held or transferred into or out of the Entity from time to time in order to comply with legislation or regulations. For this purpose, the Client may be required to attend a meeting with Registered Agent or with a bank. Registered Agent shall be entitled to terminate its services with a Client with immediate effect by written notice in the event that the Client fails to provide within a reasonable period of time all Information reasonably requested by Registered Agent.

4. Communications, Liability and Indemnity

Registered Agent shall be entitled, but not obligated, to act in accordance with any communication by telephone, fax or unencrypted electronic mail which is or purports to be from the Client or its professional advisers without enquiry as to identity or authority whether such communication relates to the payment of money or otherwise. Any damage resulting from defective proof of identity or from undetected forgery shall be borne by the Entity and/or the Client except in case of gross negligence by Registered Agent.

5. Indemnity

- 5.1 In the absence of any fraud, wilful default or gross negligence by Registered Agent shall not be liable for any loss or damage suffered by the Client or the Entity arising either before or after the termination of the client relationship and either directly or indirectly out of any error of judgement or oversight or mistake of law on Registered Agent's part made or committed in good faith, nor shall Registered Agent, in the absence of fraud, wilful default or gross negligence, be responsible for any loss or damage which the Client or Entity may sustain or suffer as the result of or in the course of the discharge of Registered Agent's duties in law.
- 5.2 Specifically, in the absence of any fraud, wilful default or gross negligence by Registered Agent shall not be liable for any loss or damage suffered by the Client and/or the Entity, including any penalties issued by a regulator, arising either before or after the termination of the client relationship, as a result of the Entity failing to meet the economic substance requirements required for the specific jurisdiction in which the Entity is resident.
- 5.3 The Client agrees to indemnify Registered Agent, its directors, officers, employees and shareholders from and against any and all liabilities, obligations, losses, damages, actions, proceedings, suits, costs and expenses (including without

limitation legal expenses, taxes and penalties) claims and demands which may be brought or asserted against Registered Agent and/or its directors, officers, employees and shareholders arising out of or in connection with the provision of any services by Registered Agent or by Registered Agent declining to act upon receipt of instructions, other than any action or claim arising out of our fraud, gross negligence of wilful default. This indemnity shall extend to any costs and expenses (including time charges and any disbursements) incurred by Registered Agent either before or after the termination of the services in respect of any information Registered Agent may become obliged to give any person or in respect of any notice that Registered Agent is served or may become obliged to comply with as a result of the provisions of any applicable law, the compliance by Registered Agent with any notice or order served on us in respect of the services provided by Registered Agent and the compulsory attendance by Registered Agent before any court, tribunal or panel or any hearing in respect of the same.

- 5.4 The Client shall indemnify and hold harmless Registered Agent against all claims and demands (including costs and expenses incidental thereto) either before or after the termination of the client relationship which may be made against Registered Agent in respect of any loss or damage sustained or suffered or alleged to have been sustained or suffered by any third party otherwise than by reason of Registered Agent's fraud, wilful default or gross negligence.
- 5.5 Registered Agent shall not be required to take any legal action on behalf of the Client or Entity unless fully indemnified to its reasonable satisfaction for costs and liabilities. If the Client requires Registered Agent, in any capacity, to take any action which in Registered Agent's opinion might make Registered Agent or its agents or nominees liable for the payment of money or liable in any other way, Registered Agent shall be kept indemnified in any reasonable amount and form satisfactory to Registered Agent as a pre-requisite to taking that action.

6. Applicable Law and Jurisdiction

These Terms of Business shall be governed by the law of the British Virgin Islands. Any dispute arising in connection with these Terms of Business shall be subject to the jurisdiction of the Courts of the British Virgin Islands. However, Registered Agent reserves the right to bring its claim before the competent court in the jurisdiction of the domicile of the beneficial owner or any other competent court.