



PORTCULLIS TRUSTNET

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BRITISH VIRGIN ISLANDS (“BVI”) UPDATE

Amendments to the Securities and Investment Business Act 2010 (“SIBA”) and the Mutual Funds Regulations 2010 (“MFR”)

SIBA and the MFR, which came into force on 17 May 2010, and replaced the Mutual Funds Act 1996, are now the legislative framework under which the BVI Financial Services Commission regulates mutual funds and other investment related entities conducting business in the BVI.

The transitional provisions under SIBA and the MFR apply to existing public, private and professional mutual funds previously authorised under the repealed Mutual Funds Act 1996 and specify transition dates, relevant or specified periods, in which these funds are to comply with certain sections of SIBA. These provisions also apply to existing investment related business, which now fall within the scope of SIBA.

(A) Securities and Investment Business (Amendment of Schedule 8) Order 2010 (the “SIBA Order”)

The main amendments according to the SIBA Order are in Schedule 8 of SIBA and are as follows:

- (i) The definitions of “first transition date”, “relevant period” and “second transition date” have been deleted.
- (ii) The definition of “specified period” has been changed from 11 October 2010 to 30 December 2010.
- (iii) A new definition of “transition date” has been added as follows:

“transition date” means 31 December 2010.

(B) Mutual Funds (Amendment) Regulations 2010 (the “Regulations”)

The amendment is in the Schedule to the Regulations in paragraph 1 whereby the “first transition date” has been changed from 3 August 2010 to 31 December 2010.

WHAT DO THE AMENDMENTS MEAN?

As a result of the amendments pursuant to the SIBA Order, there is now a single transition date of 31 December 2010 with a specified period of 17 May 2010 to 30 December 2010.

Under the Regulations, the first transition date initially specified as 3 August 2010 has now been extended to 31 December 2010.

Please note that the information contained herein is intended to provide general information to the client and professional contacts of Portcullis TrustNet. It does not purport to be comprehensive and is in no way intended and should not be relied upon as legal advice.