

# Financial Services Commission

## Statistical Bulletin

Vol. 5 December 2006

Legal & Enforcement

Insolvency Services

Banking & Fiduciary

Investment Business

Insurance

ROCA

### Introduction

The British Virgin Islands Financial Services Commission (FSC) strives to keep the industry and general public informed about how we are serving you. The FSC's Statistical Bulletin is just one mechanism by which the FSC communicates the progress that has been made within several different sectors of our industry. We believe that having useful and accurate information about the services we provide is of utmost importance. We hope this bulletin helps you with your business endeavours and informs you about the progress we are making.

### Legal/Enforcement and International Cooperation

During 2006, the Legal and Enforcement Division responded to 53 requests for assistance from foreign regulatory and law enforcement authorities which generally related to due diligence inquiries. Enforcement action was taken in 30 cases during the 2006. In most instances the contravention was minor and only resulted in the issuance of warning letters by the Commission. One advisory warning was issued for 2006.

#### Legal and Enforcement Division Statistics

	2005	2006	Q4 2006
<b>International Co-operation Matters</b>			
Formal Requests*	14	31	15
Informal Requests**		22	6
<b>Enforcement Matters</b>	8	30	3
<b>Advisory Warnings</b>	5	1	0

\* requires the disclosure of non-public information

\*\* requires the disclosure of public information

### Insolvency Services

The Insolvency regime is in its third year of operation and as at December, 31st, 2006, the total number of licensed insolvency practitioners stood at 15. During 2006, three (3) licences were issued and three (3) licences revoked at the request of the holder.

Insolvency work in the BVI during 2006 has increased from 2004 and 2005 levels.

Jurisdiction	Number of Cases	
	2005	2006
BVI	19	14
Caribbean (other than BVI)	3	1
European Union Countries	5	1
North America	3	1
Far East	8	59
Rest of World	8	11
<b>Total</b>	<b>46</b>	<b>87</b>

Liquidations appointed by the court accounted for the majority of new insolvency cases.



#### About the Commission

The Financial Services Commission Act, 2001 which came into force on 1 January, 2002, established the Financial Services Commission.

The Commission is an autonomous regulatory authority responsible for the regulation, supervision and inspection of all financial services in and from within the British Virgin Islands.

#### Hours of Operation

8:30 a.m. to 4:30 p.m.  
Monday through Friday

#### Enquiries

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[www.bvifsc.vg](http://www.bvifsc.vg)

#### On-Going Supervision

##### Onsite Inspections

	Total 2005	Total 2006	Q4 2006
Onsite Inspections:			
• Overall compliance	15	18	5
• Books and Records (Insurance Managers)	0	9	5

## Banking & Fiduciary Services

The BVI continues to be a very conservative banking jurisdiction compared with some of its competitors.

At the end of 2006, nine (9) institutions held banking licences: six (6) General Banking and three (3) Restricted Class I Banking licence-holders) with total assets of approximately US\$2.15 billion.

The domestic market is served by three (3) branches of international banking groups, one (1) subsidiary of an international banking group and one (1) locally owned bank.

	Licences granted in 2006	Cumulative* 2006	Cumulative* 2005
General Banking	1	6	5
Restricted Class 1 Banking	0	3	3
General Trust	6	101	101
Restricted Trust	7	108	111
Company Management	2	21	20
Authorised Custodian	1	4	3
Registered Agents	-	110	104

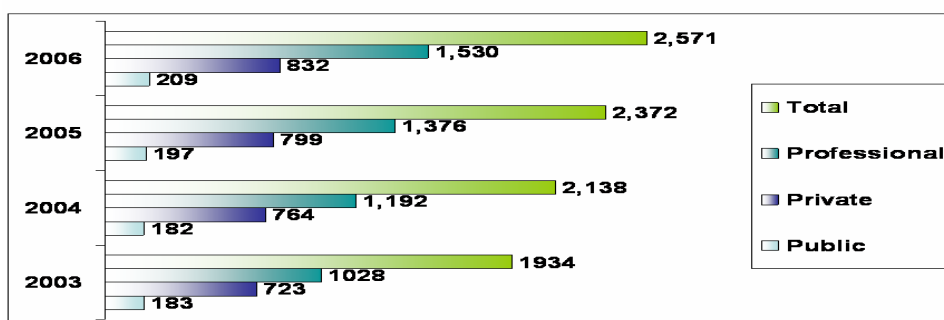
\* These figures reflect new licences granted and licences: renewed, surrendered and not-renewed. In the fourth quarter 2006 no licences were either surrendered or not renewed.

During 2006, one (1) banking licence and 13 trust licenses were issued.

## Investment Business

The BVI remains one of the premier jurisdictions for fund domiciliation and the industry continues to grow. The number of active funds recognised and registered in the BVI grew by eight (8) percent from 2,372 in 2005 to 2,571 in 2006.

Cumulative Active Mutual Funds by Category



The professional fund continues to be the most popular fund recognised or registered in the BVI.

A total of 282 were recognised in 2006 the highest number since 2001 and a 15 percent increase from 2005.

Segregated portfolio activity for the fourth quarter consisted of the incorporation of eight (8) new funds and the re-registration of one existing fund. As at 31st December, 2006 a total of 24 mutual funds (13 professional, nine (9) private and two (2) public) were incorporated or re-registered as Segregated Portfolio Companies.

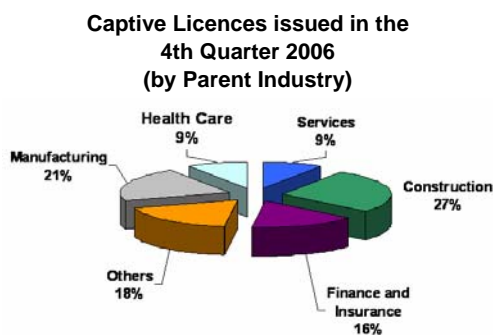
Annual Licences and Certificates Granted	2003	2004	2005	2006
Professional	201	273	246	282
Private	96	156	102	90
Public	12	24	18	18
Managers	53	47	54	61
Administrators	2	2	3	1
Managers & Administrators	2	2	1	0

The Commission expects continued growth in segregated portfolio activity throughout 2007.

## Insurance

57 new captive insurers were licensed during 2006 (with 43 licensed in the 4<sup>th</sup> quarter), an approximate 16 percent decrease from 2005 and 2004.

The total number of licences issued in 2006 stands at 400. Two (2) new domestic insurance licences were issued during 2006 and no new insurance managers were licensed during the year.



The Commission also approved the creation of 28 new segregated portfolios.

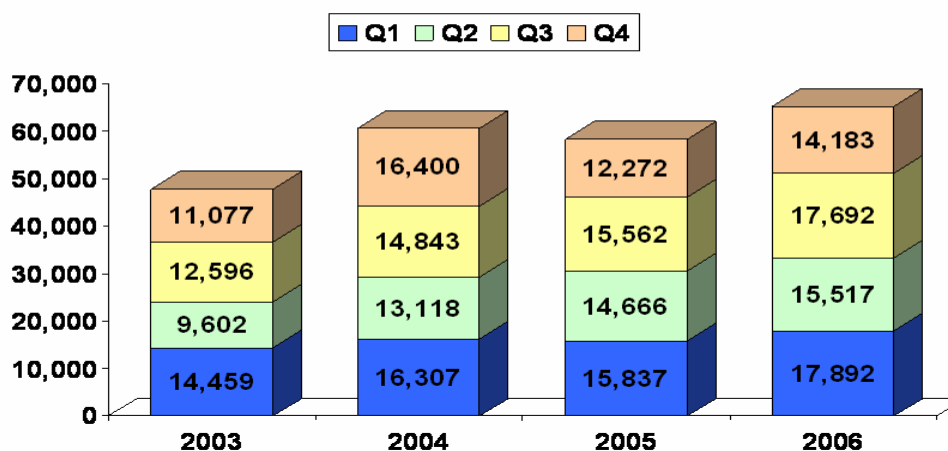
Insurance Sector Licence – Holders by Type				
	2003	2004	2005	2006
Captive Insurers	309	346	380	400
Domestic Insurers	28	27	28	30
Insurance Managers	15	17	23	22

## Registry of Corporate Affairs

2006 was a record year (since the enactment of the IBC Ordinance in 1984) for the incorporation of the BVI's flagship product now known as the BVI Business Company (BVIBC).

Over 65,000 companies were incorporated during the year representing a 12 percent increase from 2005. 4<sup>th</sup> quarter incorporation figures (approximately 14,000 BVIBCs) were 20 percent lower than the 3<sup>rd</sup> quarter, however they represented a 16 percent increase from quarter four 2005.

### Quarterly Company Comparisons (2003-2006)



	2006				
	Q4	Q3	Q2	Q1	Cumulative
Total number of companies on the Register	-	-	-	-	774,573*
Limited Partnerships	18	11	29	17	433
Number of Dissolutions	1,025	1,213	1,079	1,141	42,420

### Yearly Company Incorporations (2003-2006)

