



George Henry Partners LP

The Grant of Belonger Status and Certificates of Residence

A General Guide

Following a recent initiative by the BVI Government a number of individuals have been granted Belonger status or Certificates of Residence.

Broadly speaking, the term 'Belonger' is the legal term for a person of BVI ancestry or who has otherwise been granted Belonger status under the relevant immigration legislation.

A Certificate of Residence records and certifies that the holder is a permanent resident of the BVI.

A change in an individual's status can have an impact on his or her employment, business, and property interests. While the exact nature of any impact will be determined by individual circumstances, we have outlined several areas for consideration below.

Immigration

Persons that have either been granted Belonger status or issued with a Certificate of Residence are entitled to enter and remain in the BVI indefinitely and are not subject to monitoring by the Immigration Department.

Trade and business licensing

Trade and business licences are granted for a calendar year and renewed annually at the beginning of each year, with a fee payable on collection and subsequently on renewal of the licence. The annual Government fee charged for a licence varies, depending on the nature of the trade, business or profession in question and whether it is owned by a BVI Islander/Belonger, or by a Non-Belonger. The annual fee for a licence issued to a business owned by a BVI Islander/Belonger is less than the fee for a licence issued to a business owned by a Non-Belonger. To benefit from lower annual licence fees, the Department of Trade, Investment Promotion and Consumer Affairs should be notified of any change of status of the individuals that own the trade, business or profession in question. The lower fee will then be charged on subsequent renewals of the licence.

Work permits

Individuals that have been granted Belonger status or issued with a Certificate of Residence do not require a work permit in order to undertake paid or unpaid work in the BVI. It will typically therefore be more cost-effective to employ an individual who has been granted Belonger status or issued with a Certificate of Residence. It should be noted that under the provisions of the Labour Code, both BVI Islanders and Belongers (but not individuals issued with a Certificate of Residence) have first preference with regards to new employment opportunities.

Non-belonger land holding licences

Non-Belongers (which for these purposes includes companies deemed to be under Non-Belonger control for the purposes of the Non-Belongers Land Holding Regulation Act) are required to apply for and obtain the requisite Non-Belongers Land Holding Licence prior to taking title to property in the BVI. The grant of Belonger status to property owners may mean that certain previously issued Non-Belongers Land Holding Licences are no longer required. In these circumstances and where appropriate to do so, the Ministry of Natural Resources, Labour and Immigration should be contacted regarding the revocation of the relevant Non-Belongers Land Holding Licence.

The position is not quite so straightforward where a property is owned by both Belongers and Non-Belongers, or where the property is owned by a company where not all the directors and shareholders of that company have Belonger status and it may be the case that some Non-Belongers Land Holding Licences are still required.

Property ownership structuring

Existing property owners who have recently been granted Belonger status should review any existing property ownership structure and consider if it remains suitable. A periodic review of a property ownership structure is sensible in any event, regardless of whether the owner is a Belonger or a Non-Belonger to ensure that the structure remains appropriate, particularly with regards to the owners' estate planning objectives.

Property acquisition/taxes

The process of acquiring property in the BVI is a little more straightforward for Belongers compared to Non-Belongers since Belongers do not need to apply for and secure the grant of a Non-Belongers Land Holding Licence before they take title to the property.

The stamp duty position is more favourable for Belongers acquiring BVI property compared with Non-Belongers. Stamp duty is payable in connection with the transfer of BVI property and is calculated as a percentage of the higher of the purchase price and the market value of the property in question. For Belongers this is 4 per cent and for Non-Belongers this is 12 per cent. In each case a copy of a recent appraisal must be submitted as evidence of the market value.

The property tax attributable to property in the BVI comprises two elements, as follows:

- A tax levied on every acre or part of an acre of land in the BVI (sometimes referred to as land tax); and
- A tax levied on the assessed value of every house in the BVI (sometimes referred to as house tax).

The element of property tax attributable to land is calculated at a lower rate for properties owned by Belongers and for properties owned by companies that are in turn owned and controlled by Belongers. Persons who have recently been granted Belonger status should therefore contact Inland Revenue so that the property tax records can be updated accordingly.

The right to vote

Under the Virgin Islands Constitution Order 2007, Belonger status is an important prerequisite to being able to register as a voter for elections in the BVI.

For more information and to discuss these and any other ways in which a change in your status may have an impact on your employment, business, and property interests please feel free to email us at ghp@ghpbvi.com or reach out to one of our lawyers using the contact details below.

Contact Us

SHEILA C GEORGE

Managing Partner | George Henry Partners LP

☎ +1 284 393 7001 | +1 284 340 3322

✉ sheila.george@ghpbvi.com

JOHANN E HENRY

Partner | George Henry Partners LP

☎ +1 284 393 7002 | +1 284 340 3422

✉ johann.henry@ghpbvi.com

PAUL E MELLOR

Counsel | George Henry Partners LP

☎ +1 284 393 7003 | +1 284 340 4822

✉ paul.mellor@ghpbvi.com

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