

British Virgin Islands issues further General Licence under the Sanctions Regulations for Legal Practitioners and Banking Licensees

On 13 April 2023, the British Virgin Islands (**BVI**) issued General Licence [No.03], 2023 (the **General Licence**) under:

- (i) regulation 64 of The Russia (Sanctions) (EU Exit) Regulations 2019 (as amended) as extended to the British Virgin Islands (with modifications) by The Russia (Sanctions) (Overseas Territories) Order 2020 (as amended); and
- (ii) regulation 34 of the Republic of Belarus (Sanctions) (EU Exit) Regulations 2019 as modified by the Republic of Belarus (Sanctions) Overseas Territories) Order 2020;

((i) and (ii) above are together referred to in this note as the **Sanctions Regulations**).

When does the General Licence come into effect and who does it apply to?

The General Licence came into effect on 13 April 2023 (the **Date of Issue**).

It applies to:

- Legal Practitioners – persons admitted to practice law under the laws of the BVI and firms of legal practitioners operating in the BVI that hold a trade licence for that purpose;
- Relevant Institutions – licensed firms carrying on banking business in the BVI.

What can I do under the General Licence?

The General Licence permits Legal Practitioners and Relevant Institutions to:

- receive payments from a Designated Person for Legal Services;
- make payments for or on behalf of a Designated Person;
- make payments for the benefit of a Designated Person;
- process payments which relate to a Designated Person; and
- perform any act reasonably necessary to give effect to any of the above actions,

(the above activities are together referred to as the **Permitted Activities**).

Are there any specific definitions that I should consider for this note?

The General Licence sets out a glossary of technical definitions. For this note, it is sufficient to highlight the following definitions which we have summarised in part for easy reference:

<i>Designated Person</i>	Any person designated by the Sanctions Regulations and/or any individual or other person that is owned or controlled by that designated person as determined under the Sanctions Regulations.
<i>Economic Resources</i>	Assets of every kind which are not funds but can be used to obtain funds, goods or services.
<i>Funds</i>	Financial benefits of every kind including cash, cheques, deposits, credit, guarantees, etc.
<i>Legal Services</i>	Any legal work performed by a Legal Practitioner and provided to or for the benefit of a Designated Person.

What are my obligations when relying on the General Licence?

In performing any of the Permitted Activities, Legal Practitioners and Relevant Institutions should ensure that:

- any activity that is purportedly done under the General Licence actually falls within its terms;
- they comply with the conditions of the General Licence in full. Under the General Licence there are numerous conditions that apply to Legal Practitioners in relation to the provision of Legal Services.

Additionally, Legal Practitioners are required to:

- report to the Governor within seven days of either (i) completion of Legal Services or (ii) the expiration of this Licence. Such a report must specify the payments received from, made for or on behalf of or processed in respect of a Designated Person; and
- keep and maintain accurate, complete and readable records in either hard or soft copy of any activity purported to have been performed under the authority of the General Licence for a minimum period of six years.

Are there actions that the General Licence specifically does not authorise?

The General Licence does not authorise:

- dealings with Funds and Economic Resources for and on behalf of the Designated Person which occurred prior to 13 April 2023;
- any act which a Legal Practitioner or Relevant Institution knows or has reasonable grounds for suspecting will result in Funds and Economic Resources being made available for a Designated Person in breach of the Sanctions Regulations; or
- any act which will result in a breach of the Sanctions Regulations.

When does the General Licence expire?

The General Licence is for an initial period of six months from the Date of Issue unless revoked earlier by the Governor.

If you have any questions regarding this General Licence or relating to BVI sanctions generally, please reach out to your usual GHP contact.

The BVI Financial Services Commission's note on the General Licence is accessible [HERE](#). The General Licence is accessible [HERE](#).