

**ALERT**  
**(International Version)**  
(No. 7 of 2013)

**NEW PERPETUITY PERIOD IN THE BRITISH VIRGIN ISLANDS**

14 June 2013  
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A Proclamation bringing into force the Trustee (Amendment) Act, 2013 took effect on 15 May 2013. Among the significant changes made by the amendment is that the maximum perpetuity period allowed under the law of the British Overseas Territory of the Virgin Islands (the "**British Virgin Islands**") will now be 360 years. This new maximum perpetuity period will only apply where the trust instrument was created on or after 15 May 2013.

Since 1993 the British Virgin Islands has given settlers the option to create a maximum fixed term perpetuity period of 100 years, and although the 2013 amendment now extends this maximum period to 360 years, it continues to favor the "wait and see" option over the common law requirements that caused a trust to be void ab initio if an interest might vest outside the perpetuity period. Therefore, with this much longer optional perpetuity period along with the "wait and see" option before voiding a trust will make this amendment an extremely valuable tool to the settlor of a trust.

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If you would like more information about trusts in the British Virgin Islands, you may contact Jamal S. Smith.

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