

A Guide to Ship Registration in the British Virgin Islands



The British Virgin Islands Shipping Register

The British Overseas Territory of the Virgin Islands, commonly referred to as the “**British Virgin Islands**”, is the world’s premier corporate domicile of choice which includes companies owning and operating ships registered in the British Virgin Islands. As part of the Red Ensign Group (comprised of the United Kingdom, the Isle of Man, Guernsey, Jersey and the 8 other Overseas Territories), the integrity of the registration of ships flying the Red Ensign is guaranteed with the ability to record and legally prove a ship mortgage and protection provided through international relations and the British Navy as well as the technical expertise of the UK Maritime and Coastguard which implements maritime law and safety policy in the UK. As of 2007, the BVI has a Category I Red Ensign Group Shipping Register, therefore, joining Bermuda, Cayman Islands, Gibraltar, the Isle of Man and the United Kingdom, to be able to register ships of unlimited tonnage and type. The BVI Register is independent from the UK Register.

Why Register a Ship in the British Virgin Islands

There are no corporation taxes in the British Virgin Islands making a BVI company interested in owning a ship registered on the BVI Shipping Register an essentially attractive scenario. Additionally, with an advanced trust law, including under the Virgin Islands Special Trust Act (VISTA), special purpose trusts can be established for financing purposes that protects all parties from environmental hazards.

Ownership of a BVI Ship

Traditionally, ships are divided into 64 shares and a majority share (at least 33 of the 64 shares) should be owned by qualified persons, whether individuals or bodies corporate, and whether legally or beneficially. A qualified person would include British citizens, nationals of a Member State of the EU or EEA, including their overseas territories and bodies corporate incorporated there and having a place of business there, as well as companies incorporated in the BVI, a Member State of CARICOM or the OECS and registered in the BVI. It is because of the flexibility of a BVI Business Company that many ships are owned by BVI companies to avoid the requirement of majority ownership, among other features.

There are three main ways by which a qualified person may become the owner of a ship: (i) as the first owner by purchasing it from its builders, in which case the owner should have a **Builder’s Certificate**; or (ii) as a subsequent owner, in which case the new owner should have a **Bill of Sale** or **Form of Transfer**; or (iii) by order of a competent court or authority like the Admiralty Marshal in the case of a condemned vessel. With any one of these three paths to ownership of a ship a **Declaration of Eligibility** must be dated earlier than, and accompany, the documents showing proof ownership. If the qualified person is a body corporate it must also appoint an authorized officer using an approved form. Whether the owner is a body corporate or an individual not resident in the BVI, the owner must appoint a company or individual residing in the BVI as its Representative to liaise on its behalf with the Shipping Registry. *The relevant forms can be provided upon request and we can act as your BVI Representative.*



Visit our website to see how *The William Thornton Foundation* supports the BVI Olympic Committee among its charitable work.



Capitol Chambers
P.O. Box 3534
Road Town, Tortola
British Virgin Islands

Phone: (284)494-2518
Fax: (284)494-2519

E-mail: mail@thorntonsmith.com
www.thorntonsmith.com

Registration Process

The registration process usually takes about 2 - 6 months and involves the following steps:

NAME RESERVATION. Before applying for registration it is essential that the name of the ship is approved by the Registrar by making an application in the appropriate form. The name is reserved for 180 days to allow time for the survey. It is advised that at least 3 alternative names in order of priority be proposed to ensure availability and approval.

SURVEY. The ship must be surveyed and measured to obtain descriptive particulars for purposes of registration by any one of the 7 Classification Societies authorized by the Shipping Registry. The complete list of the authorized Classification Societies and other surveyors approved by the BVI Shipping Registry along with their contact details can be provided upon request.

APPLICATION. After the completion of the survey, the BVI Representative will then submit the documents showing proof of ownership, the Declaration of Eligibility and the Appointment Forms.

CERTIFICATE OF REGISTRY. If the application is in order, the Registrar issues an Official Number and after being satisfied that the ship is eligible to be registered, the Registrar will issue a Carving and Marking Note. For this purpose, the Port of the Registry for all BVI-registered ships is "Road Harbor". Within 24 hours of returning the certified Carving and Marking Note to the BVI Shipping Registry and the payment of all fees a Certificate of British Registry is issued.

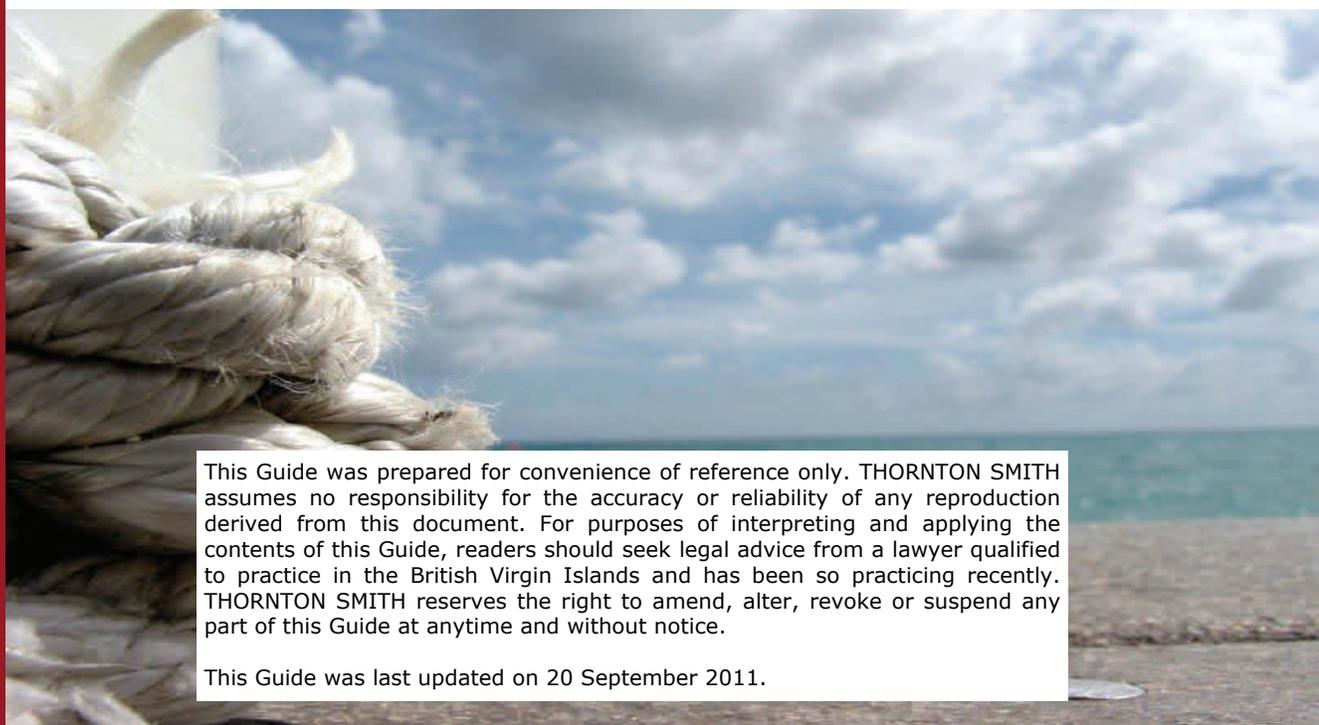
PROVISIONAL CERTIFICATE OF REGISTRY. After the application is submitted and a Carving and Marking Note issued, but before it is returned as certified, the Registrar may issue a Provisional Certificate of British Registry. However, before entering any British Port the actual Certificate of British Registry must be obtained, and the Provisional Certificate remains valid for only 6 months unless specifically extended.

Conclusion

It is important to note that where the BVI Registry is not the first register on which the ship has been registered evidence of its de-registration from its previous register must be provided before it can be entered on the BVI Register. Additionally, all ship radio and telecommunication licenses or certificates (including INMARSAT) are issued by the BVI Telecommunications Regulatory Commission. All necessary forms for ship radio and telecommunications licenses or certificates can be provided upon request and we are uniquely positioned to apply for these on your behalf.



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