



NERINE CHAMBERS PO BOX 905 ROAD TOWN TORTOLA BRITISH VIRGIN ISLANDS
Tel: (001)284 494 8790 Fax: (001)284 494 8791 Email: mail@nerinebvi.com Web: www.nerine.com

12 November 2009

The following is a brief summary of important current events in the British Virgin Islands financial services industry:

<p>Update on the BVI Bearer Share situation</p>	<p>This is a final reminder about the impending "transition date" for bearer shares of 31 December 2009.</p> <p>On that date, all those companies, incorporated prior to 1 January 2005, that currently have the power in their Memoranda & Articles of Association, ("M&A"), to issue bearer shares, will be deemed to no longer have that power.</p> <p>Those companies, that wish to retain bearer shares in issuance beyond the transition date of 31 December 2009, will need to elect to disapply the deeming provision, prior to the transition date. They will also need to ensure that the bearer share certificates are placed into custody, with an Authorised Custodian or Recognised Custodian – Nerine BVI is licensed as an Authorised Custodian of bearer shares, one of only ten such licensees.</p> <p>Any bearer share certificates that are not in custody by 31 December 2009 will be "disabled". This means that all entitlements from the bearer shares will be suspended, (including voting rights, payment of dividends, etc.), until the certificates are placed into custody.</p> <p>For a detailed overview of the relevant bearer share legislation and all that is entailed, please refer to the June 2009 newsletter, which is available in the News section on the Nerine website, (www.nerine.com).</p> <p>All of our clients that still have bearer shares in issuance have already been contacted by Nerine BVI in recent months, with a reminder that action is required to be taken. Those clients that have yet to act will be individually contacted again one final time, before the deadline.</p>
<p>Mutual Fund Annual Return</p>	<p>Clients are reminded that all BVI mutual funds, (i.e. private, professional and public funds recognised or registered under the BVI Mutual Funds Act, 1996), are required to submit a return in the prescribed form to the BVI Financial Services Commission, ("FSC").</p> <p>The period to be covered in the return is the calendar year up to 31 December 2008, and failure to complete a return may render a fund liable to administrative penalties and/or enforcement.</p> <p>The deadline for completion has been extended again to 15 November 2009.</p>
<p>Update on Regulatory Matters</p>	<p>The Financial Services Commission (Amendment) Act, 2009 was introduced in September 2009. In addition to several minor amendments, the Act introduces a duty on an authorised or registered agent of a licensed entity to notify the FSC of a breach or offence.</p> <p>A draft Regulatory Code, which governs how licensed BVI entities should operate, has been</p>

	<p>circulated for comment, and is available on the FSC website, (www.bvifsc.vg).</p> <p>In the investment business arena, the FSC have issued drafts of the Securities & Investment Business Act, 2009, (“SIBA”), and Mutual Funds Regulations, 2009, (“MFR”), for public consultation. The intention is that SIBA and the MFR will become law in 2009, or early 2010 - the draft legislation is available on the FSC website.</p>
<p>Update on International Initiatives</p>	<p>Subsequent to the G20 meeting in the UK in March 2009, the OECD published a progress report on the jurisdictions surveyed by the OECD Global Forum in implementing the internationally agreed tax standard.</p> <p>In that report, (which contained “white”, “grey” and “black” lists), the BVI initially appeared on the “grey” list, (as judged to be a jurisdiction that had committed to the standard, but not yet substantially implemented it).</p> <p>In August 2009, the BVI was elevated to the “white” list, having signed 12 Tax Information Exchange Agreements, (“TIEAs”), and being judged to have substantially implemented the internationally agreed tax standard.</p> <p>The BVI currently has 15 TIEAs in place, as follows, with: the USA, the UK, Australia, Sweden, Norway, Denmark, Finland, Greenland, Iceland, the Faroe Islands, France, New Zealand, the Netherlands, Aruba and the Netherlands Antilles.</p> <p>The BVI is committed to continuing to extend its TIEA programme, especially with OECD countries, and negotiations are currently ongoing.</p> <p>It is important to note that strict criteria must be met before any tax information can be passed. “Fishing” expeditions are not tolerated, and requests must within the scope of the TIEA, (which is narrow and specific). Only if the request is legitimate and if the information is present in the BVI, will the BVI send information.</p> <p>At the OECD Global Forum on Taxation in Mexico in September 2009, the BVI was invited to join the Peer Review Group, which will be responsible for assessing the implementation of OECD standards in all member jurisdictions of the Global Forum, and in non-Member jurisdictions with finance centres. The BVI considers membership of this group to demonstrate both its own high standards and reinforces its international reputation.</p>
<p>Enquiries</p>	<p>If you have any questions, concerning the above information, please contact Simon Filmer in the BVI office, (simon.filmer@nerinebvi.com or +284 494 8790), or your usual Nerine contact.</p>

The information in this newsletter has been prepared in good faith and is for guidance purposes only. It does **not** constitute legal advice and is subject to change without warning. Before acting on any information contained herein, you should check it, by contacting your Nerine office or seeking formal legal advice from BVI counsel.