Scorecard: British Virgin Islands (BVI)

FATF Mutual Evaluation and Follow-Up Reports

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RISK | STRATEGY | CYBER COMPLIANCE MANAGEMENT

What are the FATF 40 Recommendations?

The FATF Recommendations outline and elaborate on a comprehensive and consistent framework for countries to implement as a means to combat money laundering (ML), terrorist financing (TF), as well as the financing of weapons of mass destruction. Due to the diversity and differences in the administrative, financial, legal and operational systems and measures of different countries, the FATF Recommendations serve as the international standard, which countries may adapt to their state of priorities and affairs.

AML/CFT Policies and Coordination

R1 Assessing risks and applying a risk-based approach
R2 National cooperation and coordination

Terrorist Financing and Financing of Proliferation

R5 Terrorist financing offence
R6 Targeted financial sanctions related to terrorism and terrorist financing
R7 Targeted financial sanctions related to proliferation
R8 Non-profit organisations (NPOs)

International Cooperation

R36 International instruments
R37 Mutual legal assistance
R38 Mutual legal assistance: freezing and confiscation
R39 Extradition
R40 Other forms of international cooperation

Transparency and BO of Legal Persons and Arrangements

R24 Transparency and beneficial ownership (BO) of legal persons
R25 Transparency and BO of legal arrangements

Money Laundering and Confiscation

R3 Money laundering offence
R4 Confiscation and provisional measures

Powers and Responsibilities of Competent Authorities and Other Institutional Measures

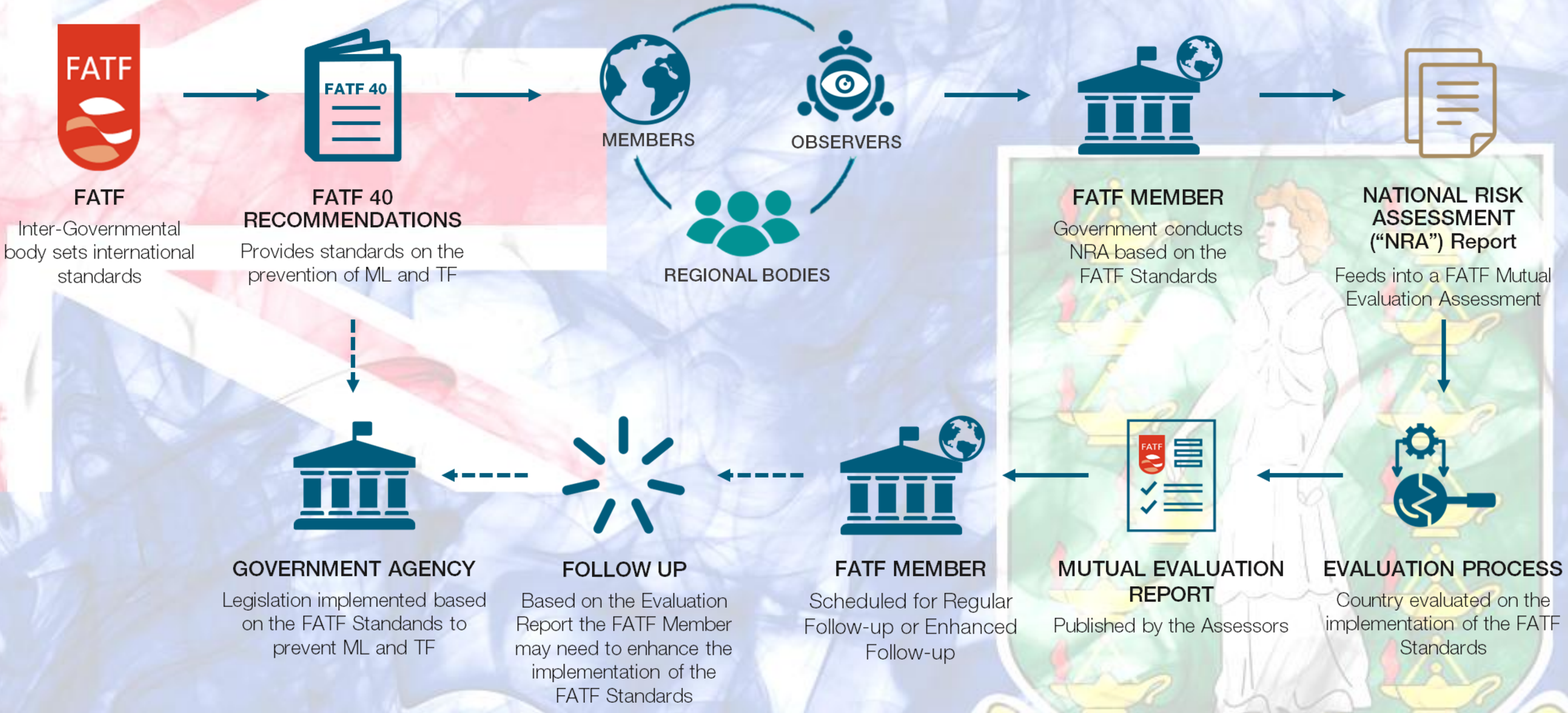
R26 Regulation and supervision of financial institutions (FIs)
R27 Powers of supervisors
R28 Regulation and supervision of DNFBPs
R29 Financial intelligence units (FIUs)
R30 Responsibilities of law enforcement and investigative authorities
R31 Powers of law enforcement and investigative authorities
R32 Cash couriers
R33 Statistics
R34 Guidance and feedback
R35 Sanctions

Preventive Measures

R9 Financial institution secrecy laws
R10 Customer due diligence
R11 Record keeping
R12 Politically exposed persons (PEPs)
R13 Correspondent banking
R14 Money or value transfer services
R15 New technologies
R16 Wire transfers
R17 Reliance on third parties
R18 Internal controls and foreign branches and subsidiaries
R19 Higher-risk countries
R20 Reporting of suspicious transactions
R21 Tipping-off and confidentiality
R22 DNFBPs: Customer due diligence
R23 DNFBPs: Other measures

How FATF Sets International Standards

FATF set out the methodology to assess whether a country is compliant to FATF Recommendations or Standards, and if its AML/CFT system is working effectively, assessed through on-site visits, data analysis and the publication of Mutual Evaluation Reports (MERs), or Follow-Up Reports (FURs), where applicable. Done through peer reviews from members of other countries for objectivity, these evaluations are comprehensive country reports that present analysis, findings, as well as points for improvement, regarding a country's ML/TF systems.



FATF publishes a Global Assessment Calendar, which provides a preview of planned assessments by the FATF, its FATF-Style Regional Bodies (FSRBs), the International Monetary Fund (IMF) or the World Bank. The 4th and the most recent round of MERs were measured against the 2013 Assessment Methodology. FATF commenced its 5th round of mutual evaluations in 2024, using revised the Assessment Methodology adopted in 2022. The schedule for British Virgin Islands' 5th round of MER is still to be determined. However, a FUR is scheduled on November 2026:

COUNTRY	ASSESSMENT BODY	ME ROUND	PLANNED ONSITE SCHEDULE	PLANNED PLENARY DISCUSSION SCHEDULE
British Virgin Islands	CFATF	5th	TBD	TBD

Why BVI was Listed as a Jurisdiction Under Increased Monitoring

Since 2007, FATF has been reviewing and identifying jurisdictions with strategic AML and CFT deficiencies which presents a grave risk to the financial system globally. Consequently, the program was updated to incorporate the FATF Recommendations and the Mutual Evaluation process. During plenary meetings held thrice a year every February, June and October, two (2) statements are issued identifying jurisdictions under increase monitoring and high-risk jurisdictions.

FATF supports and welcomes progress made by enlisted countries, so a removal process also exists. For a country to be removed from FATF monitoring, it must address all or majority of its MER action plans, which are then validated by an on-site visit.

FATF

High Risk Jurisdictions Subject to a Call for Action

- Also known as the "Black List."
- Jurisdictions with significant deficiencies on their money laundering, terrorist financing and financing of proliferation prevention systems.
- Other countries are urged to apply enhanced due diligence and countermeasures for risks originating from these jurisdictions.

Jurisdictions Under Increased Monitoring

- Externally referred to as the "Grey List"
- Jurisdictions with identified deficiencies on their money laundering, terrorist financing and financing of proliferation prevention systems but has provided commitment to resolve them quickly within agreed timelines and submitted to increased monitoring.
- Other countries need not apply enhanced due diligence for risks emanating from these jurisdictions but FATF encourages to still consider risks based on their analysis.

Non-Cooperative Countries and Territories (NCCT)

- Referred to as the "Red List."
- Jurisdictions without appropriate control, regulation and protected by banking secrecy and refuses to participate in international cooperation against financial crime.
- Initiated in year 2000 and delisted the last of the 23 identified countries in 2006.

BVI was grey-listed on June 2025 due to strategic deficiencies in their ML/TF systems. Gaps identified were related to a need for better targeted measures and financial transparency, an adequate risk-based supervisory effectiveness and reporting, systematic pursuit of ML investigations and prosecutions, as well as seizure and confiscation of criminal proceeds, information sharing with competent authorities, and a new and operationalised asset management framework.

Although FATF has recognised the significant progress that BVI has made in terms of implementing the recommended actions from the 2024 MER, BVI remains to be subject to increased monitoring, but will continue to actively work towards fulfilling due dates and action plans, and to demonstrate high-level political commitment, in cooperation with FATF and CFATF in strengthening the effectiveness of its AML/CFT regime.

BVI 2024 FATF Mutual Evaluation Report

MUTUAL EVALUATION REPORT (MER) RATING

DATE: *February 2024*

Key Findings

1. The overall ML/TF understanding in BVI is a bit limited, especially related to foreign legal persons and arrangements. The broad view from key authorities is that there is insufficient nexus between them and the illicit activities in BVI, impacting the effectiveness of AML/CFT system negatively.
2. While TF risk is considered as being low, regulatory authorities, with their limited resources, have yet to identify the subset of non-profit organizations (NPOs), which are vulnerable to TF abuse and threats.
3. Banks and legal practitioners have a good understanding of AML/CFT controls, obligations and risks, but there is a notable gap in understanding from the trust and company service providers (TCSP) and investment business sectors, as well as designated nonfinancial businesses and professions (DNFBPs).
4. Investigations, prosecutions and convictions not proportionate to BVI's significant corporate and financial services sector.

Effectiveness

Immediate Outcomes	
Risk, Policy and Coordination	Moderate
International Cooperation	Moderate
Supervision	Low
Preventive Measures	Low
Legal Persons and Arrangements	Moderate
Financial intelligence	Low
ML Investigation and Prosecution	Low
Confiscation	Low
TF Investigation and Prosecution	Moderate
TF Preventive Measures and Financial Sanctions	Low
PF Financial Sanctions	Low

High — Substantial — Moderate — Low

Technical Compliance

FATF Recommendations							
R1	Largely Compliant	R11	Largely Compliant	R21	Compliant	R31	Largely Compliant
R2	Compliant	R12	Largely Compliant	R22	Largely Compliant	R32	Largely Compliant
R3	Largely Compliant	R13	Compliant	R23	Largely Compliant	R33	Compliant
R4	Largely Compliant	R14	Largely Compliant	R24	Partially Compliant	R34	Largely Compliant
R5	Compliant	R15	Largely Compliant	R25	Largely Compliant	R35	Largely Compliant
R6	Largely Compliant	R16	Largely Compliant	R26	Partially Compliant	R36	Largely Compliant
R7	Largely Compliant	R17	Largely Compliant	R27	Compliant	R37	Largely Compliant
R8	Non-Compliant	R18	Largely Compliant	R28	Partially Compliant	R38	Largely Compliant
R9	Compliant	R19	Largely Compliant	R29	Compliant	R39	Compliant
R10	Largely Compliant	R20	Compliant	R30	Compliant	R40	Largely Compliant

Compliant — Largely Compliant — Partially Compliant — Non-Compliant — N/A

BVI 2025 FATF Follow-Up Report and Technical Compliance Updates

FOLLOW-UP REPORT

DATE: *October 2025*

Progress Updates

1. Since the 2024 MER, BVI has mainly used legislation to improve identified deficiencies, starting with the enablement of risk-based supervision in the NPO sector. Additionally, BVI has taken steps to address TF risks from the NPO sector by establishing a comprehensive mitigation framework, as well as creating outreach and educational programs, and publishing guidance notes and best practices to raise awareness of TF vulnerabilities and mitigation. All these led to an upgraded re-rating of R8.
2. Significant legislative reforms were also implemented to enhance beneficial ownership transparency, disclosure, reporting and oversight, resulting to an improved rating on R24.
3. Additional legislative provisions were made on the Securities and Investment, Insurance, and Financial Services Commission Acts to drive improvements on the regulation and supervision of financial institutions, ultimately upgrading the rating on R26.
4. Last but not least, substantial amendments were made to the Financial Investigation Agency Act and its policy documents to address gaps identified on the MER related to risk-based supervision and framework of DNFBPs, with R28 being re-rated as Compliant.

Technical Compliance Re-Rating

Rating Updates Based on Follow-Up Report:

- R8 Upgrade
- R24 Upgrade
- R26 Upgrade
- R28 Upgrade

FATF Recommendations			
R1	R11	R21	R31
R2	R12	R22	R32
R3	R13	R23	R33
R4	R14	R24	R34
R5	R15	R25	R35
R6	R16	R26	R36
R7	R17	R27	R37
R8	R18	R28	R38
R9	R19	R29	R39
R10	R20	R30	R40

Compliant | Largely Compliant | Partially Compliant | Non-Compliant | N/A

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LAUNCH | SCALE | OPTIMIZE

Stratis Advisory | 1.415.352.1060 | www.stratisadvisory.com | info@stratisadvisory.com