

No. 18 of 2025

VIRGIN ISLANDS
MUTUAL LEGAL ASSISTANCE (TAX MATTERS)
(AMENDMENT) ACT, 2025

ARRANGEMENT OF SECTIONS

SECTION

1. Short title
2. Section 13 amended
3. Section 19 repealed and substituted
4. Section 19A inserted
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8. Section 32 amended
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10. Section 33 amended
11. Section 42 amended
12. Schedule 2 amended

No. 18 of 2025

**Mutual Legal Assistance (Tax Matters)
(Amendment) Act, 2025**

**Virgin
Islands**

I ASSENT

Governor.

14 August, 2025



VIRGIN ISLANDS

No. 18 of 2025

AN ACT TO AMEND THE MUTUAL LEGAL ASSISTANCE (TAX MATTERS) ACT, REVISED EDITION 2020, TO CLARIFY THE TYPE OF FINANCIAL INSTITUTIONS WITH NOTIFICATION REQUIREMENTS, BROADEN THE CATEGORY OF OFFENCES FOR A REPORTING VIRGIN ISLANDS FINANCIAL INSTITUTION, IDENTIFY THE PERSON TO BE PENALISED IN RELATION TO A REPORTING VIRGIN ISLANDS FINANCIAL INSTITUTION WHICH IS A LEGAL ARRANGEMENT AND FOR RELATED MATTERS.

[Gazetted, 2025]

ENACTED by the Legislature of the Virgin Islands as follows:

Short title

1. This Act may be cited as the Mutual Legal Assistance (Tax Matters) (Amendment) Act, 2025.

Section 13 amended

2. The Mutual Legal Assistance (Tax Matters) Act, Revised Edition 2020 (hereinafter referred to as the “principal Act”) is amended in section 13(10) by deleting the words “Virgin Islands Financial Institution” and replacing them with the words “Reporting Virgin Islands Financial Institution”.

Section 19 repealed and substituted

3. The principal Act is amended by repealing section 19 and substituting it with the following new section:

“Penalties

19. (1) A Reporting Virgin Islands Financial Institution which

- (a) without reasonable excuse, fails to comply with the requirements of the Competent Authority under section 15;
- (b) without reasonable cause, fails to make a report required under this Part;
- (c) fraudulently or negligently makes a false report, whether in its entirety or in any particular part;
- (d) fails to implement arrangements or procedures in order to comply with this Part;
- (e) with intent to avoid the provisions of this Part, alters, destroys, mutilates, defaces, hides or removes any document or information, including documents or information electronically held;
- (f) wilfully obstructs an inquiry by the International Tax Authority under section 15; or
- (g) makes a report under section 16, which contains inaccurate information, or which is incomplete, where
 - (i) the inaccuracy or incompleteness is deliberate;
 - (ii) the inaccuracy or incompleteness is due to a failure to take reasonable care; or
 - (iii) the Reporting Virgin Islands Financial Institution discovers the inaccuracy or incompleteness sometime later and fails to take reasonable steps to inform the Competent Authority,

commits an offence and is liable on summary conviction to a fine of five thousand dollars or, in the case of paragraphs (a), (c), (d), (e) and (f), to imprisonment for a term of two years or both such fine and imprisonment.

(2) Subject to subsection (1), where an obligation is created under this Part or the Agreement the general penalty section of this Act applies to this Part and the Agreement.”.

Section 19A inserted

4. The principal Act is amended by inserting after section 19 the following new section:

“Penalties for a Reporting Virgin Islands Financial Institution that is a legal arrangement

19A. (1) Where a Reporting Virgin Islands Financial Institution commits an offence under this Part, and the Reporting Virgin Islands Financial Institution is a limited partnership or trust, the liability falls upon a liable person of the Reporting Virgin Islands Financial Institution.

(2) In subsection (1), “liable person” means, in relation to

- (a) a limited partnership with legal personality, the limited partnership and any of its general partners;

- (b) a limited partnership without legal personality, the general partners; and
 - (c) a trust, a trustee of the trust,
- and anyone else, who otherwise is a *de facto* decision maker for the Reporting Virgin Islands Financial Institution.”.

Section 21 amended

5. The principal Act is amended in section 21(1), in the definition of “Common Reporting Standard”, by deleting the words “Schedule 3” and substituting them with the words “Schedule 2”.

Section 23 amended

6. The principal Act is amended in section 23,
- (a) in the marginal note; and
 - (b) in subsections (1) and (2),
- by deleting the words “Schedule 6” and substituting them with the words “Schedule 4”.

Section 29 amended

7. The principal Act is amended in section 29 by inserting after subsection (5), the following new subsection:

“(6) A Virgin Islands Financial Institution that files a return, which contains inaccurate information, or which is incomplete, commits an offence and is liable on conviction to a fine not exceeding one hundred thousand dollars or to imprisonment for a term of two years, or both, where

- (a) the inaccuracy or incompleteness is deliberate;
- (b) the inaccuracy or incompleteness is due to a failure to take reasonable care; or
- (c) the Virgin Islands Financial Institution discovers the inaccuracy or incompleteness sometime later and fails to take reasonable steps to inform the Competent Authority.”.

Section 32 amended

8. The principal Act is amended in section 32(6) by deleting the word “wilfully” and substituting it with the word “wilfully”.

Section 32A amended

9. The principal Act is amended in section 32A(6) by deleting the words “Virgin Islands Reporting Financial Institution” and substituting them with the words “Reporting Financial Institution”.

Section 33 amended

10. The principal Act is amended in section 33(2) by deleting the words “Schedule 5” and substituting them with the words “Schedule 3”.

Section 42 amended

11. The principal Act is amended in section 42 as follows:

- (a) by repealing subsection (1A) and substituting it with the following new subsection:

“(1A) Any person who wilfully, knowingly, fraudulently, recklessly or negligently provide any false, inaccurate, incomplete or incorrect information to the Competent Authority, or who discovers the false, inaccurate, incomplete or incorrect information, but without reasonable excuse, fails to notify the Competent Authority as soon as practicable after making the discovery commits an offence.”;

- (b) in subsection (2), by deleting the words “subsections (1) and” and substituting them with the words “subsection (1) or”; and
- (c) by inserting after subsection (2), the following new subsections:

“(3) Where an obligation created under this Act or the Agreement falls upon a limited partnership or trust, for which a penalty is not imposed, then notwithstanding the generality of subsections (1) and (2), a failure to comply with such obligation shall constitute an offence under this Part, and any liable person shall be liable

- (a) on summary conviction to a fine not exceeding five thousand dollars or to imprisonment for a term not exceeding two years or both; or
- (b) on conviction on indictment, to a fine not exceeding one hundred thousand dollars or to imprisonment for a term not exceeding five years, or both.

(4) For the purposes of subsection (3), a “liable person” means, in relation to

- (a) a limited partnership with legal personality, the limited partnership and any of its general partners;
- (b) a limited partnership without legal personality, the general partners; and
- (c) a trust, a trustee of the trust,

and anyone else, who otherwise is a *de facto* decision maker for the limited partnership or trust.”.

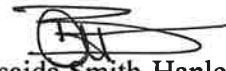
Schedule 2 amended

12. The principal Act is amended in Schedule 2 by deleting the words “(Section 26)” and substituting them with the words “(Sections 21 and 26)”.

Passed by the House of Assembly this 3rd day of July, 2025.



Corine N. George-Massicote,
Speaker.



Bethsaida Smith-Hanley,
Clerk of the House of Assembly.

renumbering to the Schedules of the principal Act pursuant to amendment No. 4 of 2022.

Section 11 amends section 42 of the principal Act, by repealing and replacing section 42(1A), to broaden the types of conduct that may attract a sanction on contravention of the said section. This section also provides for a minor amendment to subsection (2) and further provides for the insertion of subsection (3), so as to create a general penalty provision which may be applied to legal arrangements.

Section 12 provides for a minor amendment to Schedule 2 of the principal Act.

This Act was introduced in the House of Assembly on the 8th May, 2025 and underwent its remaining legislative stages and was passed on the 3rd July, 2025.

In my opinion, His Excellency the Governor may properly assent to this Act in the name and on behalf of His Majesty.



Jo-Ann Williams-Roberts
Acting Attorney General
9th July, 2025

LEGAL REPORT

This Act seeks to amend the Mutual Legal Assistance (Tax Matters) Act, Revised Edition 2020, hereinafter referred to as the principal Act.

Section 1 provides for the short title.

Section 2 provides for minor amendments to section 13 of the principal Act, to clarify the type of Financial Institutions which have notification requirements under section 13 of the principal Act.

Section 3 repeals and replaces section 19 of the principal Act to broaden the category of offences for which a penalty may be imposed on a Reporting Virgin Islands Financial Institution pursuant to section 19(1) of the principal Act.

Section 4 provides for the insertion of section 19A, that identifies the person who may be penalised for a failure to comply with an obligation imposed on a Reporting Virgin Islands Financial Institution under Part II of the principal Act, in circumstances where the Reporting Virgin Islands Financial Institution is a legal arrangement.

Section 5 amends the definition of “Common Reporting Standard” in section 21(1) of the principal Act by deleting the words “Schedule 3” and replacing them with the words “Schedule 2”, to reflect the renumbering to the Schedules of the principal Act pursuant to amendment No. 4 of 2022.

Section 6 amends section 23 of the principal Act by deleting any reference to the words “Schedule 6” and replacing it with the words “Schedule 4”, to reflect the renumbering to the Schedules of the principal Act pursuant to amendment No. 4 of 2022.

Section 7 amends section 29 by inserting a new subsection (6), which penalizes any Virgin Islands Financial Institutions that files an inaccurate or incomplete return.

Section 8 provides for a minor amendment to section 32(6) of the principal Act.

Section 9 provides for minor amendments to section 32A(6) of the principal Act.

Section 10 amends section 33(2) of the principal Act by deleting the words “Schedule 5” and replacing them with the words “Schedule 3”, to reflect the