



## **Virgin Islands General Licence No. 5 2023 (payment of reasonable professional legal fees and expenses)**

On 13<sup>th</sup> October 2023, the Governor issued the Virgin Islands General Licence No. 5, 2023 (payment of reasonable professional legal fees and expenses).

The Governor has reviewed the reported use of the previous General Licence No. 3 and in view of stakeholder feedback and continuing high volumes of applications associated with the payment of legal fees, has taken the decision to issue a new licence. The replacement, Legal Services General Licence, has a term of 6 months and will expire on 13<sup>th</sup> April 2024.

As with the previous Legal Services General Licence, the new General Licence will mean that a BVI Legal Practitioner who has provided legal advice to a person designated under either the Russia or Belarus regime will not require a specific licence from the Governor to receive payment from that Designated Person (DP), provided that the terms of the General Licence are met. Similarly, if expenses are required for a DP under either the Russia or Belarus regime, a provider of expenses will not require a specific licence from the Governor to receive payment from that DP, provided that the terms of the General Licence are met.

Anyone wanting to make use of the new General Licence should carefully consider its terms before doing so as it is not an extension or duplicate of General Licence No. 3. The key changes made to the General Licence are detailed below.

Changes to caps:

- The professional legal fees caps and expenses of the General Licence have been reset. Users will be able to make use of the legal fees caps (\$600,000) and the expenses caps (10% of legal fees, up to \$60,000) under Parts A and B of the General Licence.
- Legal fees and expenses paid under the previous General Licence will not count towards these caps.
- The General Licence makes it clear that the two legal fees caps can be combined, subject to the terms of the licence being met. This means if work is undertaken for a DP that involves fees for legal work carried out in satisfaction of a prior obligation (\$600,000 limit) and work undertaken post-designation (\$600,000 limit), up to \$1.2 million could be paid. Similarly, if expenses are required for work carried out in satisfaction of a prior obligations (\$60,000 limited) and for work undertaken post-designation (\$60,000) limit, up to \$120,000 could be paid.

In addition, professional legal fees and expenses for cases involving defamation are not permitted to be paid under the new General Licence.

### **Reporting requirement**

Those who use the General Licence must report in writing to the Governor, preferably by email to [GOVOfficeSanctions.Tortola@fcdo.gov.uk](mailto:GOVOfficeSanctions.Tortola@fcdo.gov.uk), using the form on the British Virgin Islands Financial Services Commission [General Licence page](#).

Alternatively, completed forms can be posted to:

**Governor's Office**

Waterfront Drive,  
Road Town, Tortola  
British Virgin Islands

Reporting is due within seven days of a payment permitted under the General Licence. Those using the General Licence must keep records of its use for a period of six (6) years.