



Chinese residents with BVI Managed Investment Entities more often than not, submit a nil report... dumbo move.

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CRS and CARF expert. No, truly.

September 24, 2024

Think you can emulate Robert Brockman who evaded taxes on \$2.7 billion by submitting "no reportable persons" for his investment entities located in Nevis and Bermuda.

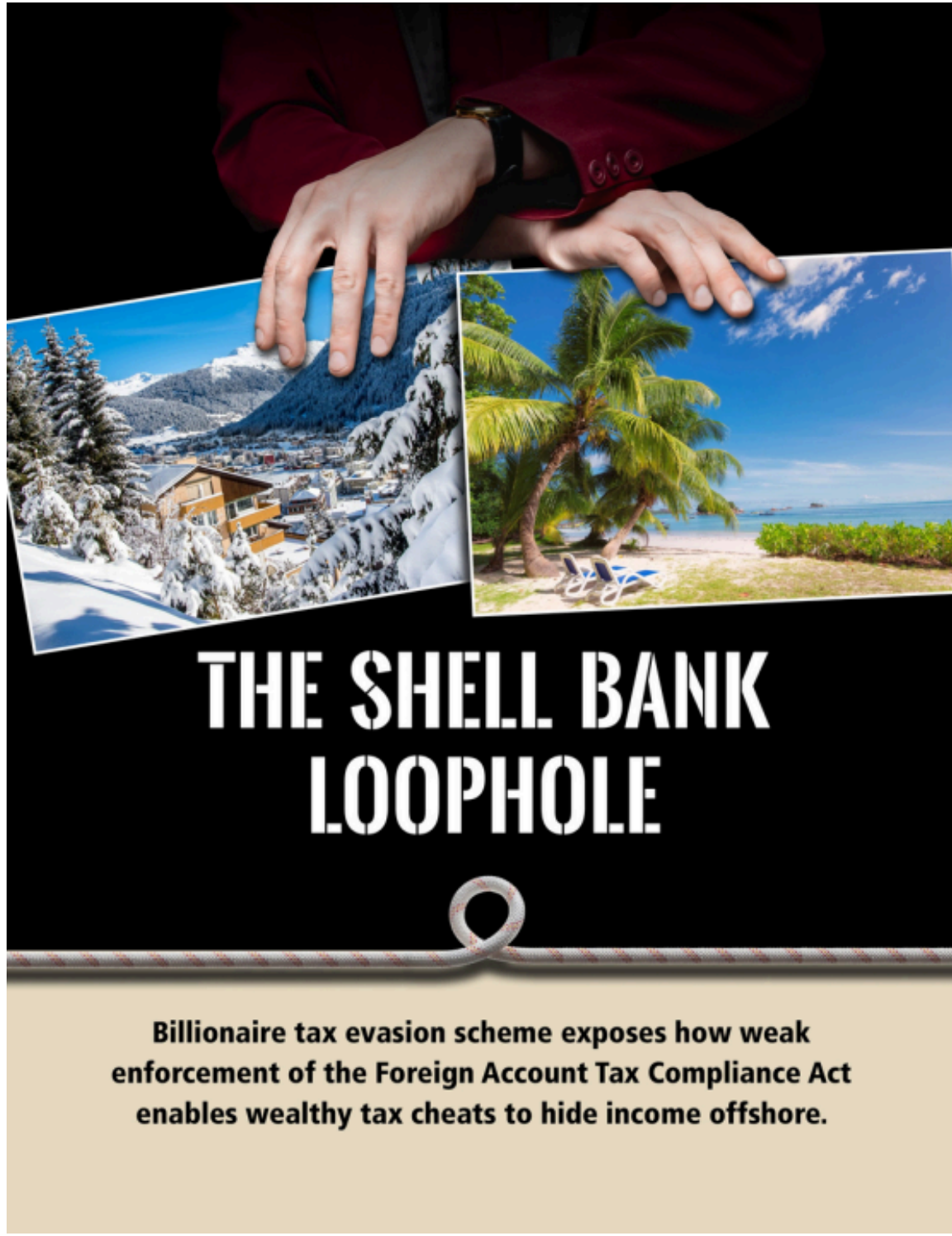
- Hundreds of thousands of Chinese residents have their offshore assets in BVI companies. These companies, due to the ridiculous Economic Substance test of "pure equity holding company" are located for CRS purposes in the BVI.
- However, the Chinese owner/director simply submits a nil report for CRS (and obviously FATCA) through the BVI CRS portal ([BOSS](#))



- The Government of the Virgin Islands has commissioned the extension of the BOSS platform to allow for declarations to be made in line with the Economic Substance requirements in the Virgin Islands.
- All legal entities must make these declaration via their Registered Agents as ONLY Registered Agents have access to the BOSS(ES)s portal.
- The BVI International Tax Authority ("ITA") is pleased to notify all Registered Agents ("RAs") of the latest release of the BOSS(ES) portal, which provides additional functionality to the ITA.
- For RAs requiring change(s) to previously submitted declarations, we are now able to reopen the filed declarations.
- You may make your appeal known by sending an email to the ITA with the following information: - The name of the Company on whose behalf the declaration was made; and - A reason for reopening the declaration (please be detailed.) Requests to re-open more
- All RA's and Legal Entities are reminded that the deadline to file declarations is six months after the end of the Financial Period of the legal entity. The prescribed financial

The US Senate finance committee identifies a huge loophole in FATCA, which is also the Common Reporting Standard's largest loophole.


- It is likely the BVI authorities will one day audit the BVI entity as to why a nil report or no-reportable person was submitted for both FATCA and CRS as this is highly suspicious.
- The false nil report for Investment Entities is a well know fraudulent loophole and US senate is investigating this, known as "[Shell bank loophole](#)".




What can you you do to legally submit a nil report, that can stand up to any audit

- Have a Custodial Institution (say a trust) that earns 20% of its income from custody fees, resident in a jurisdiction that is not a CRS participating jurisdiction and does not have an Intergovernmental Agreement with the USA, passively own the Managed Investment Entity.
- The managed Investment Entity does not have to report on its Account Holder because the Account Holder is a Financial Institution (Custodial Institution).
- The trust Custodial Institution does not earn any income from its underlying Investment Entity holdings, such as dividends for distributions.
- Distributions can be made directly from the underlying Investment Entity.

=====END=====



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