

A new dawn in BVI dispute resolution

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The BVI has a modern, sophisticated, well respected legal system, based on English common law, which makes it well placed to accommodate disputes involving BVI entities. The dispute resolution capabilities of the BVI have been recently enhanced by the coming into force on 1 October 2014, of the new Arbitration Act, replacing the outdated Arbitration Ordinance of 1976. In addition, the BVI is established as a leader in the global financial services industry. With over 450,000 active incorporated companies, many involved in international trade and commerce, it is the world's foremost offshore corporate domicile.

The BVI recently became a signatory to the New York Convention, a key instrument in international arbitration, which allows for the reciprocal enforcement of arbitral awards in 150 New York Convention signatory countries. For the first time therefore, BVI awards are capable of enforcement throughout the financial world.

The Arbitration Act is modelled on the UNCITRAL model law, with some modifications, which ensures that BVI arbitrations will be conducted in line with modern, international standards and will be recognised globally.

A key feature of the new Act is the creation of an International Arbitration Centre to facilitate BVI seated arbitrations and to allow the BVI to become a significant offshore international arbitration hub similar to Hong Kong and Singapore, strongly supported by the BVI government.

A further indication that the BVI has shown a serious commitment to promote and provide arbitration is the appointment of an arbitrator as the new Commercial Court Judge.

With arbitration on the rise as a means for resolving financial disputes, the BVI can now offer important alternative dispute resolution as a result of the combination of the Arbitration Act, its accession to the New York Convention and its position as an international financial centre with a well-respected, long established, modern legal system.

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