



# UNTITLED

STRATEGIC FIDUCIARY ADVICE

**SUCCESSION PLANNING  
AND CORPORATE CONTROL  
IN THE BRITISH VIRGIN  
ISLANDS (BVI)**

At **UNTITLED**, we understand the primary concern faced by those considering establishing an offshore company: how to ensure the transfer of assets to their heirs in case of death. Therefore, it is crucial to become familiar with the options most commonly used when planning succession with a British Virgin Islands (BVI) company.

## CLASSES OF SHARES

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A current strategy for succession planning involves issuing two classes of shares:

- **Class A: shares grant voting rights and economic benefits to the owners of the company.**
- **Class B: shares do not possess rights as long as Class A shareholders exist.**

In the event of the death of all Class A shareholders, Class B shares ascend to Class A status, and the shares of the deceased are acquired and canceled by the company.

## JOINT TENANCY

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This approach, although traditional and accepted in many offshore jurisdictions, has lost popularity due to its lack of clarity. Under this regime, **the creator of the company and their heirs are listed on the same share certificate, which can lead to legal disputes over ownership** in the event of claims against any of the parties mentioned on the certificate.

## WILL

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This is the **preferred option when it is not wished to involve heirs in the company structure or when a clear succession order is needed**. However, in the event of death, it will require the initiation of a probate process before the British Virgin Islands Court. The process takes approximately three months and costs approximately US\$ 20,000.

## IMPORTANT ASPECTS TO CONSIDER

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### **Advantages of succession planning through a company:**

- Avoids deadlines and costs associated with probate processes.
- Prevents freezing of bank accounts and investments.
- Does not add fees to the annual maintenance of the structure.

### **Disadvantages of succession planning through a company:**

- Does not prevent conflicts among future partners (heirs).
- Limits the founding partner's control over asset management after their death.
- Shares held by minors or incapacitated individuals will be subject to the control of their tutors or guardians.

Another key point is to ensure that the company's creator or a trusted third party maintains control of the company and/or access to its assets. For this purpose, there are several figures:

**A. Nominee director**

Represents the company to third parties, with the power to sign contracts, open accounts, and amend articles.

There may be more than one director, either natural or legal, and majorities can be established for decision-making.

**B. Alternate director**

Appointed to represent the company in the absence of the nominee director.

**C. Reserve director**

Appointed to represent the company in case of death of the nominee director.

**D. Attorney authorized**

To represent the company to third parties and/or open accounts according to the powers established in the power of attorney. Cannot replace the director or approve company resolutions.

**E. Authorized person on bank accounts and investments**

Authorized by the bank to conduct transactions or give instructions on the accounts.

**If you would like to obtain more details about any of these options,  
please contact Daniela Baldovino at [daniela.baldovino@untitled-slc.com](mailto:daniela.baldovino@untitled-slc.com).**



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