

TOTAL BUDGET
US$562 million
As passed by the House, 18 Dec 2025

REVENUE
US$447.7 million
2026 estimate; revised to US$454.4m

PUBLIC DEBT
9.8% of GDP
US$170.9 million at end-2025

CARIBBEAN TAX SERVICE DESK · EASTERN CARIBBEAN

The British Virgin Islands Budget Review 2026

What the 2026 Budget means for businesses and individuals

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FOREWORD

The 2026 Budget is the largest in the Territory's history. It raises no new taxes, and asks businesses to plan around infrastructure spending, cost-of-living relief and steady revenue reform.

The Budget keeps the British Virgin Islands' simple tax system in place: no income tax, and no change to payroll tax, stamp duty or hotel accommodation tax rates. Revenue growth is expected from stronger collection and from financial services and tourism, while borrowing funds a larger capital programme. During the year, the Government added temporary customs duty relief on essential goods.

This review sets out the figures, the measures and their dates, and what they mean for each sector. It should be read with our British Virgin Islands Doing Business Guide and Tax Guide.

We serve the British Virgin Islands through our Caribbean Service Desk, managed from Kingston. We would be glad to help you work through the impact on your business.

Dr. Dawkins Brown, Ph.D., MCMI, ACFE

Executive Chairman, Dawgen Global

How to use this guide

This review summarises the 2026 Budget and what it means for businesses and individuals in the British Virgin Islands. It is general information, current to October 2026; measures may change as they pass into law. Our companion Doing Business and Tax Guides give the wider picture. Speak to us before you act.

OVERVIEW

01 Budget at a glance

The Premier and Minister of Finance, Hon. Dr. Natalio D. Wheatley, delivered the 2026 Budget Address, "Pillars of Progress: Building a Sustainable Nation", on 6 November 2025. The House of Assembly passed the budget with amendments on 18 December 2025.

TOTAL BUDGET
US$562 million
As passed; US$550.6 million as presented

REVENUE
US$447.7 million
Tax revenue US$418.6 million

RECURRENT SPENDING
US$454.6 million
Employee compensation US$200.4 million

CAPITAL SPENDING
US$87.5 million
Development projects and acquisitions

PUBLIC DEBT
US$170.9 million
End-2025; 9.8% of GDP

REAL GDP GROWTH
1.0%
Budget assumption for 2026

Five key messages

- **The largest budget yet.** US$562 million as passed, against US$488.7 million presented for 2025.
- **No new taxes.** No income tax, and no change to payroll tax, stamp duty or hotel tax rates.
- **Relief on living costs.** Lower duty on essential goods from 1 May to 31 July 2026.
- **Green incentives.** 0% duty on renewable energy products until 31 August 2030.
- **Borrowing for infrastructure.** Bank and CDB loans fund the capital programme; debt stays low.

The 2027 Budget

The 2027 Budget Address, "Turning Progress into Prosperity", was delivered on 27 October 2026. It proposes a budget of US$559.1 million, with revenue of US$457.8 million, and a US$5,000 payroll tax rebate for lower-income earners from the end of 2027. These are proposals until the House passes them. This review uses the revised 2026 figures from that address.

ECONOMY

02 Economic context

Growth is modest, but the revised projection for 2026 is above the budget assumption. Prices rose faster in 2026 as global fuel costs climbed.

REAL GDP GROWTH
1.9%
2026 revised projection; 3.3% in 2024

NOMINAL GDP
US$2.1 billion
2026 projection, up 3.3%

INFLATION
3.57%
First eight months of 2026; 2.07% in 2025

VISITOR ARRIVALS
1,071,716
January to September 2026

NEW COMPANIES
14,988
First half of 2026, up 7.0%

EMPLOYMENT
Over 22,100
2024, up 2.6% on the year

Budget assumptions

The 2026 Budget assumed real growth of 1.0% after 0.4% in 2025, employment growth of up to 3% and 1.19 million visitors.

Money and prices

The US dollar is legal tender and there is no central bank, so interest rates follow US conditions. Most goods are imported, so world prices pass through quickly.

Outlook

The 2027 Budget Address projects average inflation of 3.41% for 2026 and real growth of 4.1% in 2027. Visitor arrivals are forecast at 1.4 million for 2026, against 1.2 million in 2025.

Risks

Government names inflation and the labour market as key risks, and better capital execution as a priority.

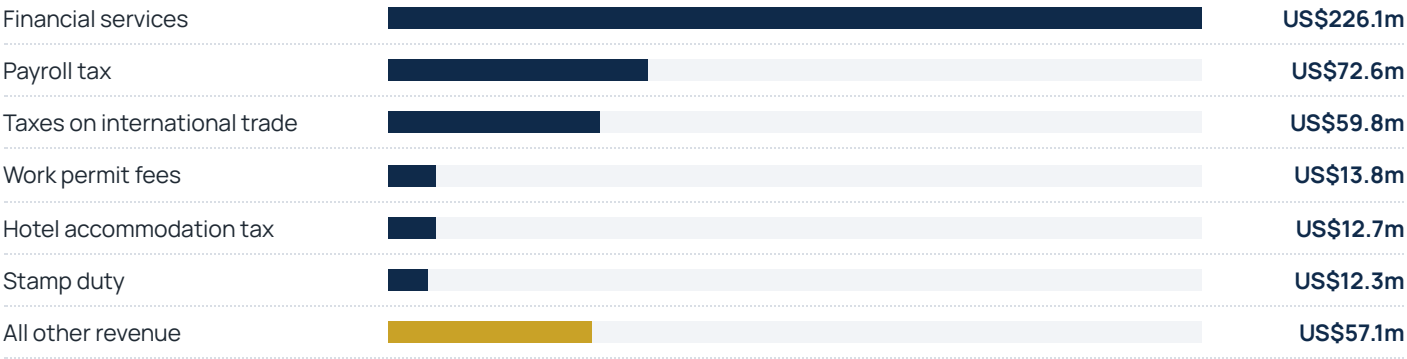
PUBLIC FINANCES

03 Fiscal framework

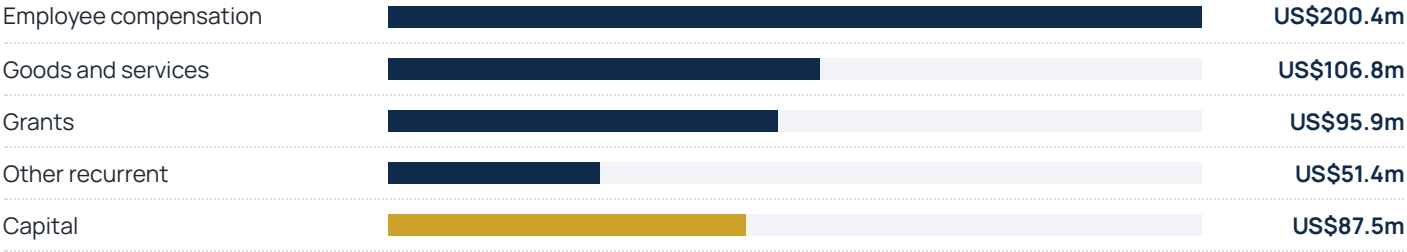
US$ million	2025 projected	2026 budget	2026 revised
Revenue	425.4	447.7	454.4
Recurrent expenditure	393.3	454.6	454.3
Recurrent balance	32.1	−6.9	0.1
Capital expenditure	27.1	87.5	49.1

2025 projections at the 2026 Budget Address; 2026 revised at the 2027 Budget Address. Recurrent balance computed.

Where the money comes from: 2026 revised, US$454.4 million



Where it goes: 2026 budget



Outturn

Revenue is running US$6.7 million above budget. Capital spending is likely to reach about US$49 million of the US$87.5 million budgeted.

BUSINESS TAX

04 Tax measures for businesses

There is still no income or corporate tax, and no rate changes were announced. The measures for business are about duties, fees and administration.

Measure	What changes	Effective	Who is affected
Payroll tax	Rates and the US$10,000 exemption unchanged. Collection is supported by the SIGTAS 3.0 system.	Ongoing	All employers
Renewable energy duty	0% customs duty on renewable energy and energy-efficient products	1 Sep 2025 to 31 Aug 2030	Energy, construction, property
Cost-of-living package	Lower duty on essential goods, duty on FOB value, and lower wharfage and container charges (page 06)	1 May to 31 Jul 2026	Importers and retailers
BVI vessels	Exemption from import duty, introduced in 2025	2025	Marine businesses
Vessel licensing	Commercial recreational vessel licensing fees apply	2026	Charter operators
Good Standing Policy	**Proposed:** consultation, then Cabinet	To be set	Companies
Investment Act	**Proposed:** a revised Act	To be set	Investors

Unchanged

No income, withholding or capital gains tax. Employer payroll tax of 2% or 6% above US$10,000. Stamp duty on land of 12% or 4%. Hotel accommodation tax of 10%. Company annual fees of US$550 or US$1,350.

Financial services

Fees from the sector are the largest source of revenue. The sector is expanding into digital assets and tokenisation.

INDIVIDUALS

05 Tax measures for individuals and households

Individuals pay no income tax. The Budget keeps payroll deductions unchanged and focuses on homeownership, pensions and living costs.

Payroll deduction	Employee	Employer
Payroll tax (above US$10,000)	Up to 8%	2% or 6%
Social Security	4%	4.5%
National Health Insurance	3.75%	3.75%

2026 ceilings: US$53,400 a year for Social Security (from US$51,000) and US$106,800 for NHI. The minimum wage is US$7.25 an hour from 1 July 2025.

Homeownership

Stamp duty relief for first-time Belonger buyers of homes and land continues under the applicable rules. Government also said it would bring in measures for the slower property market.

Pensions and public pay

- Higher payments to government pensioners from 31 August 2026
- Outstanding increments for public officers being paid
- A contributory public service pension scheme is being developed

Household costs

From May to July 2026, duty fell on a Protected Basket of food, hygiene, household and medical goods, some to 0%. Government also committed US$5.5 million to electricity subsidies in 2026.

INDIRECT TAXES

06 Indirect taxes, customs and other revenue

There is no VAT or sales tax. Customs duty is the main tax on goods, and the main changes in 2026 came through a temporary relief package.

Measure	Change	Effective
Protected Basket of Goods	Lower duty on essential goods, some to 0%	1 May to 31 Jul 2026
Customs valuation	Duty on FOB value, without freight and insurance	1 May to 31 Jul 2026
Wharfage	Halved, from 2% to 1%	2026 package
Container handling	US$150, from US$300	2026 package
Renewable energy products	0% customs duty	To 31 Aug 2030
Hotel accommodation tax	Unchanged at 10%	—
Drinks containers	**Proposed:** a deposit and return system for glass, aluminium and PET	After consultation

The package was made under amendments to the customs, ports and statutory fees schedules. Check with HM Customs whether any part has been extended.

Other revenue

Vehicle disposal fees were reinstated in September 2025 and immigration fees were simplified. A framework for single-use plastics is planned.

Administration

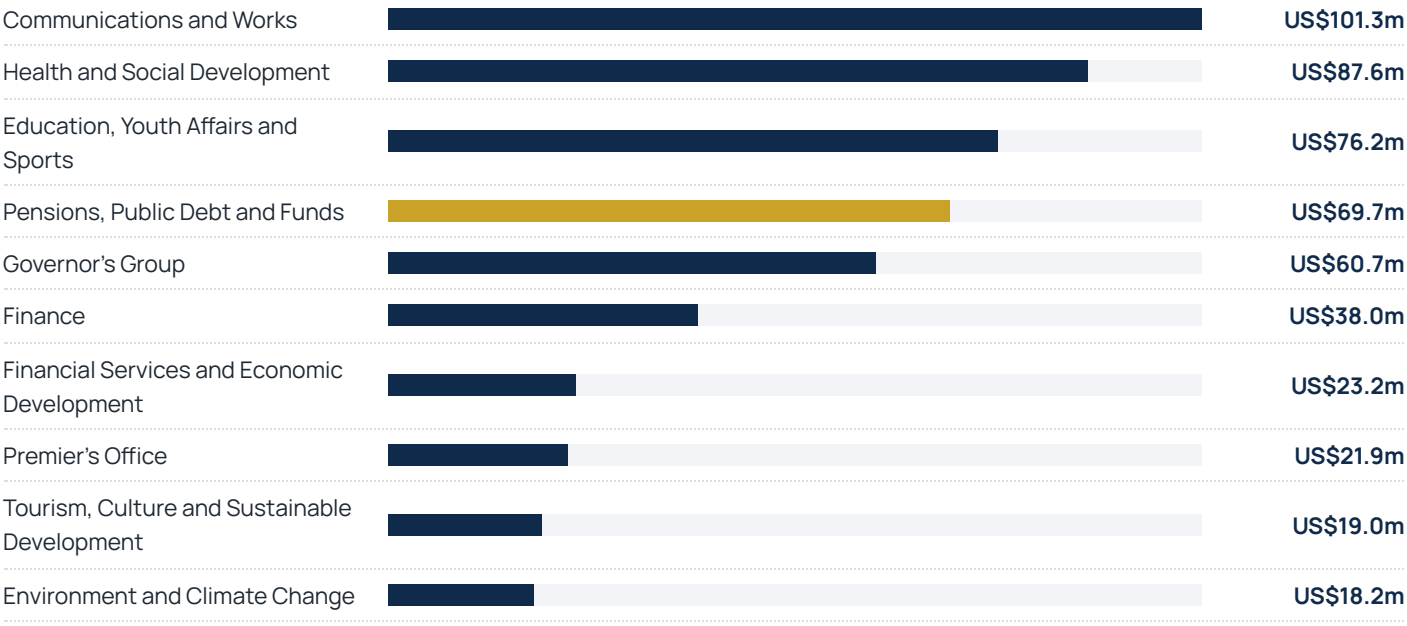
The Inland Revenue Department's SIGTAS 3.0 system supports payroll tax filing and collection.

SPENDING

07 Spending priorities and capital programme

Infrastructure, health and education take the largest shares. Most capital spending is financed by loans.

Allocations as presented, 2026

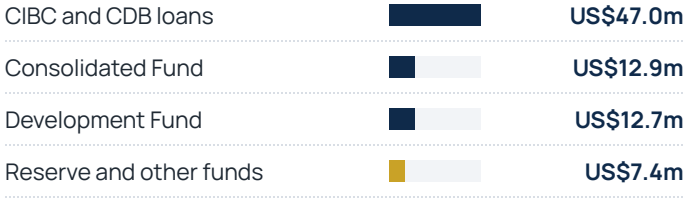


Allocations changed slightly as the budget passed, including more for security.

Major projects

- Airport runway extension
- Road Town redevelopment
- Prospect Reef
- East End Sewer Phase 2
- Agricultural complex
- Fishing complex

Capital financing as presented

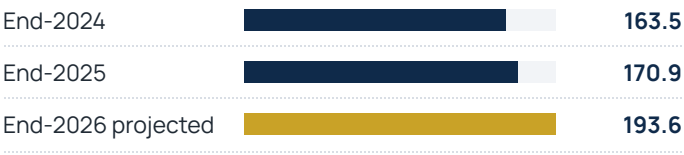


DEBT

08 Debt, financing and fiscal rules

Public debt is low by regional standards, but is rising as loans for infrastructure are drawn.

Public debt, US$ million



End-2025	US$ million
Central government	134.1
Government guaranteed	36.9
Domestic lenders	89.8
Caribbean Development Bank	81.1

Debt was 9.8% of GDP, against a target of no more than 20%. Debt service in 2025 was US$31.9 million, 7.4% of revenue.

Financing

- A US$100 million CIBC infrastructure facility, US$35 million drawn by end-2025
- A US$65.3 million CDB loan, with US$5 million drawn in December 2025
- Two loans refinanced through balloon payments

Fiscal rules

Borrowing is governed by the Protocols for Effective Financial Management agreed with the UK, which limit debt in relation to recurrent revenue. Government has said it will discuss these limits with the UK.

Risks to watch

Capital execution (about US$49 million of US$87.5 million in 2026), employee compensation of US$200.4 million, and reliance on financial services, about half of revenue.

SECTOR IMPACT

09 What it means for your sector

Sector	What the Budget means
Financial services	No change to company fees or tax. Incorporations are up 7.0% in early 2026. A Good Standing Policy and work on digital assets are planned.
Tourism and hospitality	Record arrivals. Hotel accommodation tax stays at 10%. Charter operators face new vessel licensing fees, while BVI vessels are free of import duty.
Construction and real estate	A larger capital programme, led by the airport, Road Town and sewerage. Stamp duty rates unchanged, with relief for first-time Belonger buyers.
Retail and distribution	The May–July 2026 duty and port charge relief lowered landed costs. Check prices and stock records for that period, and watch for any extension.
Energy and utilities	0% duty on renewable products to August 2030, plus 2026 electricity subsidies.
Technology and digital	The Ministry of Financial Services, Economic Development and Digital Transformation leads digital reform; digital assets are a growth area.
SMEs	The 2% small employer payroll tax rate continues. Trade licensing and permit services are being digitised.
Employers generally	Higher 2026 Social Security and NHI ceilings. Payroll tax filing runs through SIGTAS 3.0.

ACTION PLAN

10 Action points and key dates

Businesses

- [ ] Apply the 2026 Social Security and NHI ceilings in payroll
- [ ] Check duty and valuation on May–July 2026 imports
- [ ] Plan renewable energy purchases before August 2030
- [ ] Check vessel licensing and duty status
- [ ] Diary the annual payroll tax return for 30 April
- [ ] Follow the 2027 Budget as it passes

Individuals

- [ ] First-time Belonger buyers: check stamp duty relief
- [ ] Self-employed: file the notional remuneration statement by 31 March
- [ ] Pay property tax by 30 November

Date	What happens
1 September 2025	0% duty on renewable products
6 November 2025	2026 Budget Address
18 December 2025	2026 Budget passed
1 January 2026	Higher contribution ceilings
1 May–31 July 2026	Cost-of-living duty relief
31 August 2026	Higher public service pensions
27 October 2026	2027 Budget Address
30 November 2026	Property tax due
30 April 2027	Annual payroll tax return for 2026
31 August 2030	Renewable duty relief ends

Check each date with the authority concerned.

YOUR PARTNER

11 How Dawgen Global helps

Our Caribbean Tax Service Desk, managed from Kingston, provides advisory and compliance services to help businesses and individuals in the British Virgin Islands turn the Budget into a plan.

Budget impact assessment

Modelling duties, fees and payroll costs against your prices and margins.

Tax planning and restructuring

Structuring, substance planning and home-country tax for BVI entities.

Compliance updates and payroll changes

Payroll tax, Social Security and NHI, ceilings and filing calendars.

Incentives and concessions

Renewable energy duty relief, project concessions and stamp duty relief.

Cash flow and pricing reviews

Forecasts, landed cost and repricing for duty and port charge changes.

Engagement with the tax authority

Inland Revenue, HM Customs and ITA correspondence and penalty reviews.

Start with a conversation

Tell us how the 2026 Budget affects your plans, and we will set out the steps for your situation. Some regulated services are performed by affiliated firms; we will advise you of the arrangements when you make a request. Fees are tailored to each client's circumstances and set out in an engagement letter. Email **bvi@dawgen.com** or **info@dawgen.global**, or call (876) 926-5210.

Talk to the Caribbean Tax Service Desk about the 2026 Budget

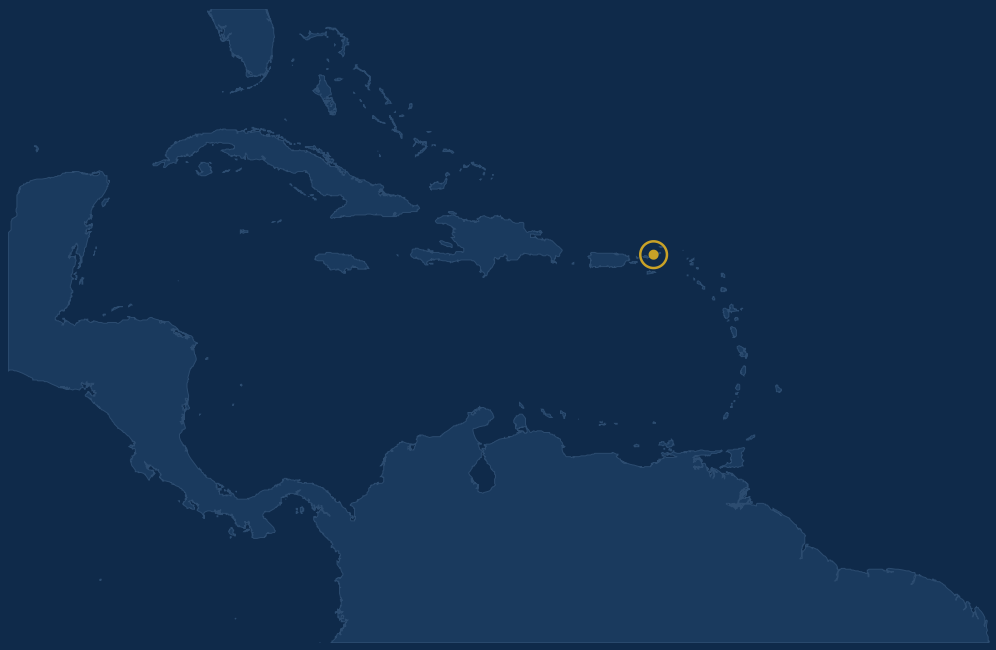
Contact

bvi@dawgen.com

Dawgen Global, Dawgen Towers
47-49 Trinidad Terrace, Kingston 5, Jamaica
(876) 926-5210 · (876) 630-2011
(876) 929-3670 · (876) 929-3870
US toll free 855-354-2447
info@dawgen.global · dawgen.global

Key official sources

- Ministry of Finance, Government of the Virgin Islands (gov.vg)
- Premier's Office (gov.vg)
- Inland Revenue Department (gov.vg)
- HM Customs (gov.vg)
- Central Statistics Office (gov.vg)
- BVI Financial Services Commission (bvifsc.vg)
- Social Security Board (vissb.vg)
- Caribbean Development Bank (caribank.org)



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