

The Virgin Islands Consortium

UK Review of BVI Omits USVI Marine-Trade Impacts as Charter Law Fallout Mounts

Stakeholders say the United Kingdom's recent review of the British Virgin Islands failed to address documented U.S. Virgin Islands economic damage from the BVI's new charter-licensing law, despite detailed findings by the U.S. Trade Representative.

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The United Kingdom's recent constitutional review of the British Virgin Islands did not address the documented economic impact of new BVI marine-licensing laws on the U.S. Virgin Islands, despite [detailed findings](#) by the Office of the United States Trade Representative (USTR) in the Executive Office of the President outlining significant harm to USVI charter operators and the wider marine-tourism economy.

The omission has drawn renewed criticism from U.S. Virgin Islands marine and tourism stakeholders, who say the UK review failed to account for the effects of the [Commercial Recreational Vessels Licensing \(Amendment\) Act, 2025](#), a law that sharply increased fees and imposed new operational limits on foreign-based charter vessels operating in BVI waters. Those impacts, stakeholders argue, have been extensively documented by U.S. federal agencies and raised repeatedly by USVI officials.

The CRVL Amendment Act was passed by the House of Assembly of the Virgin Islands on May 6, 2025, assented to by Governor Daniel Pruce on May 30, and took effect on June 1, 2025. The legislation amended the BVI's 1992 licensing framework to impose expanded licensing requirements, new charter limits, time restrictions, and revised fee structures on commercial recreational vessels based outside the territory.

According to the Act, foreign-based commercial recreational vessels must now obtain annual licenses under Schedule 2, secure background clearances for all crew members within 30 days of entry into BVI waters at a cost of \$125 per crew member, and comply with new administrative and reporting requirements. The law also redefined key terms, replaced references to "Governor in Council" with "Cabinet," and expanded enforcement authority.

The amended statute restricts most foreign-based vessels—excluding certain large yachts—to no more than seven charters, including pickups and charter entries, within a 12-month period. Even vessels licensed without special conditions are prohibited from exceeding seven annual pickups. Intra-trading is further limited to BVI-based vessels or those granted waivers under narrowly defined circumstances.

Additional provisions impose time limits on vessel presence in BVI waters. Commercial vessels exceeding 500 gross registered tons that are not BVI-registered or licensed large yachts may remain in BVI waters for no more than 60 continuous days, unless granted a short extension by the Commissioner at a cost of \$2,500. Violations may result in fines of \$5,000 per day.

Revised licensing fees set forth in Schedule 1 range from \$800 for smaller home-based vessels to \$24,000 for certain foreign-based term charter vessels, with additional per-charter and administrative fees tied to vessel size and usage. Section 5(b) of the Act expired on November 1, 2025.

While the UK review examined governance and oversight matters in the British Virgin Islands, Project Fair Waters, a coalition of U.S. Virgin Islands marine, tourism, and small-business stakeholders, said in a statement dated January 25 that the review failed to consider the regional trade consequences of the CRVL Act, particularly its effects on the neighboring USVI economy.

Project Fair Waters cited the USTR's Sixteenth Report to Congress on the Operation of the Caribbean Basin Economic Recovery Act (CBERA), which documents that the CRVL Act increased fees on foreign charter vessels entering BVI waters by up to 4,000%. According to the report, the affected marine-charter industry supports as many as 5,000 jobs in the U.S. Virgin Islands and contributes approximately \$166 million annually to the territory's economy.

The USTR report further references cases involving the “expropriation or seizure of U.S. Virgin Islands citizen-owned property” and notes that CBERA authorizes the President to “terminate, limit, suspend, or withdraw” benefits if eligibility conditions are not met.

“A 4,000% charter-fee hike should have been front and center in the UK’s BVI review—it is squeezing USVI operators and marine-tourism jobs. London should press for swift repeal of the CRVL regime and restore fair, reciprocal access across the Greater Virgin Islands,” said Kosei Ohno, lead of Project Fair Waters and president of Crown Bay Marina.

Beyond fee increases, the coalition cited additional restrictions imposed by the Act, including charter-frequency caps, duration limits, and customs requirements that do not apply to comparable operations in U.S. waters. Project Fair Waters said these measures compound economic pressure on USVI operators and disrupt long-standing marine-trade integration between the two neighboring territories.

The coalition also pointed to a [unified response](#) from Governor Albert Bryan Jr. and the 36th Legislature of the Virgin Islands, who have characterized the dispute as a federal trade matter and supported formal engagement with U.S. agencies. Project Fair Waters said coordination with territorial leadership has been key to elevating the issue through appropriate federal and diplomatic channels.

Federal partners cited by the coalition include the U.S. Departments of State and Commerce and the Small Business Administration, whose interagency analysis identified not only excessive and discriminatory fees, but also structural restrictions affecting charter operations.

Project Fair Waters noted that the USVI–BVI marine-trade dispute was not addressed during the January 13, 2026 House of Lords Constitutional Committee hearing, despite broader discussions of BVI governance. During that session, Lord Foulkes of Cumnock called for “stronger action against the BVI,” while Stephen Doughty MP, the UK Minister for the Overseas Territories, said, “We have a candid and direct conversation with BVI” and that the UK “always reserve[s] the right to take further action” if obligations are not met.

Doughty also referenced recent UK engagement involving the Falkland Islands, where post-Brexit trade discussions led to a reduction of a 41% tariff to 10% in 2025 under the U.S.–UK Economic Prosperity Deal.

“That experience shows how quickly technical oversights can be resolved when partners engage through established channels,” said Michelle T. Meade of Meade Law. “A similarly prompt and coordinated correction is both reasonable and attainable here.”

The amended BVI licensing framework remains in effect as U.S. Virgin Islands stakeholders continue pressing for federal engagement, repeal of the CRVL Act, and restoration of what they describe as fair and reciprocal access within the Greater Virgin Islands marine economy.