

Financial Services Authority NEWSLETTER

2nd Edition, August 2018

Mission: To jointly create a conducive environment for the growth and development of the financial services industry of Seychelles, in alignment with the national economic development strategy and in strict compliance with local and international regulatory norms and best practices .



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CEO's Message

Welcome to the Second Edition of the FSA's Newsletter for the year 2018.

Through the combined efforts of our employees, I am confident that we will push the boundaries of the Financial Services Sector through capacity building, innovation of new products and further enhancement of collaboration with our stakeholders.



Our reputation is one of our most treasured asset and the foundation on which we have built the company. The FSA recognises the importance of protecting and improving its reputation. Hence, ensuring that we meet our commitments, and compliance to international standards and regulation is crucial. To promote compliance, the FSA in collaboration with the ICA, enrolled participants from both the industry and the FSA, for the ICA Certificate in Compliance. The candidates benefited from a face-to-face workshop led by Mr. Jonathan Bowdler from the International Compliance Training, UK. Such initiative, is the first of its kind to be conducted in the Seychelles. For this first cohort, the ICA has recorded above 95% pass rate. I would like to take this opportunity to congratulate all students that have successfully passed their exams.

"Knowledge is power. Information is liberating. Education is the premise of progress, in every society, in every family." - Kofi Annan

Seychelles Investment Board ("SIB") in collaboration with the Seychelles International Financial Services Association ("SIFSA") and the FSA organised an Asia Roadshow targeting mainly, Shanghai and Hong Kong on the 31st July and 2nd August. The aim of the Roadshow was to have a face to face contact with potential investors and wealth management. Additionally, creating visibility for the Seychelles Jurisdiction within the Asian market. Technical presentations and panel discussions from the Seychelles delegation was conducted. Overall the Roadshow was of immense success, as potential investors have shown great interest in the Seychelles. As such, we anticipate an increase in investors from the Asian market.

Dr. Steve Fanny

Chief Executive Officer

FSA signs MOU with Jersey Gambling Commission



In light of the growing globalization of gambling services, on the 16th July 2018, the FSA and the Jersey Gambling Commission (“JGC”) entered into a Memorandum of Understanding. The document was signed by the CEO of the FSA, Dr. Steve Fanny and the CEO of JGC, Dr. Jason Lane.

The Jersey Gambling Commission regulates gambling in the Bailiwick of the Jersey, apart from the Channel Islands Lottery. It does so in the public interest and through its statutory licensing objectives, to prevent gambling from

being a source of crime and disorder, to ensure that gambling is conducted in a fair and open way and to protect children and other vulnerable persons from being harmed or exploited by gambling.

Considering that the FSA is the Regulator of the casino, gambling machine and interactive gambling business in Seychelles this MOU would allow for a formal basis for cooperation and coordination, including arrangements for the acquisition, sharing of information, protection as well as use of information with regards to the gambling services.

The FSA and the JGC express, through this MOU, their willingness to cooperate with each other in the interest of fulfilling their respective responsibilities and functions.

“...to prevent gambling from being a source of crime and disorder...”

The 4th Annual Asia Offshore Forum

The Asia Offshore Association conducted the 4th Annual Asia Offshore Forum in Ho Chi Minh City, Vietnam, from the 29th - 30th May, 2018. A Seychelles delegation consisting of members from the FSA and the Seychelles Investment Board (SIB) had the opportunity to attend the forum.

The forum gathered the Asia’s leading financial intermediaries with the bankers, lawyers and corporate services providers for an exclusive conference highlighting the investment, trade and wealth management coming out of Asia. During the two day forum, the Seychelles’ delegation was able to meet and discuss with the participants present on the different investments opportunities within the Seychelles. It was also an opportunity for the members to discuss and share best practices.

“The forum gathered the Asia’s leading financial intermediaries...”

On the Second and last day of the forum, the Seychelles delegation hosted a VIP dinner. Following her welcoming note at the dinner, the CEO of the SIB, Ms. Cindy Vidot, invited the delegates for further discussion on the investment opportunities within the Seychelles.



Networking with the participants



The Seychelles delegates



The CEO of SIB networking with investors

The FSA holds second meeting with the International Corporate Service Providers

The FSA held a follow up meeting with the International Corporate Service Providers (“ICSPs”) on the 27th June, 2018 at the Seychelles Trading Company’s (“STC”) conference room, in Victoria. The meeting was an opportunity for the ICSPs and the FSA to discuss concerns from the last meetings in regards to the Eastern and Southern Africa Anti-Money Laundering Group’s (“ESAAMLG”) review of the Seychelles’ Anti-Money Laundering and Combating the Financing of Terrorism (“AML/CFT”) framework and the status of Seychelles’ vis-a-vis on the Organisation for Economic Co-operation and Development (“OECD”) work on the Base Erosion and Profit Shifting (“BEPS”) standards. In addition, the meeting allowed for interactive discussions on the current challenges affecting the sector and avenues for improvement.

“...interactive conversation on current challenges affecting the financial sector and avenues to improve the sector.”

“...how FinTech has revolutionised the financial market over a short period of time...”

The meeting was spearheaded by the CEO of the FSA, Dr. Steve Fanny, in the presence of the Chairman of the FSA, Mr. Suketu Patel, the Deputy CEO, Ms. Zenabe Daman, FSA staff members and representatives from the fiduciary services sector, of which included the ICSPs, International Trustee Services Providers and Foundation Service Providers.

In his presentation, Dr. Fanny reiterated to the industry, the vision and continuous improvements of the FSA in regards to regulation and supervision of the various products under its portfolio. Dr. Fanny highlighted to the different international corporations and Memorandum of Understanding (“MOUs”) the FSA has entered into over the years, for the main purpose of regulatory assistance and exchange of information. Furthermore, the proposed policy changes in relation to BEPS affecting the different preferential tax regimes were discussed as well as other proposed amendments to the International Business Companies Act (“IBC Act”).

In addition, a presentation on FinTech and a proposed FinTech sandbox regulation was led by Ms. Ezra Woodcock from the Capital Market & Collective Investment Schemes Supervision Section of the FSA. The presentation made reference to the developments in FinTech, providing examples of how Fintech has revolutionised the financial markets and the prospects that exist for Seychelles.

Dr. Fanny emphasized and reaffirmed the importance of the close relationship between the regulator and members of the industry in order to betterment the financial services sector in Seychelles.



Dr. Fanny leading the presentation

Outstanding results for the ICA Certificate in Compliance

The role of compliance in the financial services industry has become increasingly important over recent the years and as a result, there has been a push to ensuring all parties in said industry is compliant with local and international regulations.

The FSA in collaboration with the International Compliance Associations (ICA) enrolled applicants from the industry to undertake the ICA Certificate in Compliance. Through this collaboration a face to face workshop was facilitated in Seychelles. The workshop was conducted by Mr. Jonathan Bowdler, the head of Regulatory Compliance at the International Compliance Training (ICT). Mr. Suketu Patel the chairman of the FSA, officially launched a three-day compliance



Mr. Bowdler conducting the workshop with the candidates

“The FSA, as a regulatory authority remains committed in its quest to maintain a high level of service standard and compliance...”

workshop during a ceremony held on July 11th, 2018 at Eden Bleu Hotel. In his opening address, to the participants, which consisted of members from various international corporate service providers, insurance firms, the Financial Intelligence Unit (FIU) as well as the FSA, Mr. Patel stated:

“The FSA, as a regulatory authority remains committed in its quest to maintain a high level of service standard and compliance within the field of financial services in the industry, hence why much effort has been done towards ensuring consistent adherence to requirements of International Standards and Regulations to safeguard Seychelles’ credibility as a financial services Jurisdiction of good repute and value within the realm of the African continent.”

“The FSA is proud to announce that the this very first Cohort of 96 participants recorded outstanding results...”

During his speech, Mr. Bowdler, emphasised on the significance of Compliance. He noted that compliance to the rules, guidelines and legislations in place is crucial to the success of the financial services industry and beneficial to Seychelles, especially as a small island state.

The FSA is proud to announce that this very first Cohort of 96 participants recorded outstanding results, with an overall pass rate of 97%, of which 25% of the participants obtained a distinction, 31% a Merit and 41% a pass.

In the spirit of empowering and developing the Seychelles financial services industry and given the increasing demand of conducting such initiative, the FSA along with the ICA will be facilitating similar courses in the near future for the member of the industry as well as individual interested to join the industry.



Group photo with the Chairman of the FSA, Director of the FIU, CEO of SBA, Deputy CEO of FSA and the ICA candidates

The Asia (Hong Kong, Shanghai) Roadshow

As part of the collaborative effort between the SIB, the SIFSA and the FSA, the first Seychelles Financial Services Roadshow was organised in Hong Kong and Shanghai, on July 31st and August 2nd, 2018 respectively. The theme, “A wealth of opportunities for the Asian market”, brought various presentations and highly technical discussions amongst the participants; which included professionals and industry experts from the Asian region.

The Seychelles delegation, which comprised of representatives from the SIFSA, SIB, FSA, Seychelles Securities Exchange and other members from the industry, interacted with over 100 participants during the events at Hong Kong and Shanghai, offering them value-added solutions and various investment opportunities within the Seychelles financial services sector.

The Seychelles delegation presented several key points, highlighting Seychelles’ strength as a financial services center, noting Seychelles focus on Fintech innovation, stating, “Despite our size, we pride ourselves in remaining at the forefront of technical advancements. We have built a supporting infrastructure and are strengthening our regulatory framework to foster Fintech innovation and promote our Capital Markets”.

The roadshow was a huge success, and the Seychelles is expecting to record an increase in clients from the Asian market.



Participants at the Roadshow presentation



Seychelles delegation at the Asia Roadshow



Mr. Suketu Patel delivering his speech

Hire Purchase and Credit Sale

The Financial Services Authority ("FSA") is responsible for the licensing and regulation of all businesses engaged in hire purchase and credit sale in the Seychelles. The Hire Purchase and Credit Sale Act provides that any person wishing to offer goods on hire purchase or credit sale business in the Seychelles must now be licensed by the FSA. Regulations relating to Hire Purchase and Credit Sale charges and fees were enacted in March 2018.

When buying goods under Hire Purchase or Credit Sale Agreements, both agreements allows goods to be paid by monthly instalments. The maximum Annual Percentage Rate prescribed by the Minister under the Regulations is 22.50 %.

The list of items that can be purchased on Hire Purchase or Credit Sales can be found in the First Schedule of the Hire Purchase and Credit Sale Act, 2013.

What is a Hire Purchase?

This is when goods are purchased by a customer, but the goods only become the property of the customer once the full payment is made.

Key Definitions – Hire Purchase

Cash Price - The price at which goods are sold on a cash sale basis, when paid at the time of the purchase.

Charges - An amount, not exceeding the APR of the monthly flat rate, on the chargeable price.

Hire Purchase Price - The total sum payable by the hirer under a hire purchase agreement in order to complete the purchase of goods to which the agreement relates. This does not include any sum payable as a penalty or as compensation or damages for a breach of the agreement.

Hirer - The person who takes or has taken goods from a dealer under a hire purchase agreement (the customer).

Repayment Period - A period determined under a hire purchase agreement for the payment of the balance remaining due after the down payment has been effected. The maximum period is 48 months.

Surcharge - An amount payable for the late payment of an installment.

"The maximum Annual Percentage Rate prescribed by the Minister under the Regulations is 22.50 %."

What is Credit Sale?

This is when goods are purchased by a customer, and the customer becomes the owner of the goods immediately upon the sale although the full amount is yet to be paid.

Key Definitions – Credit Sales

Credit Price - The total sum, not being in excess of the sum of the cash price and charges accrued, payable by the buyer under a credit sale agreement in order to complete the purchase of goods to which the agreement relates.

Credit Sale Agreement - An agreement for the sale of goods on credit under which the dealership in the goods passes to the buyer upon sale.

Repayment Period - The repayment period is determined by the parties

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