

# ANNUAL

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REPORT

2014





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## Our 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 the local and international regulatory norms and best practices.

## Our Vision.....

To lead and position the Seychelles jurisdiction as a competitive Financial Centre through a sound regulatory regime.

## Our Core Values.....

- **INTEGRITY, VIGILANCE AND PROFESSIONALISM**

We believe that the highest level of integrity, vigilance and professionalism are the fundamental pillars of our financial services industry.

- **GREAT REPUTATION OF JURISDICTION**

We value the reputation of Seychelles financial services industry as a fully compliant jurisdiction.

- **COLLECTIVE CONTRIBUTION**

We believe in, and appreciate the collective contribution of all our stakeholders to the development of the financial services sector.

# Chairman's Statement

I am proud to welcome you to the FSA's annual report of 2014. This annual report is the first of its kind and I trust that it will give the wider public a glimpse into the operations of the Financial Service Authority (FSA). We are in essence the gatekeeper of the non-bank financial services industry and I hope that this report will generate sufficient interest to those who may wish to join us in propelling this industry, a key contributor of the economy, into even greater heights.



I was appointed Chief Executive Officer of the then Seychelles International Business Authority in 2007 and subsequently, Chairman in 2012. As a previous Managing Director and now Chairman of the Financial Services Authority, I have been in a position to witness first-hand the various transformations of the Authority over the past 8 years. It is through these changes that we will grow stronger and reinforce our niche in the world of international financial services. Seychelles will proudly say that we are here to stay. We have been tested, but we have persevered and are committed to doing better.

A major adjustment to the industry in 2014 is evidently the rebranding of the Organization from the Seychelles International Business Authority to the Financial Services Authority. The new FSA and its governing legislative framework is regulatory based and more suited to the current international financial services regulatory landscape. It is a product of the commitment of the Seychelles to the development of this industry.

In spite of the non-compliant rating accorded to Seychelles as a result if the Phase 2 Review by the Global Forum on Transparency and Exchange of Information for Tax Purposes (OECD) in late 2013, the FSA has not experienced a marked negative impact on revenue or new IBC incorporations. The FSA incorporated 20,822 IBCs in 2014 and 20,747 in 2013. Unlike the dire forecasts predicted, the industry has remained stable and has not experienced a serious downturn. This is further evidenced by the revenue collected for IBC's in 2014, which shows a 17 percent increase on income collected in 2013.

However, the increasing pressures on the jurisdiction, centred on transparency and exchange of information in tax matters(the OECD), FAFT requirements as well as the US FATCA cannot be overlooked. Combined with negative publicity that the jurisdiction has been receiving, the marketability of our most popular product(that is the IBC) may be adversely affected, which will in turn weaken subsequent years' revenues. Seychelles is not alone in this experience. However, the FSA is cognisant of this and together with the Industry, will look into improving existing products in an attempt to stabilise revenue earnings.

On this note, I would like to take this opportunity to thank the outgoing CEO, Mrs Wendy Pierre for her dedication and hard work in forging a path through the rapidly evolving international financial services landscape. Her work will be continued and strengthened by the incumbent CEO, Ms Jennifer Morel. In her capable hands, the Financial Services Authority will surely reach its aim of being a world class financial services jurisdiction on par with international best practices. I extend a sincere welcome to Ms Morel.

I would also like to thank the Board for the support given to me during this past year. Last but not least, I thank the staff of the FSA for their continued dedication and service to the organisation and for ensuring that the industry operates in a sound and well regulated framework.

In accordance with Section 14 of the Financial Services Authority Act, 2013, I present this report on the operation and activities of the Authority for 2014, accompanied by the audited financial statements.

*Dr. Steve Fanny,  
Chairman  
of the  
Financial Services Authority*

# The Board of Directors

The Board of Directors is the governing body of the Authority and bears the responsibility for establishing the policy of the Authority and monitoring and overseeing its implementation, as well as monitoring and overseeing the management of the Authority by the Chief Executive Officer. The board is presided over by the Chairperson, who is appointed by the President.

## Board of Directors

(As at 31<sup>st</sup> December 2014)

Mr. Steve Fanny	-	Chairperson
Ms. Jennifer Morel	-	Chief Executive Officer
Mr. Rupert Simeon	-	Member
Mr. Basil Soundy	-	Member
Mr. Ronny Govinden	-	Member
Ms. Angelique Antat	-	Member
Ms. Irene Croisee	-	Member
Mrs. Georgette Pillay	-	Member
Ms. Jenifer Sullivan	-	Member
Mr. Jocelyn Ah Yu	-	Member

*Secretary to the Board Ms. Estelle Peron*

# Chief Executive Officer's Statement

It is with great pleasure that I present the Annual Report of the Financial Services Authority for the year 2014.

The year 2014, from the perspective of the regulator, is describable in one word as transformative. Notably, the Seychelles International Business Authority (SIBA) has been replaced by the Financial Services Authority (FSA), which focuses mainly on the supervision of non-bank financial services rather than the promotion of these services. In addition, the FSA has been appointed as the regulator under the Hire Purchase and Credit Sales Act, 2013 and the Seychelles Gambling Act, 2014.



In 2014, the catalyst of the changes is undoubtedly the Phase 2 review in late 2013 by the Global Forum on Transparency and Exchange of Information for Tax Purposes (OECD) in which Seychelles was given an overall non-compliant rating centred on two main areas of concern relating to the availability of ownership and accounting information. Further to the Global Forum recommendations, the FSA has been required to introduce the appropriate mechanisms to ensure that ownership and accounting information is available in Seychelles. These measures are reflected through amendments in the relevant legislation as well as increased supervision of these entities over the past year.

From my appointment in August 2014, my focus has been on ensuring that the FSA is in line with international best practices. The agenda of the FSA for 2014 was firmly entrenched around a determination to ensure that the FSA, and therefore Seychelles, guaranteed that the effects of the non-compliant rating from the OECD were mitigated and that measures are taken to allow us to redress the negative assessment and ensure our compliance to international standards. This focus will be firmly pursued in 2015 as the FSA addresses the additional challenges posed by FATCA, the OECD and the IMF.

To this end, the FSA is in the process of finalizing its Strategic Plan for 2015 -2020. This document encapsulates our priority areas over the next five years on our journey to building a robust and high yield financial services industry in Seychelles.

In August 2014, several FSA offices adjoining the landmark FSA Building were affected by a fire incident. Whilst no one was hurt, these offices are now unusable. Core FSA operations continued whilst relocation of several FSA sections were effected. Under these difficult circumstances, FSA staff showed their resilience and dedication to the Organisation as they ensured that minimal interruptions to our services occurred. We take the opportunity to thank all those who have been of

assistance during this unfortunate event and our stakeholders for their understanding where there may have been delays from our side during the transition.

Our primary source of income for 2014 remained the International Business Company. It was noted that incorporations remained consistent when compared to the 2013 figures. In spite of the challenges faced during this year, the financial services sector has shown its resilience. This trait is in keeping with the National theme of the Seychelles for 2014 "Seychelles: A determined Island Nation".

Going forward, my aim is to strive for greater engagement in the development of the financial industry from all stakeholders, particularly the industry. The engagement of our employees and the industry will be vital if Seychelles is to deliver on our commitments. Effective dialogue with the industry is a must, if the FSA is to understand the impact which its proposals will have and to ensure that the industry remains modern and effective. I have confidence in our collective ability and willingness to accentuate and fast track the development of the financial services of Seychelles to deliver a greater contribution to the national economy.

I would like to take this opportunity to extend my sincere appreciation for the on-going support the FSA receives from the Government and the industry, as well as from other stakeholders such as the Ministry of Finance, Trade and the Blue Economy, the Financial Intelligence Unit and the Central Bank of Seychelles. I would like to thank the staff of the FSA for their hard work and valued contributions and the Board for the support and guidance which it continues to provide.

*Ms. Jennifer Morel,  
Chief Executive Officer  
of the  
Financial Services Authority*



# Our Organisation

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# Our Legislations

The Financial Services Authority was established to license, regulate and develop the financial services industry in Seychelles. Established in 2014, the FSA replaced the Seychelles International Business Authority and operates under the Financial Services Authority Act, 2013. The Authority is responsible for the administration of the following Acts:

- Financial Services Authority Act, 2013
  - Financial Services Authority Act, 2013 (Commencement) Notice, 2014
  - Financial Services Authority (Appeals board) Regulations, 2014
- Companies (Special License) Act, 2003
- Foundations Act, 2009
  - Foundations (Amendment) Act, 2011
- Hire Purchase and Credit Sale Act, 2013
- Insurance Act 2008
  - Insurance Fees Regulations 2009
  - Insurance (Policy owner's Protection Fund) Regulations 2009
  - Insurance (Restriction of Insurers) Regulations 2012
- International Business Companies Act, 1994
  - International Business Companies (Amendment) Act, 1995
  - International Business Companies (Amendment of Schedule) Regulations, 1996
  - International Business Companies (Amendment) Act, 1997
  - International Business Companies (Amendment) Act, 2000
  - International Business Companies (Amendment of Schedule) Regulations, 2005
  - International Business Companies (Amendment of Schedule) Regulations, 2007 (S.I.28)
  - International Business Companies (Amendment of Schedule) Regulations, 2007 (S.I. 33)
    - International Business Companies (Amendment) Act, 2009
    - International Business Companies (Amendment) Act, 2011
    - International Business Companies (Amendment) Act, 2013

➤ International Corporate Service Providers Act, 2003

International Corporate Service Providers (Amendment) Act, 2009

International Corporate Service Providers (Amendment) Act, 2011

➤ International Trade Zone Act, 1995

International Trade Zone Regulations, 1995

International Trade Zone (Amendment of Schedule) Regulations, 1997

International Trade Zone (Employment) Regulations, 1997

International Trade Zone (Conditions of Employment) Order, 1997

International Trade Zone Immigration (Amendment) Act, 2000

International Trade Zone (Amendment) Regulations, 2004

➤ International Trusts Act, 1994

International Trusts (Fees) Regulations, 1995

International Trusts (Amendment) Act, 2011

➤ Limited Partnerships Act, 2003

Limited Partnerships (Amendment) Act, 2011

➤ Mutual Fund & Hedge Fund Act 2008

➤ PCC ACT, 2003

PCC (Amendment) ACT, 2004

PCC (Fees) Regulations, 2004

➤ Securities ACT, 2007

Securities (Conduct of Business) Regulations, 2008

Securities (Forms and Fees) Regulations, 2008

Securities (Prospectus) Regulations, 2008

Securities (Takeovers) Regulations, 2008

Securities (Financial Statements) Regulations, 2008

Securities (Advertisements) Regulations, 2008

# Our Committees

In carrying out our functions, the Board and Management of the FSA are assisted by the following committees.

## **Human Resources Committee**

The human resources committee comprises of three members of the FSA Board. The responsibility of the Committee is to consider human resources matters and advise the Management of the FSA as and when required.

## **Procurement Unit**

The procurement unit comprises of representatives of different sections of the FSA. The Unit is responsible for the management of all the procurement activities of the FSA in accordance with the Public Procurement Act and its Regulations and obtaining the required approval from the relevant Authority. The Unit reports directly to the CEO.

## **FSA Liaison and Technical Committee**

The FSA Liaison and Technical Committee comprises of FSA staff and representatives from the industry. The committee considers new legislations and proposed changes to existing legislations. The committee reports to the CEO.

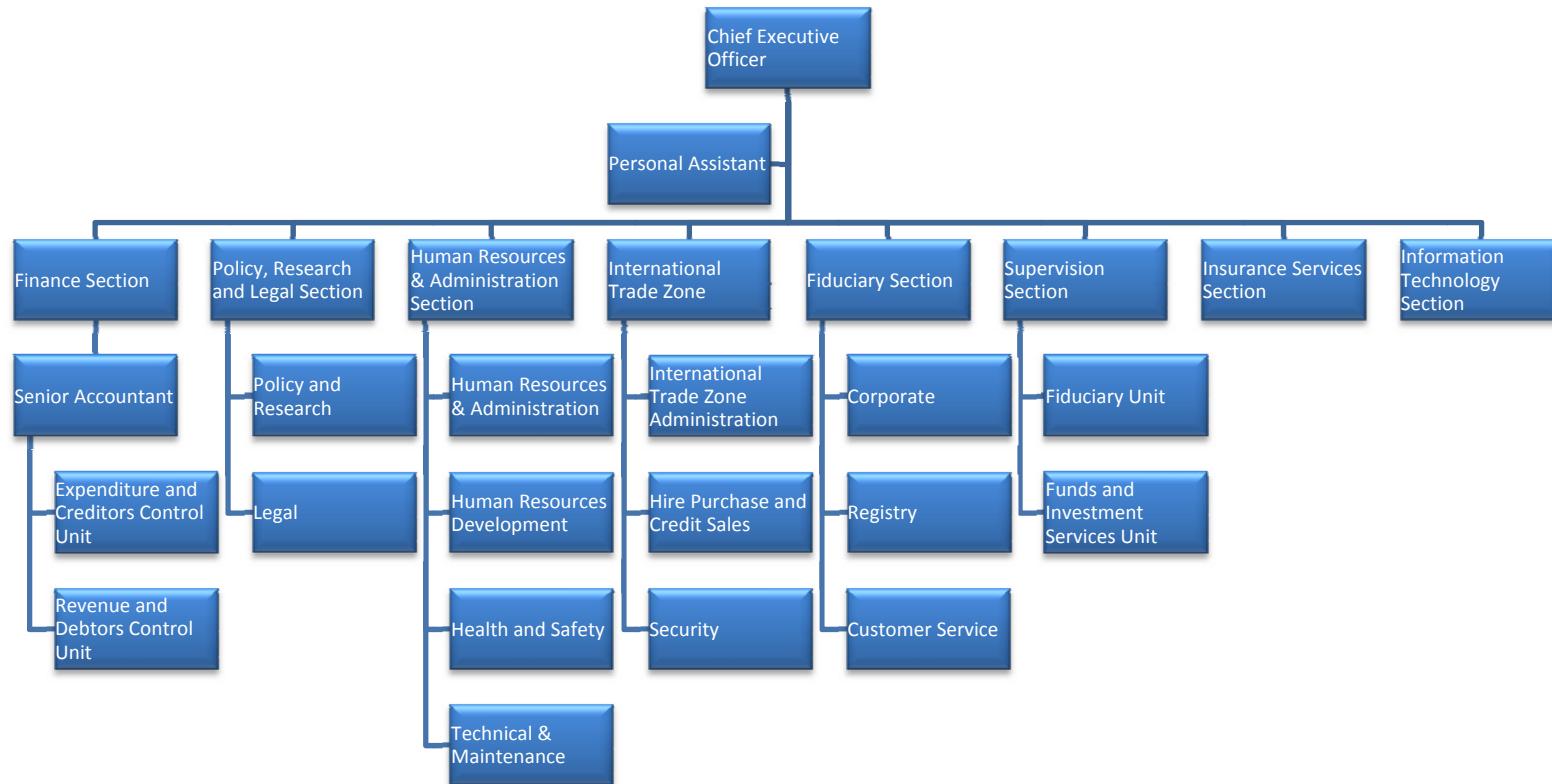
## **Social Committee**

The Social Committee comprises of representatives from each section of the FSA who are elected to the committee for a term of one year. The committee is responsible for organizing social and recreational events for staff members. The committee reports to the CEO.

## **Newsletter Committee**

The Newsletter Committee is responsible for producing the FSA newsletter. The committee comprises of representatives of each section within the FSA and reports to the CEO.

# Organisational structure





# The Economic and Regulatory Setting

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# Economic Setting

## International Economic perspective

The World Economic Outlook of October 2014<sup>1</sup>highlighted the constraints of a World Economy in the midst of a balancing act. Countries must address the legacies of the global financial crisis, which includes debt overhangs and high unemployment as they face an uncertain future. Potential growth rates were being revised downward by the IMF, and these worsened prospects are in turn affecting confidence, demand, and growth today. Per the October 2014 report, the interplay of these two forces—the crisis legacies proving tougher to resolve than expected and potential growth turning lower—has resulted in several downward revisions to the forecast during the past three years. These two forces operate to different degrees in various countries causing the global economy to become more differentiated.

According to the World Economic Outlook<sup>2</sup> of January 2015 the global growth for 2014 was 3.75 percent, a slight increase from 2013. This increase masked marked growth divergences amongst the major economies. Growth in the United States rebounded ahead of expectations after the contraction in the first quarter of 2014, and unemployment declined further, while inflation pressure stayed more muted, also reflecting the dollar appreciation and the decline in oil prices. In the euro area, growth in the third quarter of 2014 was modestly weaker than expected, largely on account of weak investment, and inflation and inflation expectations continued to decline. In Japan, the economy fell into technical recession in the third quarter of 2014. Private domestic demand did not accelerate as expected after the increase in the consumption tax rate in the previous quarter, despite a cushion from increased infrastructure spending. Investment growth in China declined in the third quarter of 2014, and leading indicators point to a further slowdown. In India, the growth forecast is broadly unchanged, however, as weaker external demand is offset by the boost to the terms of trade from lower oil prices and a pickup in industrial and investment activity after policy reforms.

Disappointing growth in other developing countries in 2014 reflected weak external demand, but also domestic policy tightening, political uncertainties and supply-side constraints. Per the Global Economic Prospect report by the World Bank, in contrast to middle-income countries, economic activity in low-income countries strengthened in 2014on the back of rising public investment, significant expansion of service sectors, solid harvests, and substantial capital inflows.

<sup>1</sup>International Monetary Fund. 2014. *World Economic Outlook: Legacies, Clouds, Uncertainties*, Washington (October)

<sup>2</sup>International Monetary Fund. 2015. *World Economic Outlook Update: Legacies, Clouds, Uncertainties*, Washington (January)

The World Bank Group's Global Economic Prospect<sup>3</sup> Report released in January 2015 states that risks to the global economic outlook remain tilted to the downside due to four factors. Persistently weak global trade is cited as a factor as well as the possibility of financial market volatility as interest rates in major economies rise on varying timelines. Thirdly is the extent to which low oil prices strain balance sheets in oil-producing countries. Fourth is the risk of a prolonged period of stagnation or deflation in the Euro Area or Japan.

## Regional Economic Perspective

According to the World Bank Economic Prospect report, overall economic growth in Sub-Saharan Africa picked up only moderately in 2014 to 4.5percent. This reflected a slowdown in several of the region's large economies, including South Africa. According to the same report, growth is expected to remain flat in 2015 at 4.6percent. This figure is lower than previously expected and is largely due to softer commodity prices. It is expected to rise gradually to 5.1percent by 2017, supported by infrastructure investment, increased agriculture production, and services.

Per the Regional Economic Outlook<sup>4</sup> published in October 2014 for Sub-Saharan Africa, the growth momentum is particularly pronounced in the region's low-income countries—where activity is forecasted to accelerate to 6.5–6.75percent in 2014–2015—with growth averaging more than 8 percent over that period in Chad, Côte d'Ivoire, Democratic Republic of the Congo, and Mozambique. Furthermore, Nigeria, the region's largest economy, is projected to continue to expand solidly, at an average rate of about 7–7.25percent in 2014–2015. Also noteworthy, new national accounts data depict economies that are significantly more diversified than previously thought, with a larger role played by the services sector—most notably in Nigeria, where the share of the services sector in the economy almost doubled in the process of national account rebasing.

This positive picture is, however, overshadowed by the situation in Guinea, Liberia, and Sierra Leone, where the current Ebola outbreak is exacting a heavy human and economic toll, with economic spillovers starting to materialize in some neighbouring countries.

In a few countries, activity is hindered by domestic policies. Growth in South Africa remains weak as it is held back by electricity bottlenecks, difficult industrial relations, and weak competitiveness. In a few countries, including in Ghana and, until recently, Zambia, large macroeconomic imbalances have resulted in pressures on the exchange rate and inflation.

<sup>3</sup>World Bank Group. 2015. *Global Economic Prospects, January 2015: Having Fiscal Space and Using It*, Washington, D.C: World Bank. Doi:10.1596/978-1-46848-0444-1. License: Creative Commons Attribution CC BY 3.0 IGO

<sup>4</sup>International Monetary Fund. 2014. *Regional Economic Outlook: Sub Saharan Africa: Staying the Course*, Washington (October)

Per the regional economic outlook<sup>5</sup>, economic Outlook activity is expected to decelerate further in 2015, although with growth at 4.5 percent, sub-Saharan Africa will remain among the fastest-growing regions of the world. The slowdown mainly reflects difficulties in the region's oil exporters and the countries impacted by the Ebola outbreak. Excluding these countries and South Africa, growth is projected to be healthy, even if the impact of the oil price decline is largely offset by that of the decrease in other commodity prices.

## The Seychelles Context

During 2014, the overall fragile state of the world economy proved challenging, in view of the heavy reliance of Seychelles on external development. Following a positive 6.6percent growth in 2013, growth in real terms is estimated at 2.8percent for the year 2014<sup>6</sup>.

The Seychelles statistical Bulletin for 2014<sup>7</sup> notes that in the fourthquarter of 2014, Real GDPstood atSR 2,284.8million compared toSR 2,072.8million in the fourthquarter of 2013. Thisrepresents a year on year percentage increase of 10.2percent. To summarize, in 2014, real GDP growth rate year on year for the first quarter was 9.0percent. It then grew by 6.8percent in the second quarter, 8.6percentin the third quarter and 10.2percent in the fourth quarter. The growth experienced in the final quarter was driven by activities in “information and communication”, “accommodation and food services”, “wholesale and retail trade” and “financial and insurance industries”.

The average effective fixed-term rupee deposits rate rose from 2.86percent in 2013 to 3.30percent in 2014 whilst the increase in the savings rate was from 1.45percent to 2.31percent. The lending rate rose from 11.59percent in 2013 to 12.05percent in 2014. An increase in yield on short-term government securities was consistently observed<sup>8</sup>.

Price development based on the outcome of the consumer price index (CPI) was benign. From 4.3percent last year, the 12-month measure fell to 1.4percent in December 2014. Over that same period, the year-on-year increase in the CPI was0.5percent which was less than the 3.4percent registered in 2013. Given higher imports and reduction in export earnings, the country's current account deficit worsened from 11percentof GDP in 2013 to 21percentin 2014.

Such outcome was also influenced by a growth in foreign direct investment (FDI) inflow which suggested that confidence in the Seychelles' economy from foreign investors remained high. This was confirmed by an upgrade in the country's sovereign credit rating in August by Fitch to 'B+', with a stable outlook.

Per the Population and Vital Statistics for December 2014<sup>9</sup>, the estimated population of Seychelles was 92,126 as at 31<sup>st</sup> December 2014. The average number of employed persons for all sectors was

<sup>5</sup>International Monetary Fund. 2015. *Regional Economic Outlook: Sub Saharan Africa: Navigating Headwinds*, Washington (April)

<sup>6</sup>Annual Report 2014, Central Bank of Seychelles

<sup>7</sup>National Bureau of Statistics Bulletin, Catalogue Number QNA.2014/Q4, Seychelles National Bureau of Statistics

<sup>8</sup>Annual Report 2014, Central Bank of Seychelles

<sup>9</sup>Population and Vital Statistics December 2014, Statistical Bulletin, Catalogue Number Population 2015/1, Seychelles National Bureau of Statistics

47,952 in 2014. This represents an increase of 4.7 percent compared to 2013. Of those employed, 69.9 percent were employed in the private sector, 11.3 percent in Parastatals and 19.0 percent in Government. The labour force participation rate is recorded at 68.7 percent. The national unemployment rate is recorded at 4.1 percent for 2014 with unemployment rates of 4.0 percent for males and 4.2 percent for females<sup>10</sup>.

## Outlook

For 2015, the CBS predicts that economic growth will be slightly stronger than in 2014. This is to be supported by higher activity across most sectors.

## Local Capital Market Trends

As at December 2014, the total Market Capitalisation of firms listed on the Securities Exchange, Trop-X (Seychelles) Limited stood at USD 35,986,000. The total equity turnover at year end 2014 was USD 89,965.

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<sup>10</sup>Quarterly Unemployment Statistics 2014-Q4, Catalogue Number Unemployment 2014/Q4, Seychelles National Bureau of Statistics, Seychelles

# Global Regulatory Trends

The International regulatory environment is moving towards stricter regulations in terms of transparency and increased collaboration between jurisdictions. At the 2014 G20 Summit in Brisbane Australia, the G20 leaders have highlighted the aim of the G20 to be at the forefront in helping to address key global economic challenges. The Group has committed to improving the transparency of the public and private sectors and of beneficial ownership by implementing the G20 High Level Principle on Beneficial Ownership Transparency.

The various regulatory developments which have impacted the non-bank financial services industry of the Seychelles in 2014 are as follows:

## FATCA

The United States Foreign Account Taxpayer Compliance Act (FATCA) aims to ensure that United States persons with financial assets outside the United States are paying the correct amount of tax in the United States. It was enacted in March 2010 as part of the Hiring Incentives to Restore Employment (HIRE) Act. It is an information reporting regime aimed at combating tax evasion by U.S persons holding investments in offshore accounts. FATCA focuses on reporting by foreign financial institutions about financial accounts held by U.S. taxpayers or foreign entities in which U.S. taxpayers hold a substantial ownership interest.

The Government of the United States and the Government of the Seychelles have reached an agreement in substance. Seychelles has adopted the Model 1 Intergovernmental Agreement ('IGA') which is an agreement between states. Whilst the agreement has not been signed as yet, it is still considered to be in effect. In Seychelles, all Financial Institutions, the definition of which includes a custodial Institution, a Depository Institution, an Investment Entity, or a Specified Insurance Company had to register with the IRS by the 31<sup>st</sup> December 2014. Registration is required regardless of whether the financial institution has existing US clients and is still open to any financial institutions who have not applied as yet.

The IGA requires financial institutions in the Seychelles (FFIs) to report information on financial accounts to the authorities in the Seychelles and also to register with the IRS. The Seychelles then provides this information to the IRS on an automatic basis. No data protection waivers are required and no 30percent withholding tax on all U.S sourced payments will be applied by the U.S. Under Model 1, local law applies.

## OECD Common Reporting Standards

In February 2014, the OECD published the new global standard for the automatic exchange of information (AEOI) known as the Common Reporting Standard or CRS. In July 2014, the OECD

further published the Commentaries and technological modalities, which together comprise the entire Standard for Automatic Exchange of Financial Account Information in Tax Matters (herein referred to as “the Standard”). This is now the international standard for automatic exchange of financial account information. It will be implemented by more than 90 jurisdictions over the next two to three years.

Pursuant to the Standard, financial institutions report information to the tax administration in the jurisdiction in which they are located. The information consists of details of financial assets they hold on behalf of taxpayers from jurisdictions with which their tax administration exchanges information. The tax administrations then exchange that information. The reporting obligations will be similar to those imposed by FATCA.

Seychelles is an early adopter and has committed to implementing the new standard with the first exchanges to occur by September 2017.

# Regulatory Developments

The regulatory developments experienced by the Seychelles' non-bank financial services industry in 2014 range from the introduction of additional products, to a change in leadership and regulatory approach. The industry has shown its resilience. In spite of the changes, the output generated by the financial services industry is still consistent.

## **Rebranding of the SIBA to the FSA**

As of 1<sup>st</sup> March, 2014, the Seychelles International Business Authority (SIBA) Act, 2004 was repealed and replaced by the Financial Services Authority (FSA) Act, 2013. The rebranding of the organisation included the unveiling of a new vision, mission, core values, logo and website.

The FSA's logo depicts the Seychelles Tropic Bird, an iconic species to the Seychelles. Its ability to glide high represents supervision and vigilance of the Authority, the key functions of the Authority. The bird rests within a window of opportunity, the right angles of which illustrate professionalism and integrity- core values of the FSA. The colours depicted within the logo represent an environment that is unique and that will be preserved.

The role of the FSA will also change. Unlike SIBA, the FSA will not promote or facilitate international business but will focus on regulation.

## **FSA becomes the regulator for additional products**

In line with being rebranded, the FSA has been appointed as the regulator of additional products. The FSA will gradually assume the responsibility for the regulation of all non-bank financial services.

### **1. Insurance**

Regulated under the Insurance Act, 2008, the insurance industry in Seychelles was previously regulated by the Central Bank of Seychelles. The product was adopted within the portfolio of the FSA as of 1<sup>st</sup> July 2013. The regulation of this product is now fully integrated within the FSA portfolio through the introduction of the Insurance Section.

### **2. Hire Purchase and Credit Sale**

The Hire Purchase and Credit Sale Act, 2013 became operational from 01<sup>st</sup> March 2014 and provides that any person who intends to carry on hire purchase or credit sale business in the Seychelles must now be licensed by the FSA. In 2014, the FSA has set up the necessary internal infrastructure required to accommodate this additional product within the existing International Trade Zone Section. The outstanding Regulations for Hire Purchase and Credit Sales are expected to be published in 2015.

### 3. Gambling

The FSA will also be appointed as the licensing and regulatory Authority under the Seychelles Gambling Act, 2014. This piece of legislation will provide for the licensing and regulation of the gambling industry in line with international standards. The Act is not operational as yet. However, the FSA is considering its internal processes so as to adequately capture this additional product within its internal framework.

### The FSA changes leadership

As of 1<sup>st</sup> of August 2014, Ms Jennifer Morel was appointed as CEO of the FSA. Ms Morel takes up her new post after serving as the Revenue Commissioner of the Seychelles Revenue Commission for the last four years. Prior to the SRC, Ms. Morel was the Deputy Governor of the Central Bank of Seychelles. Mrs. Wendy Pierre, the former CEO of FSA has been appointed as the Registrar General.

### Appeals Board

The Financial Services Authority Act, 2013 provides for the establishment of an Appeals Board under Section 42 which allows a licensee or any person aggrieved by a decision of the FSA to appeal to the Appeals Board. The Financial Services Authority (Appeals Board) Regulations, 2014 provides for the composition and powers of the Appeals Board and the procedures and rules governing the manner in which appeals will be made to the Appeals Board.

### Changes in regulatory approach

This year, the FSA invested significant efforts in addressing issues identified in the 2013 Phase 2 Peer Review by the Global Forum on Transparency and Exchange of Information for Tax Purposes (OECD). The review resulted in Seychelles being given an overall non-compliant rating centred on two main areas of concern relating to the availability of ownership and accounting information. The FSA has stepped up its efforts to ensure compliance with the new standards and policies, including on-site inspections and sanctioning where non-compliance was observed.

## 1. Amendment to the International Business Company Act, 1994

The International Business Company (Amendment) Act, 2013 was enacted in December 2013 and contains the following amendments:

### 1.1 Abolish Bearer share

The amendment abolishes bearer shares. An International Business Company (IBC) that has any issued outstanding bearer shares is required to recall and cancel such bearer shares and to issue registered shares in substitution for the cancelled bearer shares. Any bearer shares which have not been recalled and cancelled by the 15<sup>th</sup> June, 2015 shall thereupon be deemed to be null and void and of no legal effect.

### **1.2 Accounting Records Sanctioning**

The amendment increased the penalty fee in instances of non-compliance with the accounting record keeping requirement of the IBC. An IBC that contravenes this requirement is now liable to a penalty of USD 100 and to an additional penalty of USD25 for each day or part thereof during which the contravention continues.

### **1.3 Annual Declaration**

The amendment requires the IBC to submit an Annual Return in the form of a declaration which includes the following information:

- That the IBC is keeping accounting records in accordance with the Act and that such records can be made available through its registered agent
- That the share register of the IBC located at its registered office is complete and updated.

### **1.4 Share register**

The amendment requires an IBC to keep its share register solely at its registered office in Seychelles. The amendment also increases the penalty fee in instances of non-compliance with the maintenance of the share register keeping requirement. An IBC that contravenes this requirement is liable to a penalty of USD100 and if the contravention continues, the company shall be liable to an additional penalty of USD25 for each day of part thereof during which the contravention continues.

### **1.5 Striking- Off**

The amendment provides additional grounds for striking off. These include failure of the IBC to comply with a request for information from the Seychelles Revenue Commission and failure to pay any penalty imposed by the Registrar under the Act.

## **2. Increase in frequency of inspections**

The amendment of the IBC Act was only one factor in the changes effected to ensure we meet the OECD requirements. In 2014, the FSA introduced the appropriate mechanisms to ensure that ownership and accounting information is available in Seychelles. To this end, the FSA has also reconsidered its procedures to make certain that proper monitoring of licensees and specified entities, is properly undertaken to ensure the availability of information. For example, the FSA has substantially increased the frequency of its focused onsite inspections in order to make certain that up-to-date ownership and accounting information are properly being maintained by IBCs and it is expected to undertake similar inspection for international trusts and foundations in the coming year.



# Our Operations

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# Licensing Sections

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# The FSA's licensing perspective

The licensing phase is treated as the stage whereby the FSA performs its pre-supervision functions. The screening process done at the licensing stage will dictate the status going forward of the licensees and their roles as actors within the industry from a prudential and market conduct point of view.

Licensing sections within the FSA include the Fiduciary Section, the Funds and Investment Services Section, the Insurance Services Section and the International Trade Zone Section. These Sections perform their function in regards to the licensing of applicants for the relevant licenses in conjunction with the Supervision Section, with the exception of the Insurance Section. The insurance section differs in that both licensing and supervision is undertaken by the same section.

Final approval in regards to the licensing and rejection of applications rests with the office of the CEO following the recommendation of the sections responsible for the vetting of the application.

## Licensing procedures

All licence applications, accompanied by a covering letter and the relevant application fee, must be submitted in its entirety to the CEO of the FSA.

An application for a licence should be submitted in accordance with the respective law. It is important to take note that the FSA accepts the submission of application documents in original or certified true copies.

Guidelines that will assist applicants in the submission of an application can be accessed on the FSA website.

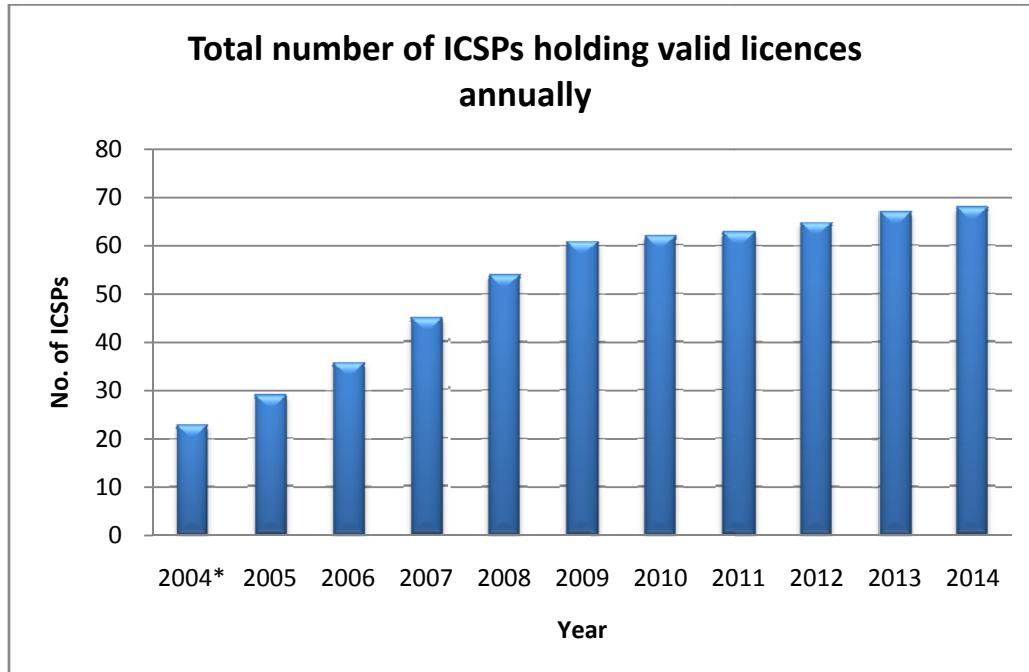
# Fiduciary Section

The Fiduciary Section comprises of licensing, registry and customer service. The products administered by the Section include the licensing of entities under the International Corporate Service Providers Act, 2003 and the registration of entities under the International Business Companies Act, 1994, the Foundations Act, 2009, the International Trusts Act, 1994 and the Limited Partnerships Act, 2003.

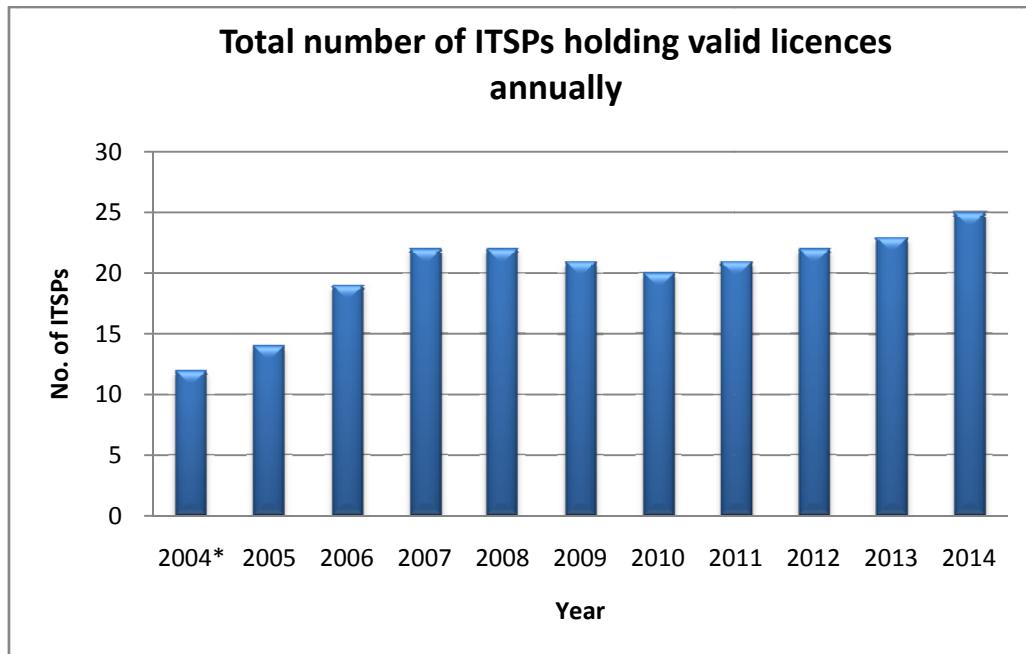
## Licensing

The FSA issues three licenses in accordance with the International Corporate Service Providers Act, 2003 namely the International Corporate Services ("ICS"), International Trustee Services ("ITS") and Foundation Services ("FS").

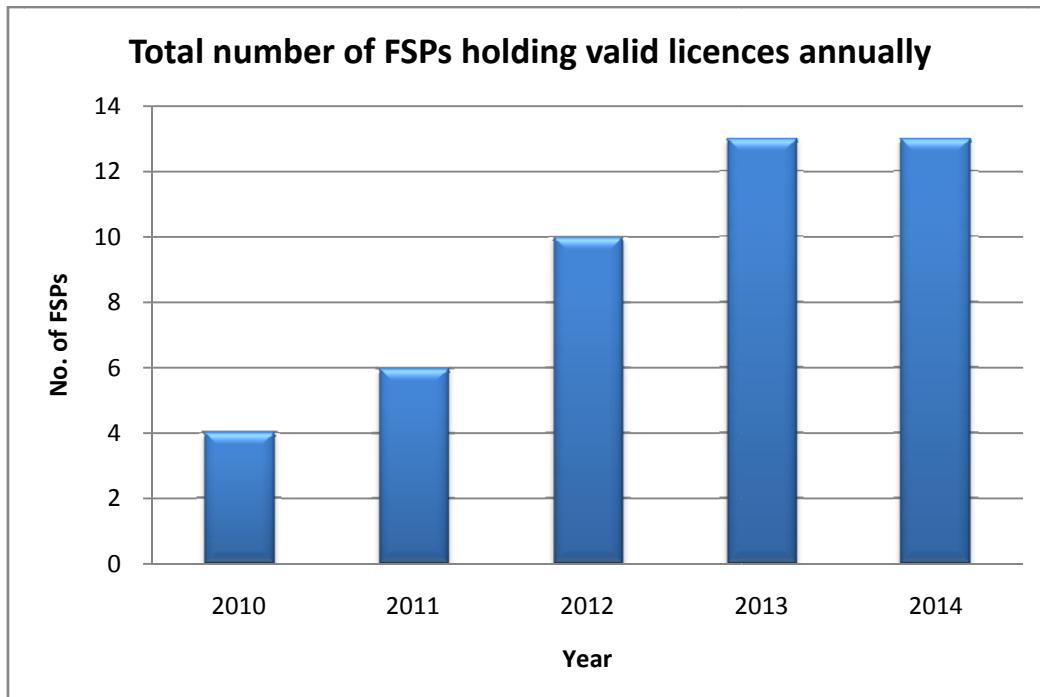
In 2014, the FSA issued 2 new ICS licenses resulting in the number of valid licenses as at December 31<sup>st</sup> 2014 to be 68 licences.



Two new ITS licenses were issued in 2014 compared to one during the preceding year. The number of valid ITS licenses as at December 31<sup>st</sup> 2014 totalled 23 licences.



During 2014, one FS licence was issued and one was surrendered, keeping the total number of FS Providers 13 as at the end of the year 2014.



## Corporate (Registry Services)

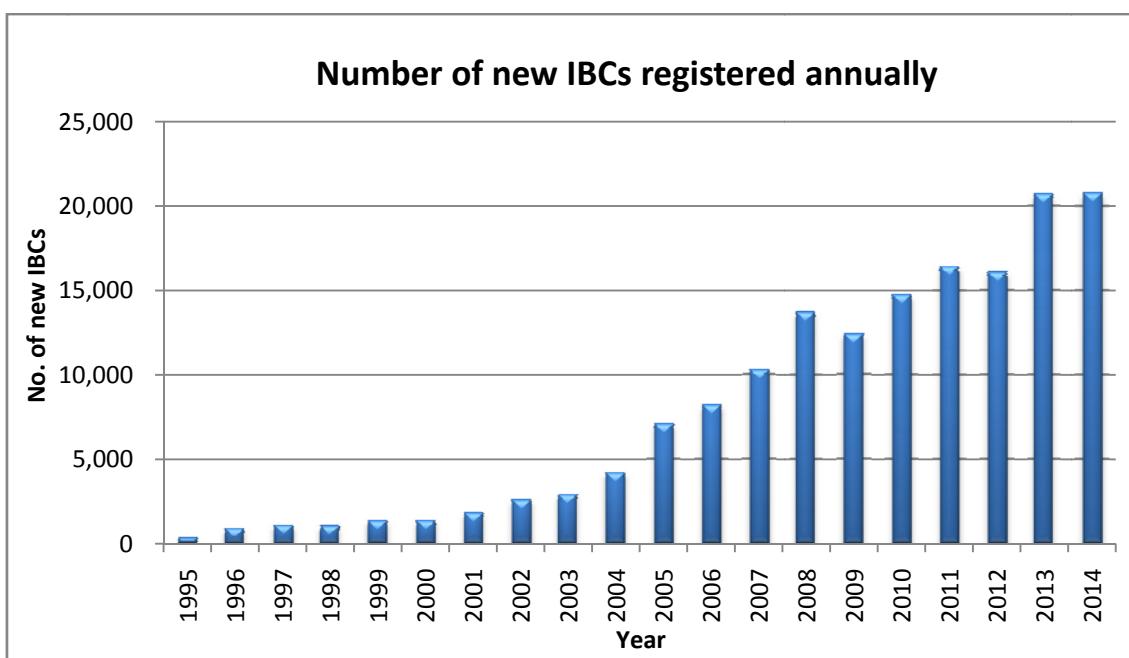
In addition to its licensing function, the Fiduciary section offers registry services. The Corporate Department of the Fiduciary Section administers the International Business Companies Act, 1994, the Foundations Act, 2009, the International Trusts Act, 1994 and the Limited Partnerships Act, 2003. The Department is responsible for ensuring that the Registers for the different entities are well maintained.

### 1. Overview

The main duties and responsibilities of the section relate to the registration of entities in the first instance such as IBCs and Foundations. Post-registration transactions also constitute a large part of the section's responsibilities. These include renewals of entities, amendment to their statutory documents and the issuance of Certificates of Good Standing and Official Searches to licensees and other third parties from all over the world.

### 2. IBCs

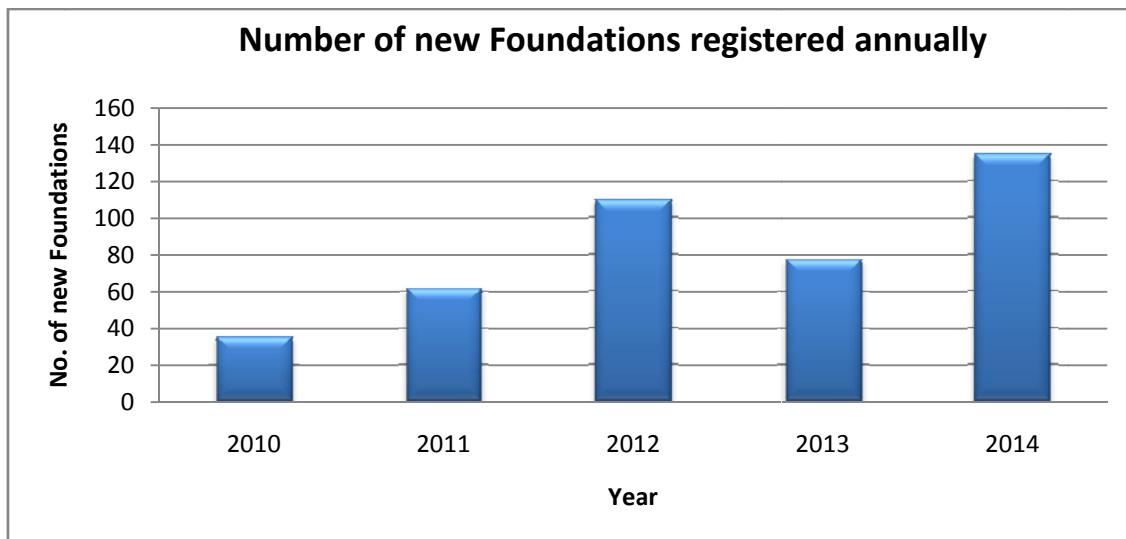
Newly incorporated IBCs totalled 20,822 in 2014. This represents an insignificant increase of 0.4percent when compared to the total number of incorporations for the year 2013. The number of IBC incorporations was evenly spread out throughout the year whereby 10,787 and 10,035 new IBCs were incorporated for the first and second half of 2014 respectively. On average, 1,735 IBCs were registered per month meaning that around 87 companies were registered per day on average during 2014.



As at December 2014, the cumulative number of IBCs incorporated stood at 158,487, representing a 15percent increase from the cumulative figure of 137,665 for the year 2013. Renewal figures showed that 54,830 IBCs were renewed for the year 2014.

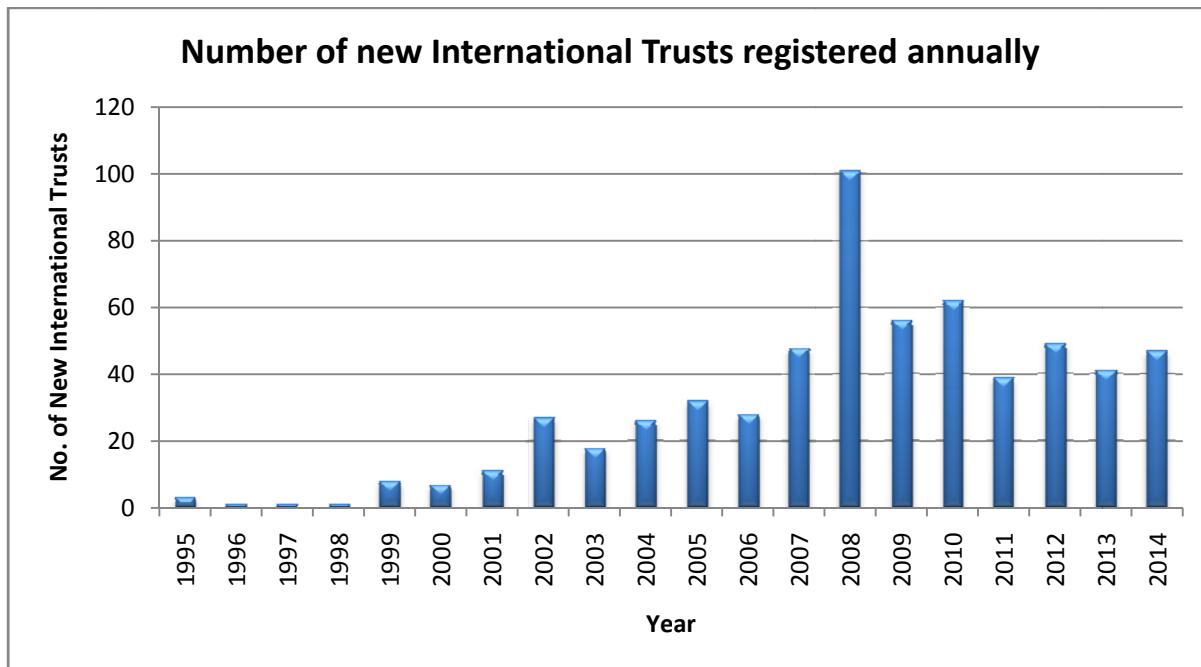
### 3. Foundations

Registration of new Foundations increased from 78 in 2013 to 138 in 2014. This represents a percentage increase of 47percent. The total number of Foundations registered as at December 31<sup>st</sup> 2014 stood at 421 Foundations compared to 286 as at December 31<sup>st</sup> 2013.



### 4. International Trusts

Registration of new International Trust Declarations for the year 2014 totalled 47 registrations as opposed to 41 for the year 2013, representing an increase of only 15percent. As at December 31<sup>st</sup> 2014, the cumulative number of International Trusts whose declarations have been registered in the Seychelles was 606 compared to 559 for 2013.



## Statistics: A comparison to 2013

The diagram below provides a general overview of the statistics recorded for products under the administration of the Corporate Department in 2014 and 2013.

The statistics show that the IBC registration has been steady whereby the number of new IBCs has only increased marginally (0.4percent) from the previous year. The cumulative growth in total IBC numbers has increased by 15percent.

In regards to the other products, International Trusts have shown an increase of 15percent in terms of new registrations from 2013 to 2014.

The Foundation on the other hand is the product showing the greatest growth with an increase of 47percent in 2014 from the figure of 2013. This is expected to grow further during 2015 in view that Service Providers are showing a greater interest in terms of applying for FSP licenses and the established FSPs are now registering more foundations.

The number of newly registered Limited Partnerships has increased in 2014 from 2013. However, the growth registered was only 4percent from 2013.

	2013	2014	% Change
<b>IBCs (New Incorporations)</b>	20,747	20,822	0.36 %
<b>International Trusts (New Registrations)</b>	41	47	15 %
<b>Foundations (New Registrations)</b>	78	135	73 %
<b>Limited Partnerships (New Registrations)</b>	27	28	4 %

## Outlook for 2015

Prudence would suggest that the number of new IBCs for the year 2015 will not be maintained at the levels recorded for 2013 and 2014. It is noted that generally, the Seychelles traditional markets have been affected.

During the year 2014, it was noted by the Section that whilst the total number of new incorporations got marginally better, there was a perceived increase in the number of Chinese-related incorporations compared to the year 2013 and part of 2014.

In regards to other traditional markets such as Europe, it is expected that the Seychelles' non-compliant rating in regards to the OECD Global Forum Peer Review has had some impact on the clients from the Euro zone.

## International Trade Zone Section

The Seychelles International Trade Zone (SITZ) is a free trade zone created by the International Trade Zone Act, 1995 to allow for the international trading in and through Seychelles. The SITZ is managed by the FSA. The FSA is mandated by law to regulate and control the activities that take place inside any declared International Trade Zone in Seychelles.

All such zones, designated by the Minister of Finance, Trade and the Blue Economy, are considered as ex-territorial and as such, some specific laws do not apply. These laws are specified in the ITZ Act and Regulations. The laws that govern the operations and financial freedom of SITZ operators are designed to give an international competitive edge to the ITZ operator. The SITZ itself is designed to cater for the needs of re-distributors, exporters and re-exporters of goods and services.

The SITZ is an essential part of the Seychelles' economy that has become increasingly important over the years. Seychelles is seen as being ideally located in the middle of the Indian Ocean to promote hub and spoke operations from its shores. There are several advantages for Seychelles to establish the free trade zone. They are as follows:

- a signatory of the Cotonou Agreement which allows Seychelles exports duty free access to EEC countries
- a member of COMESA and SADC free trade areas
- one of the deepest sea ports of the region
- strategic Location
- fast and efficient clearance of imports and exports
- attractive freight rates for export cargo
- Seychelles is very well connected in terms of air and sea link

The SITZ offers modern facilities with attractive tax and other incentives for companies. Licence holders in the ITZ benefit through several incentives as follows:

- 0 percent tax on business profits and dividends
- 0 percent import duty and VAT for capital equipment, raw materials, office furniture and equipment
- 0 percent trades tax and VAT on intermediate and final products
- Exemption from Gainful Occupation Permits (GOP) fees for foreign workers
- 100 percent foreign ownership permissible
- 0 percent withholding tax

## International Trade Zone licenses

The activities undertaken by companies based within the SITZ are regulated and supervised by FSA. The types of licenses issued under the SITZ Act are as follows:

- Light Assembly
- Processing
- Redistribution
- Export Services
- Manufacturing
- Telecommunication

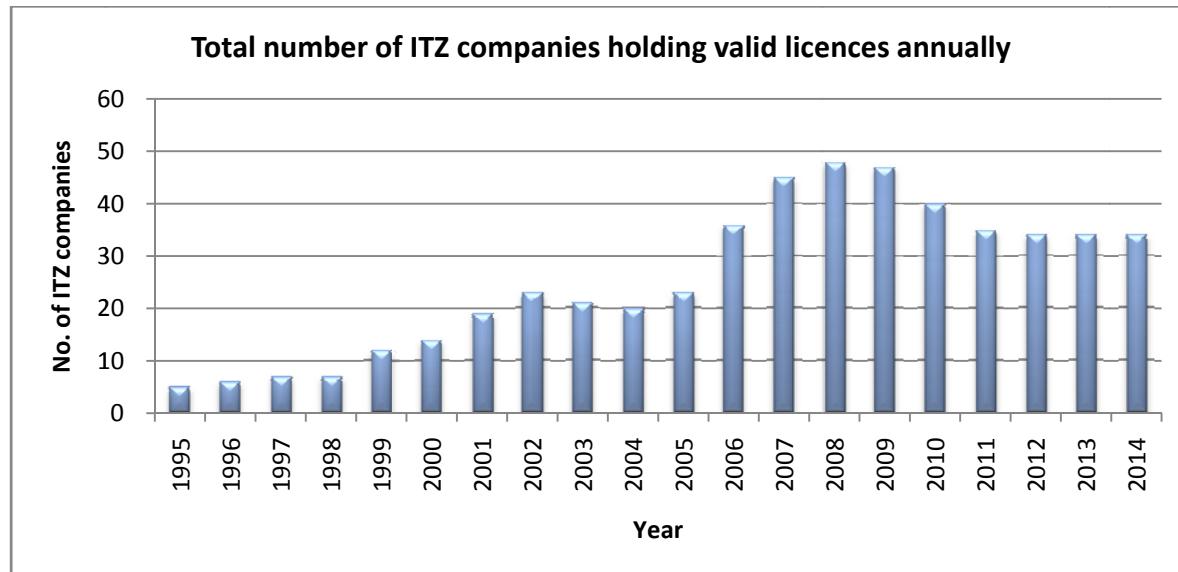
Other technology-oriented businesses are also permitted. All business activities conducted by companies licensed under the ITZ Act must be geared towards exportation.

Applications for ITZ licences can be lodged directly to the FSA without the involvement of a Service Provider. Also important are the requirements of the Anti-Money Laundering (AML) Act. Due diligence is conducted on SITZ applications with the support of the Supervision Section within the FSA.

The post-licensing phase includes an effective monitoring system to ensure compliance with keeping of and submission of records (statistics, import/export, audited accounts, employment).

Employment matters within the SITZ are governed by the ITZ (Employment) Regulations. These Regulations provide for the establishment of an employment council to advise the Minister and the FSA on all matters relating to employment within the SITZ, including grievance matters.

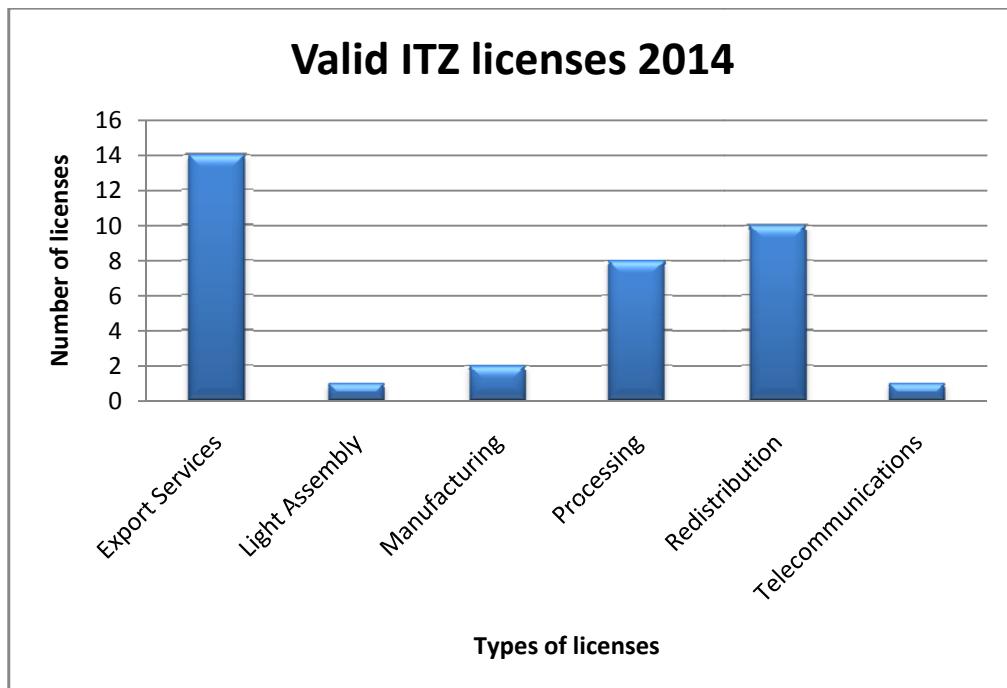
## Licence statistics



From the decrease in licenses experienced between 2008 and 2011 (mainly due to the abolition of the Import Zone Concept), it is noted that the number of valid licenses remained stable between 2011 and 2014.

From 2013 to 2014, the number of SITZ licensees remained constant as 34 companies had a valid ITZ license as at 31<sup>st</sup> December 2014, similar to the figures for 31<sup>st</sup> December 2013.

It is to be noted that the Export Services and the Redistribution activities remain the most popular type of activities under the SITZ regime, followed by processing activities.



## Hire Purchase and Credit Sales

The ITZ Section expects to start receiving applications for licences under the Hire Purchase Agreement and Credit Sale Act which became operational in March 2014 upon enactment of Hire Purchase and Credit Sales Regulations in 2015. It is predicted that this product will have a positive impact on the domestic market.

### 1. Hire Purchase Agreement

This is an agreement between the dealer and the client (Hirer) for the purchase of goods by the Hirer, with the ownership of the goods only remaining with the Dealer until the payment of the final instalment. After the final instalment payment, the ownership of the good is transferred to the hirer. The hirer agrees to pay the dealer in instalments over an agreed period of time not exceeding the maximum period as prescribed under the law.

## 2. Credit Sales Agreement

Similar to the Hire Purchase Agreement, a Credit Sale is when goods are bought by a buyer from a dealer, for which the buyer does not have to pay the cash price of the goods at the time of purchase. Instead, the buyer pays for the goods over time through monthly instalments. However, unlike the Hire Purchase, the ownership of the goods bought passes to the buyer at the time the credit sales agreement is entered into or upon delivery of the goods.

## Outlook for 2015

The future for the SITZ seems very promising as many investors have shown their interest within this sector, which will in turn contribute to the country's economy. Furthermore, the ITZ section is working on amendments to the ITZ legislations to ensure that it remains at par with international best practice.

# Funds and Investment Services

The Funds & Investment Services Section (“FISS”) is a licensing section within the organization. Its main function is to administer the licensing of an array of investment products being offered from within the jurisdiction in relation to the Mutual Fund and Hedge Fund Act, 2008, the Securities Act, 2007, the Companies (Special Licences) Act, 2003 and the Protected Cell Companies Act, 2003.

## Products

### **1. Mutual Fund and Hedge Fund Act, 2008**

The Mutual Fund & Hedge Fund Act 2008 licenses and regulates mutual funds and fund administrators.

#### **1.1 Mutual and Hedge Funds**

There are four categories of mutual funds: public funds, private funds, professional funds and exempt foreign funds.

By definition under the Act, a mutual fund collects and pools investor funds for collective investment purposes including hedge funds or with the aim of spreading investment risks and issues equity interests enabling investors in the mutual fund to receive or have the right to receive a portion of profits or gains derived from the investments. This definition also includes “an umbrella fund whose equity interests are split or segregated into different funds or sub-funds”. The law does not apply to close ended funds.

#### **1.2 Fund Administrators**

Per the Act, Fund Administrators are permitted to manage, including controlling all or substantially all of the assets of the mutual fund, or to administer a mutual fund or provide a principal office to a mutual fund within Seychelles or to provide an operator (director, trustee or general partner) to a mutual fund.

In addition to the licensing of fund administrators based in Seychelles, the Act also caters for the approval of fund administrators which are based in other recognized jurisdictions which allows them to administer Seychelles’ Funds. This involves obtaining an accreditation from the FSA and being recognized as an Approved Foreign Fund Administrator.

### 1.3 Statistics

The table below shows the number of active licenses under the Mutual Fund and Hedge Fund Act at the end of each year. In 2014, the FSA issued four licenses under this Act(i.e. one fund administrator, one professional fund and two private funds).

	2009	2010	2011	2012	2013	2014
<b>Fund Administrators</b>	-	1	2	2	3	3
<b>Restricted Fund Administrators</b>	-	1	1	0	0	0
<b>Approved Foreign Administrators</b>	-	3	6	7	7	7
<b>Private Funds</b>	-	2	3	5	7	6
<b>Professional Funds</b>	-	-	2	3	4	5

## 2. Securities Act, 2007

The licensing of a securities exchange and its market participants falls under the ambit of the Securities Act. The different categories of licenses that can be issued under the Act are listed as follows:

- Securities Exchange
- Clearing Agency
- Securities Facility
- Securities Dealers
- Investment Advisors
- Representatives

### 2.1 The Securities Exchange

The Seychelles licensed its first securities exchange, Trop-X (Seychelles) Limited in 2012. This followed with the licensing of a clearing agency, AfriClear Limited and a securities facility,

AfriDepLimited, whose main function involves the clearing and settlement of securities that are traded on the securities exchange.

Trop-X (Seychelles) Limited, officially opened its doors on Friday 30<sup>th</sup> of November 2012. The exchange commenced operations with the launch of three initial equities boards that allows for the listing and trading of shares of both domestic and foreign companies. Since then, Trop-X has obtained approval from the FSA to cater for several new products.

The first company to be listed on Trop-X on August 8<sup>th</sup>, 2013 was the SACOS Group, an insurance and property investment business. SACOS Group consists of SACOS Insurance Co. Ltd., SACOS Life Assurance Co. Ltd and Sun Investment Ltd.

In 2014, Trop-X listed Finance StrategiqueLuxembourg(a Luxembourg Company) which was the first foreign listing, the first Euro denominated listing and also the first listing of “specialist securities”. Also in 2014, BODCO LIMITED, a company incorporated in Seychelles which presently operates under several categories of business licenses with its principal activity being the business of Builders Merchants, was listed on Trop-X’s Small and Medium Enterprises (SME) Board. A further listing in April 2014 was SoccerHubb International Limited (“Soccerhub”) a company incorporated in Seychelles which was listed on the venture capital board. This constituted the first Initial Public Offering on Trop-X.

## 2.2 Securities dealers

Securities dealers and investment advisors and their representatives are regarded as market participants of the Seychelles capital market under the Securities Act.

A securities dealer carries on business of dealing in securities, or holds himself out as conducting such business. Securities dealers are licensed to undertake securities dealing in Seychelles. As such, all securities dealers are required to set up their principal place of business in Seychelles.

The Act makes provision for a Securities Dealer representative. This is an individual in the employment of (including a Director of), or acting for or by arrangement with a securities dealer or investment advisor, who deals in securities on behalf of that securities dealer or investment advisor, whether he is paid a salary, wages, commission or otherwise.

## 2.3 Investments Advisors

An investment advisor is an individual or company who carries on business giving advice on securities, or issues, analyses or reports concerning specific securities; or manages a portfolio of securities for another person without holding property of the other person; and on terms that preclude him from doing so.

The Act makes provision for an Investment Advisor’s Representative licence. This is an individual in the employment of (including a Director of), or acting for or by arrangement with an investment

advisor, who advises on securities on behalf of that investment advisor whether he is paid a salary, wages, commission or otherwise.

## 2.4 Statistics

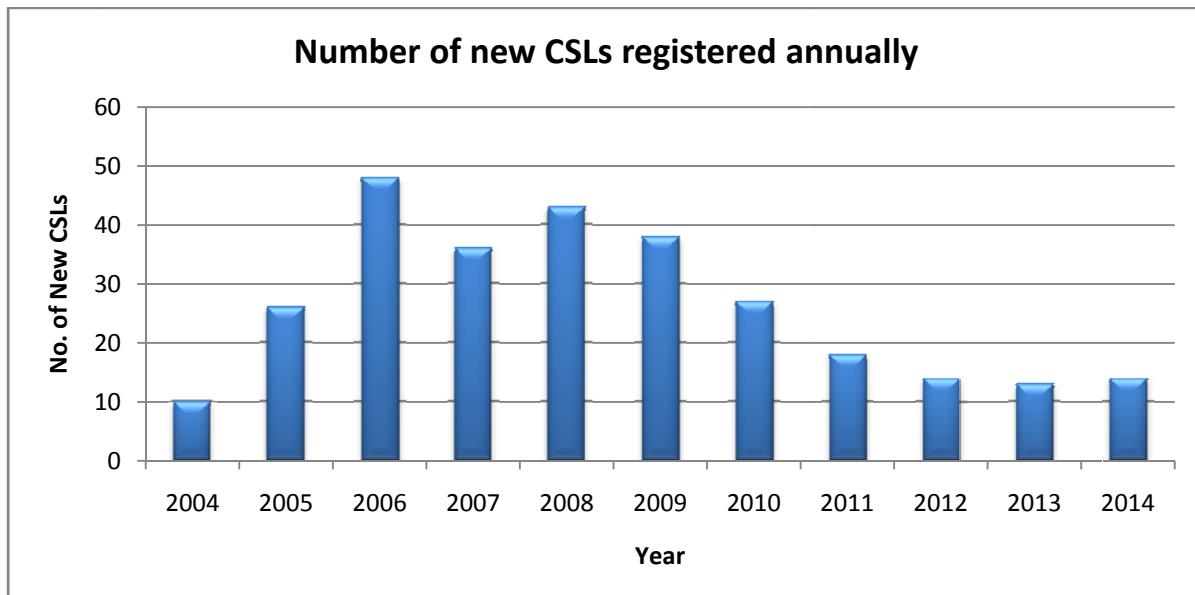
The table below shows the number of active licenses under the Securities Act at the end of each year. In 2014, the FSA issued twelve licenses under the Securities Act. This constituted five securities dealers and five securities dealer representatives and one investment advisor and investment advisor representative.

	2009	2010	2011	2012	2013	2014
<b>Securities Exchanges</b>	-	-	-	1	1	1
<b>Listed Companies</b>	-	-	-	-	1	4
<b>Securities Facilities</b>	-	-	-	1	1	1
<b>Clearing Agency</b>	-	-	-	1	1	1
<b>Securities Dealers</b>	-	-	-	3	4	9
<b>Securities Dealer Representatives</b>	-	-	-	5	5	10
<b>Investment Advisors</b>	-	1	4	3	4	2
<b>Investment Advisor's Representatives</b>	-	1	5	5	6	4

## 3. Companies (Special Licences) Act, 2003

The Companies (Special Licences) Act allows companies to be incorporated under the Companies Ordinance, 1972 with special provisions. These special provisions include a degree of confidentiality and a different tax regime. The Special Licence does not "licence" the company to undertake any activity and therefore, the company must, where appropriate, acquire the relevant licences or authorisation in the jurisdiction from which it operates.

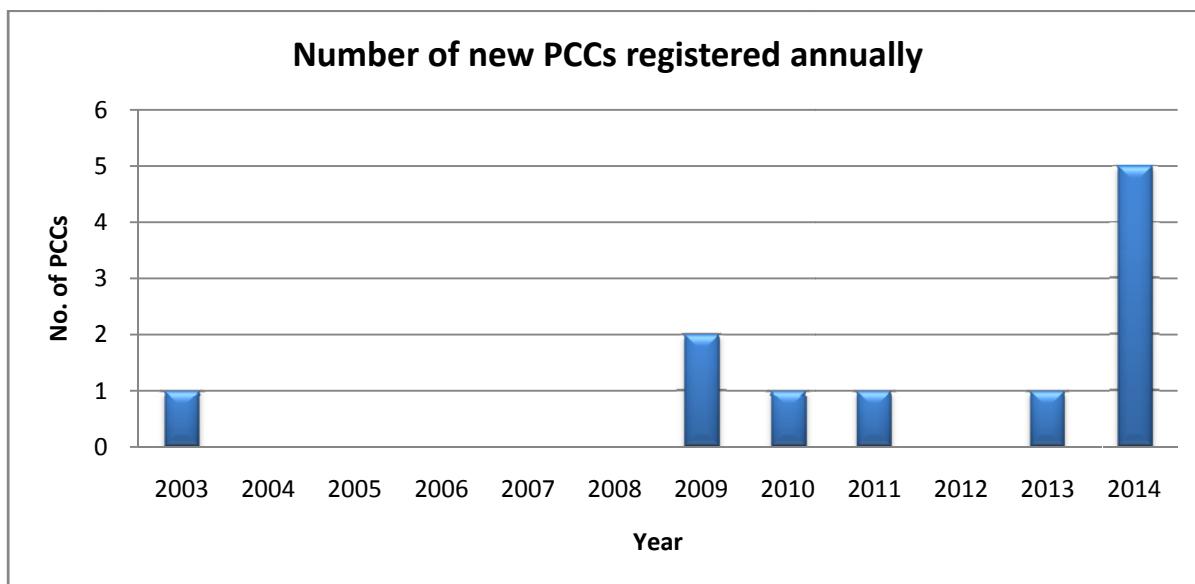
The number of CSLs incorporated in 2014 saw a marginal increase from the number incorporated in 2013. Fourteen new CSLs were incorporated in 2014 compared to thirteen in 2013.



#### 4. Protected Cell Companies Act, 2003

According to the Act, a protected cell company is able to segregate its assets into different cells within that company with a view of protecting each cell from liabilities of any other cell. It is necessary that such companies require applicable licences in respect to the activity or activities to be conducted by the PCC in accordance with the laws of the jurisdiction where they conduct their business.

In 2014, six PCC's were incorporated. This represented a significant increase in the incorporation of these entities.



## Key achievements of 2014

Although it has seen many developments in the recent years, the Seychelles financial services industry is still in its infancy. In the year 2014, the section has recorded a significant increase in the number of applications being submitted both under the Mutual Fund & Hedge Fund Act 2008 and the Securities Act 2007. The majority of the applications received have been successful and the entities have successfully obtained licenses. Hence the section is presently encountering a rapid growth in the number of participants in the industry. In addition, a remarkable improvement in the quality of applications being submitted has been noted and this equally translates in more experienced and qualified participants in the industry.

## Outlook for 2015

For the year 2015, the section foresees that growth in the Seychelles financial market will be maintained. The aim is to sustain the level of service presently being offered to clients and reinforce internal procedures by assisting in making Seychelles a more competitive capital market destination for prospective investors.

# Insurance Services Section

As of the July 1st, 2013, the Central Bank of Seychelles ceased to be the regulator of the insurance sector. The insurance portfolio was then transferred to the SIBA, now the FSA.

## The Insurance Market

The insurance market is regulated and supervised under the provisions of the Insurance Act, 2008. In 2014, there were 10 licensed insurance companies, compared to 8 in 2013, of which 6 were operating domestically, whilst 4 were operating as non-domestic insurance companies. In effect, 2 new insurer licences were approved in 2014.

With regards with the licensing and registrations of insurance intermediaries, the total number of insurance intermediaries rose from 49 to 51 due to the licensing of 1 broker. However, this was offset by the deregistration of 3 sub-agents. Therefore, as at year end, insurance intermediaries consisted of 10 brokers, 2 agents, 39 sub-agents and 1 Principal Insurance Representative (PIR). The insurance companies and intermediaries as at end of 2013 and 2014 are illustrated in the tables below:

	2009	2010	2011	2012	2013	2014
<b>Domestic insurance company</b>	3	3	4	4	4	6
<b>Non-domestic insurance companies</b>	3	3	3	5	5	4
<b>Brokers</b>	10	10	10	11	12	13
<b>Agents</b>	1	1	2	2	2	2
<b>Sub-agents</b>	19	27	33	36	38	38
<b>PIR</b>	1	1	1	1	1	1

The table below indicates the gross premium and general assets of domestic insurance companies.

Type of insurance business	End of Financial Year 2013(SR.)	End of Financial Year 2014*(SR.)
<i>Long term insurance business</i>		
Gross Premium	63,028,427	53,593,961
Total Assets	433,973,894	414,081,272
<i>General Insurance Business</i>		
Gross Premium	96,502,545	156,421,656.00**
Total Assets	285,433,074	178,776,605.70**

\*Unaudited figures

\*\*Excluding HSI as at end of 2014 figures

## Highlights of the FSA as the newly appointed insurance regulator

Shortly after the transfer of the insurance supervision portfolio from the CBS to the FSA in 2013, a project was set up between the Commonwealth secretariat and the Government of Seychelles to provide technical assistance to the Insurance Regulator. The main purpose of the project was to strengthen the financial services sector regulation of Commonwealth Countries through the provision of assistance to developing countries in implementing global financial regulatory standards.

From the assistance of the consultant, the FSA conducted its first onsite visit at a domestic insurance company. Additionally, with the assistance of the expert, the insurance supervision staff received hands-on training guidance on the onsite supervision process.

## Regulation and supervision of insurance businesses

In its duty to ensure a sound non-bank financial services system, the Insurance Services Section (ISS) carries out three primary functions, notably licensing, offsite supervision and onsite supervision with a risk focused forward looking approach.

## 1. Licensing

The licensing procedure plays an important role in the supervisory process. The FSA ensures that entry is allowed only to applicants that will not be injurious to the country's financial system as well as the good repute of the Seychelles. The licensing procedures entail due diligence which is carried out on principal officers (administrators) and owners of the applicant as well as analysis of the applicant's business plan.

During the year 2014, the FSA licensed 2 new insurance companies to carry on general insurance business on the domestic market and 1 insurance company to carry on long term insurance business on the non-domestic market. The latter relates to the insurance of risks to non-Seychelles policies only. The license issued pertained to a new class of business under long term insurance business (i.e. linked long term insurance business<sup>11</sup>). It is the second licensee that has been authorised by the FSA to conduct this class of insurance business.

On the intermediary side, the FSA granted approval for a new broker to solicit insurance business for both general and long term insurance business and additionally approved 2 new sub-agents.

## 2. Offsite supervision

Our offsite supervision involves the analysis and monitoring of institutions' financial performance and position on the basis of periodic returns such as the annual audited financials as well as the schedule of investments which are submitted to the Insurance Services Section. This allows for problems to be identified in a timely manner and for prompt, corrective measures to be implemented accordingly. As such, offsite surveillance allows on-going assessment of these institutions.

## 3. Onsite supervision

Our onsite supervision involves examination at institutions' premises which allow for the assessment of other aspects such as internal controls, corporate governance and management oversight of the institutions. The examinations also involve verification of the accuracy of return submitted for offsite analysis.

In 2014, the FSA conducted a second onsite inspection at a domestic insurer.

## Capacity Building and development

During the course of the year 2014, the Insurance Services Section increased its manpower with the addition of new staff. As is customary, the emphasis is placed on staff development with ISS personnel learning the day-to-day operation of the section as well as attending courses and trainings in insurance supervision fields. The trainings are being held both locally and internationally by organisations such as the CISNA and Africa Re. In addition, staff are also pursuing short online courses with the Chartered Insurance Institute of London.

<sup>11</sup>Linked long term insurance business means the business of effecting and carrying out contracts of insurance under which the benefits are wholly or partly to be determined by reference to the value of, or the income from, property of any description, or by reference to fluctuations in or in an index of the value of property of any description.

## Outlook for 2015

The Insurance Section anticipates receiving technical assistance with the arrival of an Insurance expert in the 2<sup>nd</sup> half of 2015. The person will advise the FSA on matters in relation to the Insurance Section and insurance business. Furthermore, the expert will also work in close collaboration with the IIS manager to review the current licensing and post-licensing procedures, addressing any gaps identified, train staff and put in place a comprehensive risk-based supervision framework for insurance business regulated by the FSA.

Staff training remains on the agenda for 2015.



# Supervision

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# Supervision Section

The mandate of the Supervision Section is to promote a robust regulation of licensees within the purview of the FSA to ensure that there is ongoing monitoring of compliance levels with regulatory requirements, policies, practices and procedures in order to safeguard public interest, foster investors' confidence and to ensure an effective implementation of enforcement actions.

To achieve its mandate the Supervision Section employs a combination of compliance-driven supervision and risk-based supervision so as to:

- monitor the development of licensees with regards to their compliance and operational positions;
- identify supervisory actions and procedures required in relation to the risk-profile of licensees;
- focus on licensees whose potential collapse pose a systemic risk;
- focus and prioritize the use of its resources for effective supervision.

The Supervision Section has under its portfolio entities licensed under the following legislations:

- Fiduciary – International Corporate Service Providers Act, 2003
- Funds and Investment Services – Securities Act, 2007 and the Mutual Fund and Hedge Fund Act, 2008
- ITZ – International Trade Zone Act, 1995

The Supervision structure is divided into two areas namely, on-site supervision and off-site supervision.

## On-Site Supervision

This will involve obtaining first-hand insight into the risk management structure of the licensees and verifying the validity of data submitted to the FSA and the ones on records of licensees.

The regulatory environment of the Seychelles is evolving rapidly due to the approach towards risk mitigation whether reputational, financial or systemic. In addition, the ongoing pressure to implement international standards is fast shaping the regulatory environment. With this in mind, the Supervision Section must stay abreast with developments as well as become proactive in duties it is charged with.

On-site inspections are conducted in two manners, namely full scope inspections or focused inspections.

Full scope on-site inspections comprise of the assessment of licensees in 7 areas namely, Client Due Diligence, Abnormal Transactions, Audit and Accounting, Internal Control, Human Resource, Compliance Testing and Corporate Governance. The inspection aims to gather relevant information through conducting interviews as well as reviewing the records of licensees to understand

the limitations of the licensee in detecting illegal acts, abuse and assessing risks associated with their business which will allow the FSA to make recommendations or take enforcement action if necessary.

Focused on-site inspections are assessment of licensees on specific matters determined by the FSA. For example, to establish the compliance level on a new legislation, regulation, code or guideline that has been issued, when certain amendment has been made to existing frameworks or when certain adverse findings have been identified within the office of a licensee. Focused on-site inspections are done in order for the SS to establish the presence of these afore-mentioned specific practices industry wide.

During 2014, the Supervision Section continued focused on-site inspections on licensees under the International Corporate Service Providers Act which was started in November 2013. The Supervision Section verified compliance with certain record-keeping obligations of International Business Companies namely, the maintenance of share registers, director registers and accounting records.

The table below shows the breakdown of focused on-site inspections that have been conducted during the year 2014.

Year	Month	Number of Focused on site Inspections
2014	January	1
	February	10
	March	5
	April	4
	May	-
	June	6
	July	3
	August	-
	September	10
	October	6
	November	-
	December	-
<b>Total 2014</b>		<b>45</b>
<b>Total Overall<sup>12</sup></b>		<b>58</b>

The result of the focused on-site inspections performed in 2014 shows that the IBCs inspected were largely compliant with their record-keeping obligations. In cases of non-compliance, the FSA has issued financial sanctions and the majority of IBCs have been forthcoming in complying and making payment of associated penalties.

<sup>12</sup>Data capturing the focused on-site inspections conducted from November 2013 following Seychelles' Phase 2 Review by the Global Forum (OECD)

In addition to focused on-site inspections, every year the FSA plans its inspection programme for full scope on-site inspections based on the outcome of ongoing monitoring of licensees conducted as part of off-site supervision and any focused on-site inspections. The FSA may also conduct spot on-site inspections based on urgent matters that trigger the need for such.

Following all on-site inspections (i.e. focused and full scope) the FSA monitors the implementation of recommendations made by the FSA and where financial sanctions have been imposed, ensuring that same are paid accordingly. In addition, the FSA may issue circulars industry wide to address certain practices uncovered during inspections by directing licensees to stop or adjust their practices or to facilitate the understanding of certain legislative or policy changes which would then be viewed through inspections. During the year 2014, two of such circulars were issued by the FSA.

## Off-Site Supervision

The off-site supervision process entails the monitoring of individual licensees' condition, as well as the industry as a whole, through the periodic submission of returns. This provides for the early identification of problems and therefore, allows for efficient and timely implementation of corrective actions. Off-site supervision is interconnected to on-site supervision as much of the data gathered off-site allows the SS to plan its on-site inspection programmes on a risk based basis.

During the year 2014, the Supervision Section underwent refinement of its practices in order to align itself to the newly enacted Financial Services Act ("FSA Act") which came into force during March 2014. The FSA Act has brought about enhancement of the powers of the FSA towards procedural areas such as surrendering or revocation of licences. The FSA Act has also broadened the enforcement powers of the FSA as the non-bank financial services regulator.

The following table shows the number of licences surrendered or revoked during the year 2014.

Type of licence	2014	
	Revoked	Surrendered
<b>International Corporate Services</b>	2	2
<b>Fund Administration</b>	1	-
<b>Investment Advice</b>	1	-
<b>Investment Advisor Representative</b>	1	-

Throughout the year, upon carrying out its ongoing monitoring of licensees, the Supervision Section also issued a number of directives to licensees. Directives enable the FSA to address matters that require remedial actions on the part of the licensee.

The following table shows the number of directives issued by the FSA by licence type during 2014.

Type of licence	2014	
	Number of Licensees	Number of Directives issued
International Corporate Services	68	55
Fund Administration <sup>13</sup>	10	5
Mutual Fund <sup>14</sup>	11	2
Securities Exchange	1	2
Securities Dealer	9	4
<b>Total Number of Directives</b>		<b>68</b>

In January of each year, licensees under the International Corporate Service Providers Act are required to submit their annual licence fee along with their Compliance Form. The SS carries out analysis of the Compliance Form which is compared to information gathered on licensees throughout the previous year. Any disparity identified is brought to the attention of the respective licensee and action is taken to remedy the disparity.

The Supervision Section also analyses licensees' (i.e. Fiduciary and Funds and Investment Services) audited accounts which are submitted annually. Through its assessment, the FSA ensures that licensees are submitting the audited accounts on time as mandated by law as well as auditing their accounts in line with the required standards.

During 2014, the Supervision Section experienced a large number of cases of late submission of audited accounts for funds and investment services licensees whereby the FSA has had to consider numerous applications for extensions and in some cases, issue financial sanctions for continuous non-submission. Upon review of the cases, the FSA noticed that the majority of licensees not being able to comply by the set deadline were those whose accounts were being audited by local auditors. The FSA is continuing its enquiries into this matter in order to find out the cause for this lateness and to work towards a solution together with the relevant stakeholders. For licensees under the fiduciary side, it is worth noting that audited accounts were largely submitted within the required timeframe.

Throughout 2014, the Supervision Section continued its ongoing monitoring of the Securities Exchange and participants. The FSA did not encounter any cases of market abuse during that year.

The Supervision Section continued dealing with complaints throughout 2014 whereby the majority recorded were of activities being carried out by specified entities purporting to be licensed and regulated by the FSA or specified entities carrying out high risk activities such as binary options

<sup>13</sup> Includes Unrestricted Fund Administrators and Approved Foreign Administrators

<sup>14</sup> Includes Private Funds and Professional Funds

trading. These types of issues affect the jurisdiction's reputation which the FSA must protect. In such cases, the FSA has conducted its investigations and where necessary, issued scam alerts on its website. Where necessary, the FSA forwarded relevant matters to the Financial Intelligence Unit or the Fraud Unit for further investigations.

The Supervision Section has also conducted its yearly website review of all licensees and has found that licensees providing funds and investment services are largely compliant in terms of the content of their website matching the types of activities they can undertake, products they can offer to clients and advice given to potential clients and the public at large.

However, upon conducting the similar review for fiduciary licensees, the Supervision Section noted that the licensees were partially compliant in terms of services offered.

Table 4 shows the result of the website review conducted by Supervision Section during 2014 for the fiduciary licensees (i.e. International Corporate Service Providers (ICSPs)) specifically with regards to legislative changes relevant to the provision of such services.

Total Number of ICSPs	2014			
	Abnormal Findings	No Abnormal Findings	No Website	Website not Operational
68	28	31	8	1

Following the review of websites licensees were directed by the FSA to amend or remove the abnormal contents where appropriate. The FSA achieved full compliance from all licensees that were asked to review and take action with regards to the content of their website.

## Outlook For 2015

For the year 2015, the Supervision Section shall continue the formulation of a risk based monitoring framework for licensees under the FSA's administration.

The Supervision Section is working toward having a better supervision and surveillance framework in-house to ensure that licensees are in compliance with the regulatory framework and that there is adequate surveillance within the market which would ensure market stability and trust among investors, thereby protecting them from deception and fraud.



# Support Sections

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# Information Technology Section

The responsibility of the Information Technology section is to provide technological support to the different sections within the FSA through the establishment of international Information Technology standards and to safeguard the Information Technology infrastructure of the FSA by taking a proactive approach.

## Key achievements of 2014

SIBA's transition into the FSA in 2014 resulted in the need to design a new website to reflect the transition. The website was officially launched in March 2014. Following the fire incident in early August, the FSA moved to new office space and that required the expansion of the IT infrastructure which was successfully implemented.

## Outlook for 2015

The year 2015 presents new challenges and in an effort to keep up with the ever changing IT developments, the FSA will be evaluating its existing IT infrastructure and where necessary, will be carrying out further implementation to ensure a high level of performance of the IT systems.

# Policy, Research and Legal Section

The role of Policy, Research and Legal Section is focused around the development of the FSA's regulatory and legislative framework in line with developing international standards and best practice, and the requirements of the Seychelles non-bank financial services industry. In addition, the section also provides legal opinions as required by the FSA. As such, the Section is engaged in close collaboration with all Sections.

## Research

A key undertaking of the Section is research. It is through research that the FSA gives consideration to new products as well as ways in which to add value to the existing products so that we are able to enhance our competitive edge in the international financial services industry but at the same time remaining compliant with international standards. It is also through research that the FSA assesses the impact of its policies. This mandate also involves keeping relevant statistical information regarding FSA's products and the industry.

In September 2014, the Section spearheaded an industry survey geared towards the fiduciary services sector (i.e. International Corporate Service Providers (ICSPs)). The survey was meant to capture the economic contribution, both direct and indirect, of these entities to the Seychelles economy. The survey also addressed such matters as the services being offered by the ICSPs, the fees that they charge, their customer base, as well as the different factors which affect their environment. This included their views on the FSA, the Judiciary, the Registrar, banking services, availability of human resources, the anti-money laundering framework and communications. The data collated from the survey will be drafted into a report that will be used for policy making purposes.

## Legal

The legal team within the Section liaises with the entire organisation, including the Office of the CEO, to provide legal assistance as required. This includes the drafting or reviewing of all contracts that the FSA undertakes as well as new laws and regulations which may have an effect on the industry. The Section is heavily involved in the drafting of legislations that are administered by the FSA. The Section also provides legal interpretations and where necessary, liaises with the Office of the Attorney General and with the FSA's lawyer for complex interpretations or for court cases directly or indirectly involving the FSA. The work of the legal team is diverse in view of the number of legislations being administered by the FSA.

## Policy

The policy ambit of the FSA develops the policies of the FSA which is then translated into legislation, codes and guidelines. This is done through consultations with the sections responsible for the products as well as with the industry. The policy section works closely with all stakeholders to ensure that policy decisions are as effective as possible.

## Industry Training

Capacity building within the industry is one of the FSA objectives. In 2014, the FSA endorsed and supported an Anti-Money Laundering & Counter Terrorist Financing Workshop presented by Mr. Matthew Beale, the Director of Comsure Group. The workshop was held over two days from Monday 11<sup>th</sup> August, 2014. Attendees included FSA staff, representatives of other governmental departments as well as members of the financial services industry.

The workshop portrayed the commitment of Government to capacity building in Anti-Money Laundering and Counter Terrorist Financing. The workshop provided up to date regulatory information, an overview of the legal and regulatory framework and their practical considerations, as well as best practice considerations. It was tailored around FSA findings and deficiencies perceived within the industry as a result of compliance reviews.

## Outlook for 2015

The key concern of the FSA and of Seychelles as a whole is centred on upgrading the non-compliant OECD peer review rating received by the Seychelles in late 2013. To this end, this will be the primary focus of the Policy, Research and Legal Section throughout 2015.

Groundwork for different projects has been undertaken in 2014. These will be pursued further in 2015. The ongoing projects currently being undertaken by the FSA include:

### 1. New legislations

The FSA is considering the following new legislations:

- A new International Business Companies Act
- The Global Corporations Act which will repeal and replace the Companies (Special Licenses) Act, 2003
- A new International Corporate Service Providers Act which will repeal and replace the International Corporate Service Providers Act
- A new Trusts Act which will repeal and replace the International Trusts Act, 1994

## **2. Anticipated amendments to the Code for ICSPs**

The Code for ICSPs, which provides for guidance to ICSPs on conduct of business, will be updated to introduce additional obligations on ICSPs to monitor compliance of specified entities, foundations and international trusts under their administration with certain record-keeping obligations. This will improve the availability of ownership and accounting information within Seychelles.

## **3. Anticipated amendment to IBC Guidelines**

The IBC Guidelines will be updated to provide clear guidelines on the practical implementation of section 119 of the IBC Act (i.e. Annual Return requirement) and to also provide for certain standards for IBC record keeping obligations.

# Administration and Human Resource Management Section

The Human Resource and Administration Section is responsible for the human aspects of the organization. Employee performance is vital to the organization. The key functions of the Section are recruitment and selection, training and development of staff and ensuring a safe and healthy work environment. The Section also ensures that the organization is at all times complying with the legal requirements of employment laws. The Section also ensures that proper policies are in place to govern all human resource related matters within the Organisation.

## **Key achievements for 2014**

### **1. Transition to FSA**

The Section played a crucial role in the logistical requirements for the transition of SIBA into the FSA, which proved to be a momentous event for the organization in 2014. The launching of the FSA, which comprised of a cocktail and an exhibition, saw FSA employees coming together to put their creativity into play and ensure a smooth transition into the FSA.

### **2. Training and development**

Training and development of the section is a key priority of the section. With necessary training, staff are able to deliver to the expected standard which enables the organization to meet its goals and objectives. The organization provided the opportunity for its staff to follow both local and overseas training during the year 2014. Staff also had the opportunity to undertake further studies through distance learning.

### **3. Staff activities for team building**

During the course of 2014 the organization, through its social committee, organized a number of activities which allowed staff to interact in a more informal setting. This comprised of a hike, a Fun day with children from various orphanages and the annual FSA end of year gathering.

### **4. Recruitment during 2014**

The year 2014 saw the need for the FSA to boost the number of employees, especially within the Supervision and Insurance Services Section. As such, a number of recruitments took place. In total, 23 new staff members were employed within the Organisation, four of which were graduates from the University of Seychelles. At the end of 2014, the FSA had a staff of 94.

## 5. Health and safety

The FSA saw the need to boost health and safety in the organization. This was solidified by the recruitment of a health and safety officer.

In collaboration with Dr.Argawal's clinic, an eye screening service was organized for staff during 2014.

## Outlook for 2015

During the course of 2015, the plan for the section is to strengthen its commitment towards the development of its staff. This will be accomplished through more training being provided and more exposure given to its staff. In respect to Health and safety, the section intends to have more programs to raise awareness of staff on the importance of health and safety and enable them to have a better work-life balance. The section also plans to implement a Human Resource Information System which would help modernize the section.

# Finance Section

The Finance Section is headed by a Finance Manager and is assisted by a Senior Accountant. It is divided into two units, namely the Revenue and Debtors Control Unit and Expenditure and Creditors Control Unit. The former unit is responsible for the collection and recording of revenue for all the services that the FSA renders, and the latter unit is responsible for the controlling and monitoring of the FSA's expenditures, handling of monthly payroll, stores and inventory management and fixed asset maintenance. Each unit is headed by an Accountant.

## Key responsibilities

The Finance Section provides leadership in financial management and accountability for the FSA. Key objectives of the Section include management of the annual budget, collection of revenue, financial reporting to senior management, the Public Enterprise Monitoring Commission (PEMC) and the FSA Board.

The Section is responsible for recording all transactions, tracking expenses and purchases, keeping financial records and writing and compiling financial reports. Accounting issues or budgetary problems within the FSA are brought to the attention of the FSA Board through the CEO.

The Finance Section is also responsible for management of cash balances and for the overall financing of the operations of the FSA.

The basic objective of the Finance Section is to keep records of financial transactions of the FSA in an accurate, transparent and time-bound manner.

At the end of each financial year, to ensure transparency and fairness, the FSA's annual accounts are prepared and submitted to the Office of the Auditor General who conducts the audit of the FSA's accounts and subsequently certifies its financial statements.

The FSA's statement of Income and Expenditure and statement of Assets and Liabilities and the Report of the Auditors are set out in the following section. On the 1st March 2014, the Financial Services Authority replaced the Seychelles International Business Authority. Consequently, the financial statements have been prepared separately for the two month period ended 28<sup>th</sup> February 2014 for the Seychelles International Business Authority and for the ten month period ended 31<sup>st</sup> December 2014 for the Financial Services Authority. Both sets of financial statements are included in the following section.

## Key achievements of 2014

The 2013 accounts was prepared and submitted to the Auditor General prior to the end of February 2014 and was audited and certified prior to 30<sup>th</sup> June 2014 with an unqualified audit opinion, which

was a great achievement for the section and the FSA, given that for a number of years the FSA had encountered long delays in getting the accounts to be audited and certified on time.

The fire incident at the FSA early in August 2014 resulted in unplanned costs being incurred to enable the FSA to resume its normal operations. Despite these challenges, the FSA managed to operate within the 2014 overall budget provision.

## Outlook for 2015

All public enterprises are now required to prepare accounts in accordance with International Financial Reporting Standards (IFRS) standards by the 30<sup>th</sup> June 2016. In line with the PEMC Act, the necessary is being done for the FSA's annual accounts to be prepared in accordance with the IFRS as set by the International Accounting Standards Board (IASB). Preparation for this transition will start in 2015, to enable the accounts to be prepared in full compliance to the IFRS standards and as per PEMC requirements. All senior staff will enrol on IFRS courses. Other relevant trainings and workshops will be identified accordingly.



# Financial Statements

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## OFFICE OF THE AUDITOR GENERAL

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Please address all correspondence to the Auditor General

### OPINION OF THE AUDITOR GENERAL ON THE ACCOUNTS OF THE SEYCHELLES INTERNATIONAL BUSINESS AUTHORITY FOR THE TWO MONTHS PERIOD ENDED 28 FEBRUARY 2014

#### Scope

I have audited the financial statements of the Seychelles International Business Authority for the two months period ended 28 February 2014, as set out on pages 1-8, prepared under the historical cost convention.

The Board is responsible for keeping proper books of accounts, preparation of the financial statements and the information they contain. In accordance with Section 11 of the Seychelles International Business Authority Act, 1994, it is my responsibility to form an independent opinion, based on my audit, on those statements and to report to the Board.

The audit was conducted in accordance with the International Organisation of the Supreme Audit Institutions (INTOSAI) auditing standards. The audit procedures included examination, on a test basis, of evidence supporting the amounts and disclosures in the financial statements as well as an assessment of accounting policies and significant estimates.

The audit was planned and conducted so as to obtain all information and explanations considered necessary to provide me with sufficient evidence to give a reasonable assurance that the financial statements are free of material misstatement, whether caused by fraud or other irregularity or error. The overall adequacy of the presentation of information in the financial statements was also evaluated in forming my opinion.

The audit opinion has been formed on the above basis.

#### Audit Opinion

In my opinion, the financial statements fairly present the financial position of the Authority as at 28 February 2014 and the results of its operations and cash flows for the two months then ended.

Marc Benstrong  
Auditor General

29 May 2015  
Victoria

**Seychelles International Business Authority**

**Balance Sheet**  
**As at 28<sup>th</sup> February 2014**

		2014		2013	
	Note:	(SR)	(SR)	(SR)	(SR)
<b>Assets</b>					
<b>Fixed Assets</b>					
Freehold Property	2		8,737,550		8,737,550
Buildings and Others	2		9,117,294		9,453,694
Investment Property	2		16,586,191		16,785,278
Work in Progress	3		<u>2,302,366</u>	<u>36,743,401</u>	<u>1,947,895</u> <b>36,924,417</b>
<b>Current Assets</b>					
Cash on Hand			1,072,980		1,013,775
Cash at Bank	4		51,098,355		35,569,380
Accounts Receivable	5	<u>6,032,067</u>	<b>58,203,402</b>	<u>6,278,024</u>	<b>42,861,179</b>
<b>Less:</b>					
<b>Current Liabilities</b>					
Accounts Payable	6	<u>10,069,048</u>		<u>14,455,594</u>	<b>14,455,594</b>
<b>Net Current Assets</b>			<b>10,069,048</b>		<b>28,405,585</b>
<b>Total Assets</b>				<b>84,877,755</b>	<b>65,330,002</b>
<b>Represented By</b>					
GOS Capital Fund	7		8,398,287		8,540,631
Retained Earnings/(Loss)	8		<u>64,642,528</u>	<b>73,040,815</b>	<u>45,189,702</u> <b>53,730,333</b>
Government Contributed Assets	9			<u>8,715,700</u>	<b>8,715,700</b>
				<u>81,756,515</u>	<b>62,446,033</b>
Gratuity & Compensation Reserve	10			<u>3,121,240</u>	<b>2,883,969</b>
				<b>84,877,755</b>	<b>65,330,002</b>



Chief Executive Officer

Date: 20/05/2015



Finance Manager

Date: 20/05/2015

Accompanying Notes 1 - 18 form part of these accounts

**Seychelles International Business Authority**

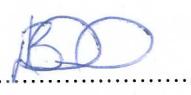
**Income and Expenditure Statement  
For the Period Ending 28<sup>th</sup> February 2014**

		<b>2014</b>	<b>2013</b>
<b>Income</b>		(SR)	(SR)
Corporate and SITZ Fees	12	23,078,174	106,076,386
Rental Income	13	1,776,773	7,159,755
Other Income		51,890	587,147
Amortisation of Capital Grant		142,344	854,063
		<u>25,049,181</u>	<u>114,677,351</u>
<b>Operating Expenses</b>			
Personal Emoluments	14	2,875,047	17,562,316
Office running Costs	15	1,514,217	7,800,161
Marketing and Promotion	16	655,196	2,637,164
Finance Charges	17	3,472	53,895
Consultancy	18	172,826	1,238,015
Depreciation		555,339	3,363,867
Provision for Doubtful Debt		(11,400)	(226,859)
Loss on Disposal of Assets		-	18,342
Exchange Loss/(Gain)		(168,342)	7,903,353
		<u>5,596,355</u>	<u>40,350,254</u>
<b>Surplus for the Period</b>		<u>19,452,826</u>	<u>74,327,097</u>



Chief Executive Officer

Date: 20/02/2015



Finance Manager

Date: 20/02/2015

Accompanying Notes 1 - 18 form part of these accounts

**Seychelles International Business Authority**

**Statement of Cash Flows**

**For The Period Ending 28<sup>th</sup> February 2014**

	2014 (SR)	2013 (SR)
<b>Cash Flows from Operating Activities</b>		
Operating Profit/(Loss)	19,452,826	74,327,097
Depreciation Expenses	555,339	3,363,867
Amortisation of Capital Grant	(142,344)	(854,063)
Loss on Disposal of Assets	-	18,342
(Increase) /Decrease in Accounts Receivable (including staff loans)	245,957	2,930,447
Increase/(Decrease) in Accounts Payable	(4,386,546)	1,216,619
Increase /(Decrease) in Gratuity and Compensation Reserve	<u>237,272</u>	<u>669,168</u>
<b>Net Cash Provided/(Used) by Operating Activities</b>	<b>15,962,504</b>	<b>81,671,477</b>
<b>Cash Flows from Investing Activities</b>		
Purchase of Assets	(19,850)	(573,331)
SITZ work In Progress	<u>(354,474)</u>	<u>(958,371)</u>
<b>Net Cash Used by Investing Activities</b>	<b>(374,324)</b>	<b>(1,531,702)</b>
<b>Cash Flows from Financing Activities</b>		
Cash Surplus transferred to GOS as dividends	-	(150,942,047)
<b>Net Cash Provided/(Used) by Financing Activities</b>	<b>-</b>	<b>(150,942,047)</b>
Net Increase/(Decrease) in Cash	15,588,180	(70,802,272)
<b>Cash as at 01<sup>st</sup> January 2014</b>	<u>36,583,155</u>	<u>107,385,427</u>
<b>Cash as at 28<sup>th</sup> February 2014</b>	<b><u>52,171,335</u></b>	<b><u>36,583,155</u></b>

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Chief Executive Officer

Date: 20/02/15

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*ABD*.....

Finance Manager

Date: 20/02/2015

Seychelles International Business Authority

Fixed Assets and Depreciation Schedule - 01<sup>st</sup> January to 28<sup>th</sup> February 2014

Fixed Assets	Cost			Depreciation			Net book Value
	01.01.2014	Additions	Disposal	28.02.2014	01.01.2014	For the Year	
Warehouses	36,668,266	-	-	36,668,266	15,950,861	244,455	-
Office Block	2,550,000	-	-	2,550,000	1,530,000	17,000	-
Utility Block	660,462	-	-	660,462	396,270	4,403	-
Fencing	637,788	-	-	637,788	620,611	1,108	-
Plant and Machinery	373,309	-	-	373,309	360,309	403	-
Office Equipment	4,020,413	-	-	4,020,413	2,965,225	83,590	-
Computers	2,021,395	-	-	2,021,396	1,711,466	38,630	-
Software	517,317	-	-	517,317	517,317	0	-
Furniture and Fittings	4,362,498	19,850	-	4,382,348	3,252,772	77,683	-
Vehicles	2,753,499	-	-	2,753,499	1,351,880	71,684	-
Other Assets	1,092,453	-	-	1,092,453	761,716	16,382	-
<b>Total</b>	<b>55,657,399</b>	<b>19,850</b>	<b>-</b>	<b>55,677,251</b>	<b>29,418,427</b>	<b>555,339</b>	<b>-</b>
						<b>29,973,766</b>	<b>25,703,485</b>

# Seychelles International Business Authority

## NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 28<sup>th</sup> FEBRUARY 2014

### 1. Accounting Policies

Seychelles International Business Authority was established as a Statutory Body under the Seychelles International Business Authority Act 1994 (Act 27 of 1994). Unless mentioned otherwise below, the Seychelles International Business Authority has been following the historical cost method of accounting.

### 2. Fixed Assets

#### 2.1 Freehold Property

No depreciation has been charged on the value of the freehold property.

#### 2.2 Other fixed Assets and Depreciation

The assets have been stated at cost less depreciation. The movement in fixed assets and depreciation are given in the SCHEDULE (P4/8) attached. Assets are depreciated on a straight-line basis with reference to the expected useful life of the assets concerned.

Depreciation is computed from the month after receipt of goods using the following principal annual rates. No depreciation is provided for in the month of disposal.

Building	4%
Office Structures / Improvement	10%
Plant and Machinery	10%
Fencing	10%
Office Equipment / Appliances	20%
Computers	25%
Furniture / Fixtures	20%
Vehicles	20%
Software	25%
Other Assets	25%

#### 2.3 Investment Property

Investment property has been included in the accounts at cost less depreciation. The total floor area of Utility Buildings and Warehouses has been apportioned on the basis of the leased portion in relation to floor area occupied by SIBA. As at 28.02.2014, the net book value of Investment property is at **SR16,586,191** which represents approximately 80% of the total net book value of cost of buildings.

### 3. Work in Progress

Work in Progress comprises the following:

- Consultancy Fee/ Structural Engineer Fees relating to the construction of new warehouses.  
Total paid as at 28.02.2014 – SR1,859,146
- Planning Fee and others. Total paid as at 28.02.2014 – SR443,220

#### 4. Cash at Bank

	2014 (SR)	2013 (SR)
Seychelles Rupee Account Balance	10,915,407	3,232,228
US Dollar Account Balance	39,746,300	31,920,882
Euro Account Balance	<u>436,648</u>	<u>416,270</u>
<b>Total</b>	<b><u>51,098,355</u></b>	<b><u>35,569,380</u></b>

#### 5. Accounts Receivable

Advance to Supplier	158,297	109,077
IBC & SITZ Fees Receivable	2,015,107	1,696,426
Staff loans	3,859,861	4,102,998
Other Receivables	229,072	611,193
Provision for Doubtful Debts	<u>(230,270)</u>	<u>(241,670)</u>
<b>Total</b>	<b><u>6,032,067</u></b>	<b><u>6,278,024</u></b>

#### 6. Accounts Payable

These represent liabilities incurred during the course of the year for purchases, services and other obligations which are payable within a year.

##### IBC & SITZ Fees paid in advance:

Advance from Customers	6,097,002	8,610,174
ITZ Rent Deposit	1,221,440	1,211,000
Corporate Tax	737,083	764,410
Provision For Audit Fee	90,000	75,000
Others	<u>1,923,523</u>	<u>3,795,010</u>
<b>Total</b>	<b><u>10,069,048</u></b>	<b><u>14,455,594</u></b>

#### 7. Capital Fund

Capital Funds received from Government was treated as capital grant and transferred to income over the expected useful life of the asset to which they relate. As at 28.02.2014, the sum of **SR142,344** has been provided as amortisation of grant.

#### 8. Retained Earnings

The movement in Retained Earnings is shown below:

Retained earnings as at 1.1.2014	45,189,702	121,804,652
Surplus for the year	19,452,826	74,327,097
Dividends paid	-	<u>(150,942,047)</u>
<b>Retained earnings as at 28.02.2014</b>	<b><u>64,642,528</u></b>	<b><u>45,189,702</u></b>

## **9. Government Contributed Assets**

This represents the value of the land transferred to the Seychelles International Business Authority by the Government of Seychelles.

## **10. Gratuity and Compensation**

Gratuity and Compensation for past years service has been calculated in accordance with Ministry of Administration & Manpower, Circular 9A of 1993 and 15 % of gross salary in the case of PSC and internal contract employees. The provision as at 28.02.2014, in this respect amounted to **SR.3,121,240**.

## **11. Foreign Currency Transactions**

The foreign currency receipts and payments/expenditure are accounted for at the market mid rates as published by the CBS at the end of each previous month. End of period balances are recognised in the accounts at the CBS mid-rate of **SR12.1331 to 1 US. Dollar** and **SR16.6507 to 1 Euro**, as at end of 28<sup>th</sup> February 2014.

## **12. Income**

Revenue from IBC Registration and Allied Services consists of the following:	Jan- Feb 2014	2013 (SR)
	(SR)	
IBC Registration Fees	4,238,955	25,005,701
IBC Annual Licence Fees	11,461,464	56,883,929
Other Licence Fees	3,717,907	5,521,188
Funds and Securities Fees	105,458	680,275
Insurance Fees	138,157	614,054
Other Services	<u>3,416,233</u>	<u>17,371,239</u>
<b>Total</b>	<b><u>23,078,174</u></b>	<b><u>106,076,386</u></b>

## **13. Rental Income**

Rental Income from Investment Property	1,584,998	6,363,766
Outdoor Space rental	<u>191,775</u>	<u>795,989</u>
<b>Total</b>	<b><u>1,776,773</u></b>	<b><u>7,159,755</u></b>

## **14. Personnel Emoluments**

Payroll expenses	2,143,845	13,301,500
Employer's Pension contribution	49,707	211,087
Honorarium-Board Members	42,000	294,660
- SITZ Employment Council	-	219,000
Income & Non-Monetary Benefits tax	369,698	2,169,233
Gratuity & compensation paid	<u>269,797</u>	<u>1,366,836</u>
<b>Total</b>	<b><u>2,875,047</u></b>	<b><u>17,562,316</u></b>

**15. Office Running Costs**

	2014 (SR)	2013 (SR)
Administration Costs	535,768	2,850,132
Communication Costs	215,462	1,291,721
Transport & Travelling Costs	93,264	498,318
Maintenance & Repairs	8,557	484,553
Training	228,400	1,564,216
General Expenses	<u>432,766</u>	<u>1,111,221</u>
<b>Total</b>	<b><u>1,514,217</u></b>	<b><u>7,800,161</u></b>

**16. Educational Dissemination**

Information Dissemination	336,855	1,502,330
Advertisement	318,341	974,130
DTA Negotiation Costs	-	160,704
<b>Total</b>	<b><u>655,196</u></b>	<b><u>2,637,164</u></b>

**17. Finance Charges**

Bank Charges	3,472	53,895
<b>Total</b>	<b><u>3,472</u></b>	<b><u>53,895</u></b>

**18. Consultancy and Professional Costs**

The consultancy cost comprises the following:

Local Legal Fees	16,500	270,348
Audit Fee	15,000	75,000
Professional Fees	141,326	799,212
Others		93,455
<b>Total</b>	<b><u>172,826</u></b>	<b><u>1,238,015</u></b>



## OFFICE OF THE AUDITOR GENERAL

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Mahe, Republic of Seychelles  
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E-mail: auditgen@oag.sc Website: www.oag.sc

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Please address all correspondence to the Auditor General

### OPINION OF THE AUDITOR GENERAL ON THE ACCOUNTS OF THE FINANCIAL SERVICES AUTHORITY FOR THE TEN MONTHS PERIOD ENDED 31 DECEMBER 2014

#### Scope

I have audited the financial statements of the Financial Services Authority for the ten months period ended 31 December 2014, as set out on pages 1-8, prepared under the historical cost convention.

The Board is responsible for keeping proper books of accounts, preparation of the financial statements and the information they contain. In accordance with Section 13(4) of the Financial Services Authority Act, 2013, it is my responsibility to form an independent opinion, based on my audit, on those statements and to report it to the Board.

The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAI) auditing standards. The audit procedures included examination, on a test basis, of evidence supporting the amounts and disclosures in the financial statements as well as an assessment of accounting policies and significant estimates.

The audit was planned and conducted so as to obtain all information and explanations considered necessary to provide me with sufficient evidence to give a reasonable assurance that the financial statements are free of material misstatement, whether caused by fraud or other irregularity or error. The overall adequacy of the presentation of information in the financial statements was also evaluated in forming my opinion.

The audit opinion has been formed on the above basis.

#### Audit Opinion

In my opinion, the financial statements fairly present the financial position of the Authority as at 31 December 2014 and the results of its operations and cash flows for the ten months then ended.

Marc Benstrong  
Auditor General

29 May 2015  
Victoria

# Financial Services Authority

## Statement of Financial Position as at 31<sup>st</sup> December 2014

	Notes	SR	SR
<b>Assets</b>			
<b>Fixed Assets</b>			
Freehold Property	2	8,737,550	
Buildings and Others	2	8,274,625	
Investments	2	15,590,758	
Work in Progress	3	<u>62,935,838</u>	<b>95,538,771</b>
<b>Current Assets</b>			
Cash on Hand		1,304,217	
Cash at Bank	4	65,340,481	
Accounts Receivable	5	<u>7,737,754</u>	
		<b>74,382,452</b>	
<b>Less:</b>			
<b>Current Liabilities</b>			
Accounts Payable	6	15,495,637	
Surplus Funds Payable to Gos	7	<u>21,157,410</u>	
		<b>36,653,047</b>	
<b>Net Current Assets</b>			<b><u>37,729,405</u></b>
<b>Non Current Liabilities</b>			
Long- Term Borrowings	8	60,333,712	<b><u>60,333,712</u></b>
			<b><u>72,934,464</u></b>
<b>Total Assets Less Liabilities</b>			
<b>Represented By</b>			
GOS Capital Fund	9	7,686,568	
Retained Earnings/(Loss)	10	<u>53,054,330</u>	
			<b>60,740,898</b>
Government Contributed Assets	11		<u>8,715,700</u>
			69,456,598
Gratuity & Compensation Reserve	12		<u>3,477,866</u>
			<b><u>72,934,464</u></b>




Chief Executive Officer

Date: 22.05.2015

Accompanying Notes 1-21 form part of these accounts

Finance Manager

Date: 25/05/2015

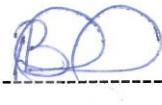
**Financial Services Authority**  
**Statement of Comprehensive Income**  
**For the period March to December 2014**

	SR	SR
<b>Income</b>		
Corporate and SITZ Fees	14	100,554,638
Rental Income	15	6,948,877
Other Income		377,847
Amortisation of Capital Grant		711,719
Profit on Disposal of Asset		267,167
Exchange gain		6,197,081
		<b><u>115,057,329</u></b>
<b>Operating Expenses</b>		
Personnel Emoluments	16	18,927,630
Office Running Costs	17	8,698,542
Educational Dissemination Programs	18	1,021,329
Finance Charges	19	2,445,385
Consultancy and Professional Costs	20	1,249,144
Depreciation		2,719,622
Provision for Doubtful Debt		168,716
		<b><u>35,230,368</u></b>
<b>Surplus for the year</b>		<b><u>79,826,961</u></b>



Chief Executive Officer

Date: 20/05/15



Finance Manager

Date: 20/05/2015

Accompanying Notes 1-21 form part of these accounts

**Financial Services Authority**  
**Statement of Cash Flows**  
**For the period March to December 2014**

	SR	SR
<b>Cash Flows from Operating Activities</b>		
Operating Profit/(Loss)	79,826,961	
Depreciation Expenses	2,719,622	
Amortisation of Capital Grant	(711,719)	
Profit on Disposal of Assets	(267,167)	
(Increase)/Decrease in Accounts Receivable (including staff loans)	(1,705,687)	
Increase/(Decrease) in Accounts Payable	5,426,589	
Increase/(Decrease) in Gratuity and Compensation Reserve	<u>356,628</u>	
<b>Net Cash Provided/(Used) by Operating Activities</b>		<b>85,645,227</b>
<b>Cash Flows from Investing Activities</b>		
Proceeds from sale of Assets	625,000	
Purchase of Assets	(1,239,353)	
SITZ work in Progress	(299,762)	
<b>Net Cash Used by Investing Activities</b>		<b>(914,115)</b>
<b>Cash Flows from Financing Activities</b>		
Cash Surplus transferred to GOS as dividends	<u>(70,257,749)</u>	
<b>Net Cash Provided/(Used) by Financing Activities</b>		<b><u>(70,257,749)</u></b>
Net Increase/(Decrease) in Cash	14,473,363	
<b>Cash as at 01<sup>st</sup> March 2014</b>	<u>52,171,335</u>	
<b>Cash as at 31<sup>st</sup> December 2014</b>	<u>66,644,698</u>	



Chief Executive Officer

Date: 20/5/15



Finance Manager

Date: 05/05/2015

Financial Services Authority

Fixed Assets and Depreciation Schedule - 2014

Fixed Assets	Cost			Depreciation			Net book Value
	01.03.2014	Additions	Disposal	31.12.2014	01.03.2014	For the Year	
Warehouses	36,668,266	-	-	36,668,266	16,195,316	1,222,276	-
Office Block	2,550,000	-	-	2,550,000	1,547,000	85,000	-
Utility Block	660,462	-	-	660,462	400,674	22,015	-
Fencing	637,788	-	-	637,788	621,719	5,542	-
Plant and Machinery	373,309	-	-	373,309	360,712	2,016	-
Office Equipment	4,020,413	138,015	-	4,158,428	3,048,815	410,840	-
Computers	2,021,396	135,764	-	2,157,160	1,750,096	168,445	-
Software	517,317	51,750	-	569,067	517,317	9,703	-
Furniture and Fittings	4,382,348	381,698	-	4,764,046	3,330,455	409,773	-
Vehicles	2,753,499	304,151	(565,000)	2,492,650	1,423,564	283,086	(207,167)
Other Assets	1,092,453	227,975	-	1,320,428	778,098	100,926	-
<b>Total</b>	<b>55,677,251</b>	<b>1,239,353</b>	<b>(565,000)</b>	<b>56,351,604</b>	<b>29,973,766</b>	<b>2,719,622</b>	<b>(207,167)</b>
							<b>32,486,221</b>
							<b>23,865,383</b>

# Financial Services Authority

## NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31<sup>st</sup> DECEMBER 2014

### 1. Accounting Policies

The Financial Services Authority (FSA) was established as a body Corporate under the Financial Services Authority Act, 2013 taking over the functions of the Seychelles International Business Authority.

Unless mentioned otherwise below, the Financial Services Authority has been following the historical cost method of accounting.

### 2. Fixed Assets

#### 2.1 *Freehold Property*

No depreciation has been charged on the value of the freehold property.

#### 2.2 *Other fixed Assets and Depreciation*

The assets have been stated at cost less depreciation. The movement in fixed assets and depreciation are given in the SCHEDULE (P4/8) attached. Assets are depreciated on a straight-line basis with reference to the expected useful life of the assets concerned.

Depreciation is computed from the month after receipt of goods using the following principal annual rates. No depreciation is provided for in the month of disposal.

Building	4%
Office Structures / Improvement	10%
Plant and Machinery	10%
Fencing	10%
Office Equipment / Appliances	20%
Computers	25%
Furniture / Fixtures	20%
Vehicles	20%
Software	25%
Other Assets	25%

#### 2.3 *Investment Property*

Investment property has been included in the accounts at cost less depreciation. The total floor area of Utility Buildings and Warehouses has been apportioned on the basis of the leased portion in relation to floor area occupied by FSA. As at December 31, 2014, the net book value of Investment property stood at **SR15,590,758** which represents approximately 80% of the total net book value of the cost of the buildings.

### 3. Work in Progress

Work in Progress comprises of the following:

- Disbursement made to contractor as at 31.12.2014 – SR60,333,712
- Consultancy Fee/ Structural Engineer Fees relating to the construction of new warehouses. Total paid as at 31.12.2014 – SR2,155,306
- Planning Fee and others. Total paid as at 31.12.2014 – SR446,820

#### 4. Cash at Bank

	As at 31.12.2014
Seychelles Rupee Account Balance	SR 8,175,162
US Dollar Account Balance	56,823,526
Euro Account Balance	<u>341,793</u>
<b>Total</b>	<b><u>65,340,481</u></b>

#### 5. Accounts Receivable

	SR
Advance to Supplier	800,729
IBC & SITZ Fees Receivable	2,824,317
Staff loans	4,219,201
Other Receivables	292,492
Provision for Doubtful Debts	<u>(398,985)</u>
<b>Total</b>	<b><u>7,737,754</u></b>

#### 6. Accounts Payable

These represent liabilities incurred during the course of the year for purchases, services and other obligations which are payable within a year.

	SR
Advance from Customers	9,697,171
ITZ Rent Deposit	1,600,761
Corporate Tax	1,003,950
Provision For Audit Fee	90,000
Others	<u>3,103,755</u>
<b>Total</b>	<b><u>15,495,637</u></b>

#### 7. Surplus Funds Paid to Government of Seychelles

In accordance with Section 12(3) of the Financial Services Authority Act, 2013, the FSA transferred on a quarterly basis, a total of **SR91,415,159** as excess income to the Government of Seychelles. A total of **SR70,257,749** was paid in 2014 with the remaining balance of **SR21,157,410** pertaining to the 04<sup>th</sup> quarter of the year payable in January 2015.

#### 8. Long Term Borrowings

Total Loans outstanding as at 31.12.2014 relates to a loan of US\$7,500,000 from Nouvobanq (SIMBC) Seychelles Ltd and the first disbursement was effected in March 2014.

#### 9. Capital Fund

Capital Funds received from Government was treated as capital grant and transferred to income over the expected useful life of the asset to which they relate. As at 31.12.2014, the sum of **SR711,719** has been provided as amortisation of the grant.

## **10. Retained Earnings**

The movement in Retained Earnings is shown below:

	As at <b>31.12.2014</b>
SR	<b>SR</b>
Retained earnings as at 1.3.2014	64,642,528
Surplus for the year	79,826,961
Dividends payable	(91,415,159)
<b>Retained earnings as at 31.12.2014</b>	<b><u>53,054,330</u></b>

## **11. Government Contributed Assets**

This represents the value of the land transferred to the Financial Services Authority, when it was formerly the Seychelles International Business Authority, by the Government of Seychelles.

## **12. Gratuity and Compensation**

Gratuity and Compensation for past years service has been calculated in accordance with Ministry of Administration & Manpower, Circular 9A of 1993 and 15 % of gross salary in the case of PSC and internal contract employees. The provision as at 31.12.2014, in this respect amounted to **SCR.3,477,866.**

## **13. Foreign Currency Transactions**

The foreign currency receipts and payments/expenditure are accounted for at the market mid rates as published by the CBS at the end of each previous month. End of period balances are recognised in the accounts at the CBS mid-rate of **SR14.0147 to 1 US** Dollar and **SR17.0753 to 1 Euro**, as at end of 31<sup>st</sup> December 2014.

## **14. Income**

Revenue from IBC Registration and Allied Services	SR
consists of the following:	
IBC Registration Fees	22,007,227
IBC Annual Licence Fees	56,687,632
Other Licence Fees	2,200,348
Funds and Securities Fees	779,984
Insurance Fees	800,667
Other Services	18,078,780
<b>Total</b>	<b><u>100,554,638</u></b>

## **15. Rental Income**

	SR
Rental Income from Investment Property	6,196,295
Outdoor Space rental	<u>752,582</u>
<b>Total</b>	<b><u>6,948,877</u></b>

## **16. Personnel Emoluments**

As at  
31.12.2014  
SR

Payroll expenses	14,195,181
Employer's Pension contribution	300,071
Honorarium-Board Members	389,864
- SITZ Employment Council	150,000
Income & Non-Monetary Benefits tax	2,360,546
Gratuity & compensation paid	<u>1,531,968</u>
<b>Total</b>	<b><u>18,927,630</u></b>

## **17. Office Running Costs**

Administration Costs	4,221,989
Communication Costs	1,209,892
Transport & Travelling Costs	318,971
Maintenance & Repairs	1,372,225
Training	867,060
General Expenses	<u>708,405</u>
<b>Total</b>	<b><u>8,698,542</u></b>

## **18. Educational Dissemination**

Information Dissemination	954,920
Advertisement	<u>66,409</u>
<b>Total</b>	<b><u>1,021,329</u></b>

## **19. Finance Charges**

Bank Charges	35,579
Interest on Loans	1,727,318
Commission on Loan	<u>682,488</u>
<b>Total</b>	<b><u>2,445,385</u></b>

## **20. Consultancy and Professional Costs**

The consultancy cost comprises the following:

Local Legal Fees	181,500
Audit Fee	75,000
Professional Fees	967,406
Others	<u>25,238</u>
<b>Total</b>	<b><u>1,249,144</u></b>

## **21. Members' Honorarium**

The Members of the FSA Board were paid honorarium fees amounting to a gross total of **SR389,864**, in accordance with Section 12(2) (b) of the Financial services Act, 2013.

# List of Acronyms and Abbreviations

AEOI	- Automatic Exchange Of Information
AML	- Anti Money Laundering
CBS	- Central Bank of Seychelles
CISNA	- Committee of Insurance, Securities and Non-Banking Financial Authorities
FAFT	- Financial Action Task Force
FATCA	- Foreign Account Taxpayer Compliance Act
FSA	- Financial Services Authority
GDP	- Gross Domestic Product
IBC	- International Business Company
ICSP	- International Corporate Service Provider
IFSP	- International Foundation Service Provider
IMF	- International Monetary Fund
ITSP	- International Trust Service Provider
ITZ	- International Trade Zone
OECD	-Organisation for Economic Co-operation and Development
SIBA	- Seychelles International Business Authority



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