



Financial Services Authority

Newsletter

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

CEO's Message

Welcome to the second edition of the Financial Services Authority Newsletter for 2017.

Navigating through the ever changing regulatory environment can be challenging. One of the functions of the FSA is encouraging the continuing education of practitioners in financial services. As such, trainings and workshops are conducted for the individuals within the industry to ensure that they acquire the necessary skills and knowledge for the success and growth of the industry. This month, a training of insurance intermediaries was undertaken by the FSA in collaboration with the University of Seychelles. In addition, the annual workshop conducted by Mr. Mathew Beale for the Prevention and detection on Anti-money Laundering and Counter Terrorist Financing was undertaken.

The FSA continues its work on Base Erosion and Profit Shifting (BEPS) as Seychelles reviews its potentially harmful tax regimes. The coming months will also see the culmination of the Pensions and Insurance Supervisory framework consultancies. These initiatives have been greatly successful and will contribute towards the positive development of these two sectors.

On behalf of the FSA management team, it is with great pleasure that we welcome the new FSA Board of Directors. The new Board comprises of former members as well as new faces and will have a significant role to play in shaping the future of the financial services industry in these uncertain times. Constituting diverse skill sets and representation from both the public and the private sector and under the leadership of a strong and experienced Chairman Mr. Suketu Patel, the Board is well suited to tackle these challenges.

Moreover I would like to take this opportunity to thank the previous Chairman, Dr. Steve Fanny and the outgoing board members for their hard work during these past few years. We recognize and appreciate the effort and contributions made by each and every one of them. Best wishes to you all for your future endeavors!

Ms. Jennifer Morel

Chief Executive Officer



Appointment of the Board of the Financial Services Authority

President Danny Faure appointed the new Board of the Financial Services Authority effective Friday 18th July 2017 for a term of three years. The Board comprises of representatives of the private and public sector. Representation on the Board is pursuant to Section 5 of the Financial Services Authority Act, 2013 (FSA ACT) and includes both ex-officio representatives as well as members appointed by the President.

The Chairman of the Board is Mr. Suketu Patel who has extensive experience in the financial services industry and is currently a Partner at Pool and Patel, an auditing firm. Other ex-officio members include Ms. Irene Croisee representing the Principal Secretary of Finance, Mr. David Esparon the Attorney General, Ms. Marie-Cécile Esparon representing the Seychelles Chamber of Commerce and Industry, Ms. Annie Vidot representing the Seychelles Bankers Association, Ms. Jennifer Sullivan representing the Governor of the Central Bank of Seychelles and Ms. Angelique Antat, the Chief Executive Officer of the Seychelles Investment Board. Mr. Mike Laval and Ms. Tania Potter are appointed by the President pursuant to Section 5(1)(j) of the FSA ACT. Ms. Jennifer Morel, the Chief Executive Officer of the FSA, is also a member of the Board.

The Board of the FSA is the governing body of the Authority and is empowered pursuant to Section 6 of the FSA ACT to establish the policy of the Authority and monitor and oversees its implementation. The Board oversees the Management of the Authority by the Chief Executive Officer in terms of ensuring that the resources of the Authority are utilized economically and efficiently, the internal management and financial controls of the Authority are adequate, that the Authority operates in accordance with the principles of good governance and fulfills its statutory obligations and properly discharges its functions.

FSA Strengthens Consumer Focus: Insurance Agent and Broker Training

The Financial Services Authority (FSA), in collaboration with the University of Seychelles, hosted a two-day training program for licensed insurance agents and brokers from Thursday 17th August 2017. The training was held at the University of Seychelles, Anse Royale Campus. The agenda focused on the services agents and brokers provide to consumers.

Insurance Intermediaries are insurance sub-agents, insurance brokers and insurance agents who represent consumers in insurance transactions. Insurance brokers arrange insurance with the insurance company on behalf of a customer. Brokers are not affiliated with a specific insurance company but will attempt to seek the best quote on behalf of their clients. In contrast, insurance agents act on behalf of a specific insurance company. Insurance sub-agents seek business on behalf of an insurance company, insurance agent or insurance broker.

The program included interactive sessions on pertinent issues related to customer service, conduct standards and compliance with existing insurance laws and regulations as well as international best practices and standards.

The aim of the program was three-fold: to expand the intermediaries' knowledge; improve insurance services for consumers; and to have experienced agents and brokers assist with the development of training for new intermediaries.

The program was developed by the FSA in collaboration with UniSey. This initiative constitutes a component of the development of a risk based supervision framework for insurance - a key project of the Financial Sector Implementation Development Plan - being undertaken by the FSA. It further reinforces the FSA's commitment to fostering continuing education for practitioners in the financial sector.

Going forward, insurance intermediaries will continue participating in training as part of their licensing requirements.

"The FSA, through its strategic partners such as the University of Seychelles, strives to provide support to the positive development of the sectors under its administration. Service providers who are au fait with current developments of the sector are better able to provide the best possible service to their clients, thereby realizing the overarching mandate of the FSA in terms of ensuring that the interest of the public is protected"

- Ms. Jennifer Morel, Chief Executive Officer, Financial Services Authority.

Mid Year Statistics (as at July 2017)

6,186 IBC	2 LP	1 SITZ
4 CSL	1 PCC	1 Domestic Broker
15 International Trust	1 Fund Administrator	1 Agent
42 Foundation	1 Professional fund	2 Sub-Agents
1 TSP	1 Securities dealer Rep	1 Slot machines
2 FSP	3 Listed Companies	1 Casino

Financial Services Industry Day

The first Financial Services Industry Day organised by the Financial Services Marketing Committee, through the Seychelles Investment Board, took place on the 9th June, 2017 at the International Conference Centre (ICCS). The highlight of the day was a forum which was held under the theme 'Shaping for the Future' and was attended by stakeholders from various organisations such as the Seychelles International Financial Services Association, the Central Bank of Seychelles, Trop-X (Seychelles) Ltd, the Insurance Association, the Bankers Association, Financial Intelligent Unit, Seychelles Revenue Commission and the Financial Services Authority. Members of the public were welcomed.



In his speech Dr. Peter Larose, Minister for Finance, Trade and Economic Planning, recognized the challenges brought forth by the ever changing economic environment to the banks and financial services firms in the Seychelles. Innovation, opportunities, legislation, capacity building with a means of outlining a way forward for the financial services sector are some of the topics that were discussed by stakeholders during the forum. Simultaneously, a career's fair was also organised where relevant organisations within the sector showcased their functions and available employment opportunities.

The FSA also took part in the fair whereby representatives from the FSA were able to interact with the students and visitors present to enlighten them about the role of the Authority. In addition, interested individuals could further their understanding about the FSA through educational leaflets and brochures.

Financial Stability Committee Meeting

The Financial Stability Committee conducted their second meeting for year 2017 on the 26 of May. Further to their previous meeting, the four members examined the risk assessment analysis and developments over the course of the fourth quarter of 2016 to date, simultaneously reviewing the implications towards financial stability.

De-risking was a significant point of discussion amongst the members. The members outlined and considered the issues of de-risking and its effects upon correspondent banking relationships globally. It was noted that essential actions were being taken by the high-level Committee regarding de-risking. Officials from both the Central Bank of Seychelles and Ministry of Finance, Trade and Economic Planning had already informed both the International Monetary Fund and World Bank regarding the countries concerns in this matter.

It was also observed that significant efforts were being made to ensure that the banks' policies and procedures are in line with international best practices. Seychelles banks are taking a proactive approach vis-a-vis the issue of de-risking by engaging with their correspondent banks as well as the regulators.

Another topic of discussion was the recent ransomware attack. The members recognised the severity of such events. It was noted that several domestic initiatives are in process of being deployed, and these included the formulation of Cybersecurity Legislation.

In addition, the members highlighted on the Eastern and Southern Africa Anti- Money Laundering Group (ESSAAMLG) meeting held in April 2017 in Arusha, which was attended by a delegation from the Seychelles. The members were informed that the next ESSAAMLG meeting will be held in the Seychelles in August, 2018.

AML/CTF workshop- “Prevention & Detection of money laundering”

The Centre for Legal and Business Studies (“CLBS”) held its annual compliance refresher training in collaboration with the Financial Intelligence Unit (“FIU”) and the Financial Service Authority (“FSA”). Once again, the training was hosted by Mr. Mathew Beale and was held on July, 26th and 27th at the Eden Bleu Hotel. The focal point of the training was to build upon the previous workshop with respect to the prevention and detection of Money Laundering and Counter Terrorist Financing (“AML/CFT”)

The workshop included an overview of the basic constituents of AML/CFT, the respective legislation, ongoing monitoring of business relationships, the activities the clients are engaged in and most of all having policies and procedures in place for detecting money laundering. Furthermore, the workshop outlined the importance of establishing an independent compliance function as required under the FSA Act.

Mr. Beale highlighted the significant role that the FSA and FIU both have to play in preventing and detecting money laundering through case studies discussed during the workshop. The course also discussed the key changes that has occurred to the FATF standards, such as the requirement for countries to undertake a National Risk Assessment.

The workshop attracted various participants from the CSPs, insurance companies, accounting firms, the FSA as well as the FIU.

With the workshop being a success the CLBS in collaboration with the FSA and the FIU anticipates similar initiatives for the future.

What is interactive gambling?

Interactive gambling, also more commonly referred to as online gambling, is defined as the act of placing a bet or other contingency on the outcome of a game or event by means of a computer device or telecommunications device, or any other remote or distance communications device. This consists of such activities as casino games (which include traditional casino games like poker, roulette, blackjack etc.), sports betting, bingo and lotteries.

Interactive gambling differs from in-person gambling at a land based operation in a few obvious ways. It does not require the player to be present at a physical location in order to have access to such games. Instead a player can remotely access such through the use of some form of telecommunication device (e.g. phone, laptop etc.) with an internet connection. Also, there is little to no interaction between the players and a gambling staff (e.g. dealer) as all the games are operated by computer programs.

Some of the most popular jurisdictions currently licensing such online activities are the United Kingdom, The Isle of Man, Malta, Alderney, Jersey and Curacao. Two of the biggest online gambling companies in the market currently are William Hill whose headquarters are based in the United Kingdom and Paddy Power that is based in Ireland. Statista, an online database company has forecasted that the size of the online gambling market would reach a volume of 56.05 billion U.S. dollars in 2018, more than doubling since 2009. However, despite the rapid growth of online gambling, land-based gambling still dwarfs the internet based activity.

