

Trusts Guidelines



FINANCIAL SERVICES AUTHORITY

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1. INTRODUCTION

These guidelines have been issued by the Financial Services Authority (“the Authority”), to assist in making licensed Trustee Service Providers (“TSPs”)¹ and Private Trust Companies (“PTCs”)² (together referred to as “approved trustees” under the Act) aware of the processes and procedures involved in their dealings with the Authority in relation to trusts registered under the Trusts Act, 2021 (the “Act”).

These guidelines are not exhaustive, they are intended as a general summary only and should be read with the relevant provisions in the Act. Note that the Authority does not provide legal advice. Therefore, it is recommended that TSPs and PTCs obtain independent legal advice with regards to the interpretation of any provisions of the Act.

2. BACKGROUND

- 2.1 A trust is a legal arrangement through which property is held by a third-party for the benefit of another party, called the beneficiary. The person who creates the trust is the “settlor.” The settlor must transfer property to the trust, which is then handled and administered by the trustee. However, the settlor may reserve specific powers to himself with respect to the trust.
- 2.2 The Seychelles’ Trusts Act, 2021 is the principal legislation governing the creation and administration of trusts in the Seychelles.
- 2.3 Section 3 of the Act provides that a trust exists where a person (known as a trustee), holds, or has vested in the person or is deemed to hold or have vested in the person, property for the benefit of beneficiaries, for any charitable or non-charitable purpose or both.
- 2.4 A Seychelles trust is created where a settlor transfers trust property or by making a testamentary disposition on behalf of or in favor of a trust.
- 2.5 A trust shall be valid and enforceable under the laws of Seychelles.

3. THE SETTLOR

- 3.1 A settlor is a person who, having the legal capacity to contract, creates a trust by providing trust property or by making a testamentary disposition on trust or to a trust.
- 3.2 In addition to being the settlor of a trust, the settlor may also serve as the trustee, beneficiary, guardian, or enforcer of that trust, but may not serve as the sole beneficiary or trustee.
- 3.3 However, if the trust's settlor is the only beneficiary while the settlor is still alive, the above is not violated as long as the trust's provisions specify that the trust will have one or more beneficiaries after the settlor's death.

¹ A company licensed to provide trustee services under the International Corporate Service Providers Act.

² A private trust company as defined in the International Business Companies Act 2016.

4. PROPER LAW OF A TRUST

- 4.1 The proper law of a trust is the law of the jurisdiction expressed by the terms of the trust and where this is not expressed, the law of the jurisdiction that is implied by the terms of the trust.
- 4.2 Where the proper law cannot be identified through the terms of trust, the proper law will be the law of the jurisdiction to which the trust had the closest connection when it was created. In assessing the law with which a trust had the strongest connection at the time of creation, consideration must be given to the location of the trust's property, the trustee's residence or place of business and the locations where the trust's objectives are to be carried out.
- 4.3 The proper law of Seychelles trusts is the laws of Seychelles.

5. JURISDICTION OF THE COURT

The Supreme Court of Seychelles ("Court") has jurisdiction if the trust is a Seychelles trust, the trustee of a foreign trust is a Seychelles' resident, a foreign trust's property is managed in or from Seychelles, a foreign trust's property is located in Seychelles, or a foreign trust's beneficiary is a Seychelles' resident.

6. TRUSTS TO BE IN WRITING

A Seychelles trust must be created or established in writing in one of the following two ways:

- (a) by a trust deed signed by the settlor and the original trustees of the trust, where the trust property is transferred to the trustees to be held it in accordance with the terms of the trust;
or
- (b) by a declaration of trust executed by the trust's original trustees, in which the trustees acknowledge that they hold the property in the trust in accordance with the trust's terms.

7. TRUST PROPERTY, OPERATION AND RESTRICTION

- 7.1 The trust may own any property located in or outside of the Seychelles. They may also accept property from anybody to add to the trust's holdings.
- 7.2 A trust is not permitted to engage in any activity that is prohibited by law, immoral, or in conflict with any Seychelles public policy. A trust is also not permitted to own, hold, or have any other stake in any company that owns or has any interest in immovable property in Seychelles.

8. REGISTRATION OF TRUSTEE APPOINTMENT DECLARATION

- 8.1 Following the appointment as the trustee of a trust, the approved trustee (i.e. a trustee licensed by the Authority or a PTC) must make a trustee appointment declaration. The

trustee must then apply for registration of the trustee appointment declaration by submitting the declaration to the Authority together with the registration fee listed of US\$200.

8.2 The trustee appointment declaration shall state:

- (a) the name of the trust
- (b) the date of formation of the trust
- (c) the name and address of each approved trustee of the trust
- (d) that the property of the trust does not include any:
 - (i) immovable property in Seychelles, or
 - (ii) shares or other interests in any company or other entity which owns or has any interest in immovable property in Seychelles
- (e) that the instrument creating the trust is in writing, and
- (f) the proper law of the trust.

8.3 On receipt of the trustee appointment declaration and registration fee of US\$200, the Authority will register the declaration in the Register, allocate a reference number to the trust, and issue a letter to the approved trustee stating the name and reference number of the trust, and the date of registration of the declaration.

8.4 The trust becomes a registered trust upon the registration of a trustee appointment declaration by the Authority.

8.5 If a trustee appointment declaration is not registered in accordance with section 11 of the Act, the trust will not be null and void, but it will not be qualified for the exemptions under Section 87 (3) of the Act.

9. APPOINTMENT OR TERMINATION OF A TRUSTEE

9.1 If a new approved trustee is appointed to a registered trust, the new trustee must file a written notice of the appointment with the Authority within 21 days in the form provided in **Annexure 1**, accompanied by the filing fee of US\$50.

9.2 When an approved trustee ceases to be a trustee of trust, the trustee must give the Authority written notice of the resignation within 21 days in the form provided in **Annexure 2**, accompanied by the filing fee of US\$50.

9.3 When a registered trust is terminated or otherwise ceases to exist, the last approved trustee must file a written notice with the Authority within 21 days, in the form provided in **Annexure 3**, accompanied by the filing fee of US\$50.

10. RESIGNATION OF TRUSTEE

- 10.1 A trustee, who is not the sole trustee, may resign as trustee by giving written notice to the other trustees, and the resignation shall become effective when notice is delivered.
- 10.2 Similarly, if two or more trustees resign simultaneously, which would consequently lead to the trust having no trustee, the resignations will have no effect.

11. REGISTER OF TRUSTS

- 11.1 According to the Act, the Authority must keep a Register of all registered trusts, which will state in respect of each trust:
- (a) the name of the trust
 - (b) the reference number of the trust allocated under section 11(3) of the Act
 - (b) the name and address of each approved trustee of the trust
 - (c) the date of registration of the trustee appointment declaration relating to the trust (in the case of a trust initially registered under the repealed Act, the date of registration of the declaration under section 75(1)(a) of the International Trusts Act, 1994)
 - (d) the date of any notice of termination of trust filed pursuant to section 12(3) of the Act
 - (e) the date of any order of a Court that the trust is set aside or otherwise ended
- 11.2 The Register kept by the Authority and the trustee appointment declaration shall be open to inspection by any person during ordinary office hours on payment of the inspection fee of \$50 and no other document maintained by the Authority in regard to the trust shall be open for inspection.

12. CERTIFICATE OF OFFICIAL SEARCH

Any person, on payment of a fee of US\$75, may request the Authority for a Certificate of Official Search in respect of any trust, which shall contain the information set out in section 13(1)(a) to (e) of the Act.

13. DURATION OF A SEYCHELLES TRUST

According to the Act, a trust's existence is perpetual, unless its terms specifically state otherwise. Hence, no rule against perpetuities or excessive accumulations shall apply to a trust or to any advancement, appointment, distribution or application of assets from a trust.

14. BENEFICIARIES OF A TRUST

14.1 Section 18 of the Act provides that a beneficiary must be:

- (a) identifiable by name, or
- (b) ascertainable by reference to a class or a relationship to some person whether or not living at the time of the creation of the trust or at the time which under the terms of the trust is the time by reference to which members of a class are to be determined.

14.2 A settlor or trustee may also be a beneficiary, but not the sole beneficiary. However, the settlor may be the sole beneficiary of a trust during the settlor's lifetime, provided that the terms of the trust provide for the trust to have one or more beneficiaries upon the settlor's death.

15. ENTITLEMENT OF BENEFICIARY TO INFORMATION

A beneficiary has the right to inspect or obtain a copy of the trust's instrument, any amendments thereto, and any supplemental deed upon written request to the trustee of the trust. They also have the right to request a copy of the trust's annual audited financial statements, if any, or, in the absence of such statements, a summary of the trust's financial position as of the assignee's date.

16. NUMBER AND TYPE OF TRUSTEE

16.1 Every trust must have an approved trustee, and may have one or more co-trustees who may be persons resident outside Seychelles.

16.2 A trust shall not be invalidated on grounds of having fewer trustees than required by this Act or the terms of the trust.

16.3 If the number of trustees falls below the minimum number required or, if greater, by the terms of the trust, the new trustees must be appointed as soon as practically possible.

16.4 If there are fewer trustees than are required or, if greater, by the terms of the trust, the existing trustees may only act for the purpose of preserving the trust property.

17. DUTIES OF TRUSTEES

17.1 Section 25 of the Act provides for the duties of trustees and amongst other things, provides that a trustee must:

- (a) act with due diligence, prudence, and in good faith.
- (b) perform its function as a trustee and manage the trust in accordance with the terms of the Trust, for the benefit of the beneficiaries, or as the case may be to achieve the purpose of the trust.

- (c) make reasonable efforts to maintain the value of the trust property and as far as is reasonable to enhance the value of the trust property.
- 17.2 The trustee must separate the trust's property from its personal property so that it can be clearly identified.
- 17.3 When concluding a business relationship or when conducting an occasional cash transaction of SCR 50,000 or more or the equivalent money in the currency of other countries, the trustee of the trust must disclose the status of the trustee as a trustee to a financial institution or a designated non-financial business or profession.

18. DUTY TO KEEP ACCOUNTING RECORDS

ACCOUNTING RECORDS

- 18.1 Section 26 of the Act requires every trustee to keep reliable accounting records that are sufficient to show and explain the trust's transactions, enable the financial position of the trust to be determined with reasonable accuracy at any time and allow for financial statements of the trust to be prepared. For such purposes, accounting records shall be deemed not to be kept if they do not give a true and fair view of the trust's financial position and explain its transactions.
- 18.2 A trustee shall preserve the accounting records, in respect of each trust (including a terminated trust) to which it was or is acting as trustee, for at least 7 years from the date of completion of the transactions or operations to which they each relate.
- 18.3 Under section 2 of the Act, "**accounting records**", in relation to a trust, means documents in respect of the trust's assets and liabilities, the receipts and expenditure of the trust and the sales, purchases and other transactions to which the trust is a party. Following this definition, it implies that accounting records (including the underlying documents) can take on many forms and includes:
 - (a) Bank statements
 - (b) Receipts and Invoices
 - (c) Vouchers
 - (d) Title documents
 - (e) Contracts and agreements
 - (f) Ledgers
 - (g) Any other documentation underpinning a transaction
- 18.4 Where a trustee keeps the accounting records of a trust outside Seychelles, section 27 of the Act requires the trustee to lodge these accounting records at its registered office in Seychelles in the case of a private trust company or, at the licensed trustee's principal place of business in Seychelles in the case of a licensed trustee. A trustee may either keep the original accounting records or a copy of the accounting records in electronic form at its registered office or principal place of business, as the case may be. However, where a trustee keeps a copy of the accounting records at its registered office or principal place of business, or where the trust's original accounting records are kept in Seychelles at a place other than its registered office or principal place of business, the trustee must keep a written

record of the physical address of that place (section 27(3) of the Act). Note that the Seychelles' authorities maintain the right to request for the original records.

- 18.5 Increasingly, accounting records are likely to exist purely in electronic form. This includes situations where contracts are signed electronically. It also includes banking statements and invoices which are also now regularly issued in paperless form. In such case where there are no physical originals, the electronic versions can be taken to constitute the original accounting records.
- 18.6 It is expected that some of the accounting records relating to a trust will not be in the English or French language. While the Act does not require a translated version of the accounting record to be kept, the Act provides that the Registrar or other authorities may request from the trustee a translation of the record (e.g. section 29(2) of the Act). However, the Authority recommends that a translated version of the accounting records in the English or French language is being kept at all times.
- 18.7 The Act provides that the accounting records should be kept at the registered office or principal place of business in Seychelles, at a minimum, on a bi-annual basis, that is, at a minimum interval of 2 times per year. In enforcing compliance with the accounting records keeping requirement, the Authority will allow a delay for the records to be kept at the registered office in Seychelles as follows:
- (a) Accounting records relating to transactions or operations in the first half (January to June) of a calendar year must be kept in Seychelles by July of that year
 - (b) Accounting records relating to transactions or operations in the second half (July to December) of a calendar year must be kept in Seychelles by January of the following year
- 18.8 For clarity purposes, the following will apply in respect of existing accounting records (i.e. accounting records relating to the years prior to year 2022) and accounting records relating to year 2022 for trusts on the Register:
- (a) Accounting records relating to transactions or operations in the past 7 years to 31st December, 2021 (i.e. records from 1st January, 2015) must be kept in Seychelles by 5th February, 2022
 - (b) Accounting records relating to transactions or operations in the first half (January to June) of 2022 must be kept in Seychelles by July 2022
 - (c) Accounting records relating to transactions or operations in the second half (July to December) of 2022 must be kept in Seychelles by January 2023
- 18.9 For clarity purposes, an approved trustee that ceases to be a trustee of a trust (including where a trust fails, lapses or terminates) on or after 6th August, 2021 must ensure that any outstanding accounting records are lodged at its registered office or principal place of business in Seychelles by January or July, following the date that the approved trustee ceases to be the trustee of the trust, in line with the above guidance.
- 18.10 For clarity purposes, where an approved trustee is appointed as a trustee of a trust which had already been administered by another trustee the accounting records of the trust

relating to transactions prior to the appointment of the new approved trustee is not expected to be kept by the new approved trustee. Where an approved trustee ceases to be a trustee of a trust (e.g. in the case that a new trustee is appointed), all accounting records relating to the period of its trusteeship must be preserved by the trustee in Seychelles.

18.11 Although the Act requires a trustee to lodge the accounting records relating to each trust under its administration in Seychelles at least 2 times per year, it is important to note that a trustee should keep the accounting records on a continuous basis (i.e. at all times) and therefore, any accounting record, either being kept in Seychelles or yet to be lodged in Seychelles, should be provided to the Seychelles' authorities upon request.

18.12 The Act provides a grace period for every trustee to keep the accounting records in Seychelles by 5th February, 2022. It is important to note that this grace period applies only in relation to the **location** of where the accounting records are to be kept (i.e. section 27 of the Act) and **not** in relation to the obligation to **keep** accounting records (i.e. section 26 of the Act). Therefore, during the grace period, the Authority may still request for the accounting records for compliance inspection purposes and if the accounting records are not provided, the Authority will take enforcement action against the trustee. Similarly, a competent authority may request for the accounting records to be provided by the trustee during the grace period and if the trustee fails to comply, the relevant enforcement action may be taken by the competent authority against the trustee.

FINANCIAL SUMMARY

18.13 The Act also requires all trustees to annually prepare a **Financial Summary** in respect of each trust under its administration, to be kept at their registered office or principal place of business in Seychelles (together with the other accounting records and underlying documents) within 6 months from the financial year end of the trust.

18.14 The financial year of a trust shall be the calendar year, unless it is determined otherwise by the trustee. For clarity purposes, where an approved trustee is appointed as a trustee of a trust at any time during a year and its financial year is the calendar year, its first Financial Summary is due by June of the following year.

18.15 The financial year of a trust generally covers a period of 12 months. However, in the event that a trust changes its financial year, the period covered by any Financial Summary cannot be a period greater than 15 months. If the period between the previous financial year end and the new financial year end is not greater than 15 months, the trustee must prepare and keep a Financial Summary within 6 months of the new financial year end. However, if the period between the previous financial year end and the new financial year end is greater than 15 months, the trustee must prepare and keep a Financial Summary within 6 months from the start of the new financial year (which will cover the period from the last financial year end to the start of the new financial year), whereas the next Financial Summary shall be due within 6 months of the new financial year end.

Example 1: The financial year of Trust A is the calendar year (i.e. 31st December) (previous financial year) and the trustee of Trust A prepares and keeps its Financial Summary for the financial year 2021 by June 2022. In 2022, the trustee decides to change the financial year of Trust A to 31st March (new financial year). The period between the previous financial year end and the new financial year end is 15 months.

Therefore, the next Financial Summary is due by September 2023 (i.e. 6 months from the new financial year end).

Example 2: The financial year of Trust B is 30th June (previous financial year) and the trustee of Trust B prepares and keeps its Financial Summary, covering the period 1st July 2021 to 30th June 2022, by December 2022. Then the trustee decides to change the financial year of Trust B to the calendar year (i.e. 31st December) (new financial year). The period between the previous financial year end and the new financial year end is more than 15 months (i.e. 18 months). Therefore, the next Financial Summary is due by June 2023 (i.e. 6 months from the start of the new financial year), covering the financial period 1st July, 2022 to 31st December, 2022. The following Financial Summary is due by June 2024, covering the period 1st January 2023 to 31st December 2023.

18.16 A sample of the form and content of the Financial Summary is provided in **Annexure 4** of these guidelines which must be adopted by all trustees in respect of the trusts under their administration. However, the sub-categories (as provided in the footnote of the Annexure) must be listed accordingly depending on the type of activity that the Trust is undertaking. In view that the obligation for Financial Summary came into effect as of 6th August 2021, the first Financial Summary in respect of a trust should cover, at a minimum, the period from 6th August 2021 onwards.

18.17 However, where a trustee prepares and keeps annual financial statements (audited or unaudited) in respect of the trust under its administration at its registered office or principal place of business in Seychelles, the Authority will not expect the trustee to also keep a Financial Summary, provided that the financial statements are kept for the relevant financial year and include the main category items detailed in **Annexure 4** and any relevant sub-category items. Such trustees will not be considered to be in contravention of Section 27 of the Act and hence, not be liable for penalties.

ENSURING COMPLIANCE

18.18 During its on-site compliance inspections, the FSA will select random samples of trusts to ensure that reliable accounting records are being kept by the trustee at its registered office or principal place of business in Seychelles. Where non-compliance is identified, relevant sanctions will be applied on the trustee, which shall be a penalty fee not exceeding U\$10,000.

19. REQUIREMENT TO KEEP TRUST REGISTER

19.1 Section 28 of the Act requires every trustee to keep, at the registered office or principal place of business of the approved trustee in Seychelles, a trust register in respect of each trust under its administration containing details of each enforcer (if any) of the trust the regulated agents and service provider of the trust including, investment advisors, investment managers, accountants and tax advisors of the trust.

19.2 The approved trustee must preserve the trust register for at least 7 years after ceasing to be a trustee of the trust or after the trust fails, expires, or terminates.

20. DUTY OF CO-TRUSTEES TO ACT TOGETHER

- 20.1 In the event that there is more than one trustee, all trustees must participate in the administration of the trust, and no power or discretion will be exercised over the trustees unless all the trustees agree on its exercise. The terms of a trust may allow the trustees to act by majority, and a trustee who objects to a majority decision may require that the trustee's objection be in writing.
- 20.2 The Act expressly provides that if a trust is administered by more than one trustee, any trustee may request any other trustee any relevant information pertaining to the trust, including information on beneficial owners.

21. POWER OF TRUSTEE

Subject to the conditions of the trust, a trustee has the same authority over trust property as the beneficial owner, and as such, a trustee must only use its authority in the beneficiaries' best interests and in compliance with the terms of the trust. A trustee may be required under the terms of the trust to get other people's approval before exercising a power or discretion, and in doing so, a person who gives their approval is not automatically regarded as a trustee as a result of doing so.

22. LIABILITY OF TRUSTEE

- 22.1 According to the Act and subject to the terms of the trust, a trustee is accountable for a breach of trust that it has committed or in which it participated, as well as for the loss or decrease in value of the trust property that results from such a breach, as well as any profit that would have been realized by the trust property in the absence of the breach.
- 22.2 The liability for a breach of trust caused by a trustee's resignation will be the same as if the trustee had not resigned.
- 22.3 A trustee is not responsible for a breach of trust that occurred before the trustee was appointed. However, when a trustee becomes aware of a breach of trust, they are required to take reasonable action to have it fixed.
- 22.4 Unless the trustee becomes aware or should have reasonably known of the commission of such violation or of its co-trustee's intention to commit a breach of trust, or the co-trustee purposefully conceals the violation or the plan to violate it, or the co-trustee fails to act promptly to restore or protect the trust property or stop the violation, the trustee shall not be responsible for the breach of trust that was committed by the co-trustee.
- 22.5 If a breach of trust is involved, two or more trustees are jointly and severally accountable.

23. TERMINATION OF A TRUST

Upon termination of a trust, the trustee must distribute the trust property to the beneficiaries who are entitled to them within a reasonable timeframe and in conformity with the terms of the trust. However, the trustee has the right to request reasonable security before distributing trust assets in order to cover liabilities that may be present, potential, contingent, or otherwise.

24. PROTECTOR OF A TRUST

- 24.1 The terms of a trust may provide for the appointment of a person as a protector of the trust. The protector of a trust may be a settlor or an enforcer of the trust, but not a trustee of the trust, and may also be a beneficiary of the trust, but shall not be a sole beneficiary.
- 24.2 The powers of protectors are provided under section 52 of the Act and includes, amongst other things, the power to remove or appoint new trustee, add or exclude beneficiaries, approve or change the trust's proper law and approve proposed trust distributions.
- 24.3 A protector has the right to access the trust's accounting records, as well as any document creating the trust.

25. ENFORCER OF A TRUST

- 25.1 In the case of a purpose trust, the terms of the trust shall provide for the appointment of an enforcer in relation to the trust's non-charitable purposes.
- 25.2 A charitable trust may have an enforcer, in which case the terms of the trust must designate a person to act in this capacity.
- 25.3 A person may be appointed as an enforcer even though he is also the trust's settlor, beneficiary, or protector. However, he is the trustee of the trust, he cannot be an enforcer.
- 25.4 Subject to the terms of a trust, it shall be the duty of an enforcer to enforce the trust in relation to its purposes.
- 25.5 An enforcer has the right to access the trust's accounting records, as well as any document creating the trust.

26. FOREIGN TRUSTS

- 26.1 The Act defines a foreign trust as a trust whose proper law is the law of a jurisdiction other than Seychelles.
- 26.2 Section 81 of the Act provides that a foreign trust will be interpreted in accordance with and subject to the laws of the country in which it was constituted. However, the foreign trust must adhere to sections 10, 11, 12, and 13 of the Act.

27. FISCAL MATTERS

- 27.1 Where a trust receives assessable income in the Seychelles, the trustees of a trust must:
- (a) inform the Authority in form provided in **Annexure 5** within one month of the trust's first taxable income being derived, and
 - (b) submit an annual return to the Authority within a year after receiving the first assessable income, in the form provided in **Annexure 6**, along with annual financial

statements that comply with the requirements of sections 142 and 144 and the Sixth Schedule of the Companies Act.

- 27.2 All documents pertaining to the establishment of a trust, transfers of property, transactions pertaining to beneficiaries' interests, creation, modification, or discharge of a charge or other security interest over any property of a trust, and other documents pertaining to the business or assets of a trust are exempt from the payment of stamp duty.
- 27.3 The aforementioned shall not apply to any instrument involving, directly or indirectly, an interest in immovable property in Seychelles.

28. COMPLIANCE INSPECTIONS

- 28.1 Any person who has been granted written authorization by the Authority to monitor and assess compliance with the Act may, after giving notice to the approved trustee of a trust, access, during normal business hours, the trustee's principal office in the Seychelles to inspect the trust's records , including the register that the approved trustee is required by section 28(1) of the Act to maintain.
- 28.2 During or after an inspection, the person may ask the directors or management of the approved trustee to provide clarifications regarding the trust.

29. APPLICATION OF PENALTY FEES

- 29.1 Before imposing any penalty fee, the Act requires the Registrar to give the person concerned an opportunity of being heard.
- 29.2 Where a trustee is found to be in non-compliance with its record keeping obligation (e.g. keeping of registers), the trustee will be granted 5 working days to make a written representation as to why the penalty fees should not be imposed.
- 29.3 Where the applicable penalty fee under the Act is set to a maximum level (e.g. under section 26 (1) of the Act), the different levels of penalty fees will be imposed by the Registrar in cases of non-compliance depending on the nature and seriousness of the non-compliance by the company in accordance with the Table of Penalties in **Annexure 7**.

30. OTHER QUERIES

A person may contact the Authority directly for any queries or clarifications on matters for which no procedures have been detailed herewith.

Annexure 1

NOTICE OF APPOINTMENT OF NEW APPROVED TRUSTEE

Section 12(1) of the Trusts Act, 2021 (the “Act”)

TO: Financial Services Authority
Seychelles

RE: [**insert name of Trust and Reference Number**] (the “Trust”)

I hereby give notice that a new approved trustee, [**insert name and address of new approved trustee**] has been appointed on [**insert date of appointment**] to act as a trustee of the trust.

Dated this [**insert date**].

Yours faithfully

Signature

The New Trustee
[**insert name of new approved trustee**]
Acting by its Director
[**insert name of Director**]

Annexure 2

NOTICE OF CESSATION OF APPROVED TRUSTEE

Section 12(2) of the Trusts Act, 2021 (the “Act”)

TO: Financial Services Authority
Seychelles

RE: [**insert name of Trust and Reference Number**] (the “Trust”)

I hereby give notice that [**insert name and address of approved trustee**] has ceased to be an approved trustee of the Trust.

Dated this [**insert date**].

Yours faithfully

Signature

The Trustee
[**insert name of approved trustee**]
Acting by its Director
[**insert name of Director**]

Annexure 3

NOTICE OF TERMINATION OF TRUST

Section 12(3) of the Trusts Act, 2021 (the “Act”)

TO: Financial Services Authority
Seychelles

RE: [**insert name of Trust and Reference Number**] (the “Trust”)

I hereby give notice that the trust has terminated or otherwise ceases to exist.

Dated this [**insert date**].

Yours faithfully

Signature

The Trustee
[**insert name of approved trustee**]
Acting by its Director
[**insert name of Director**]

Annexure 4

SAMPLE OF FINANCIAL SUMMARY

Section 26 (2) of the Trusts Act, 2021

FINANCIAL SUMMARY FOR FINANCIAL YEAR ENDING _____

SUMMARY OF ASSETS AND LIABILITIES AS AT _____

	USD	USD
Assets		
Non-Current Assets ³	XX,XXX	
	XX,XXX	
Current Assets ⁴	XX,XXX	
	XX,XXX	
TOTAL ASSETS		XXX,XXX
Equity ⁵	XX,XXX	
	XX,XXX	
TOTAL EQUITY		XXX,XXX
Liabilities		
Non-Current Liabilities ⁶	XX,XXX	
	XX,XXX	
Current Liabilities ⁷	XX,XXX	
	XX,XXX	
TOTAL LIABILITIES		XXX,XXX
TOTAL EQUITY AND LIABILITIES		XXX,XXX

³ List the sub-categories of Non-Current Assets (e.g. investments, properties, equipment, fixtures, intangible fixed assets, etc.)

⁴ List the sub-categories of Current Assets (e.g. inventory, debtors, bank/cash balances, etc.)

⁵ List the sub-categories of Equity (e.g. share capital, share premium, retaining earnings (accumulated losses), other reserves, etc.).

⁶ List the sub-categories of Non-Current Liabilities (e.g. debentures, long-term loans, bonds payable, interest-bearing loans and borrowings, deferred tax liabilities etc.)

⁷ List the sub-categories of Current Liabilities (e.g. accounts payable, short-term debts, dividends, etc.)

STATEMENT OF ACTIVITIES FOR THE PERIOD FROM _____ TO _____

	USD	USD
Revenues ⁸	XX,XXX	
	XX,XXX	
		XXX,XXX
Less: Expenses ⁹	XX,XXX	
	XX,XXX	(XXX,XXX)
Operating profit/(loss)		XXX,XXX
Finance Income	XX,XXX	
Finance Costs	(XX,XXX)	
Net finance (costs)/income		XXX,XXX
Profit before tax		XXX,XXX
Taxation		(XXX,XXX)
Profit for the year		XXX,XXX

⁸ List the sub-categories of Revenues (e.g., investment income, property income, deposit interest, donations, other income, etc.)

⁹ List the sub-categories of Expenses (e.g. operating expenses, management expenses, general and administrative, other expenses, etc.)

Annexure 5

NOTICE OF DERIVING OF ASSESSABLE INCOME

Section 87(1)(a) of the Trusts Act, 2021 (the “Act”)

TO: Financial Services Authority
Seychelles

RE: [**insert name of Trust and Reference Number**] (the “Trust”)

I hereby give notice that the Trust is deriving assessable income as defined in section 2 of the Business Tax Act. The Trust’s activities giving rise to the assessable income include [**insert the nature of the activities giving rise to the assessable income**].

Dated this [**insert date**].

Yours faithfully

Signature

The Trustee
[**insert name of approved trustee**]
Acting by its Director
[**insert name of Director**]

Annexure 6

ANNUAL RETURN

Section 87(1)(b) of the Trusts Act, 2021 (the “Act”)

1. Name of the Trust: [insert name of Trust]
2. Reference Number of the Trust: [insert Reference Number]
3. Names and registered office addresses of all trustees of the Trust, and the date on which each trustee was appointed and date on which a trustee ceased to be a trustee of the Trust, if any, since the date of the last annual return:

[insert details of current and former trustees]

4. Trustee’s statement in relation to the activities of the Trust:

[insert statement]

Dated this [insert date].

Signature

The Trustee

[insert name of approved trustee]

Acting by its Director

[insert name of Director]

Annexure 7

TABLE OF PENALTIES

This Table of Penalties provides guidance on the manner that the Authority will impose the penalties provided for under relevant provisions of the Trusts Act, 2021 and may be amended from time to time by the Authority.

In determining the level of non-compliance and the applicable penalty to be imposed on a trustee as specified in the table of penalties, the Authority has taken into consideration the nature and seriousness of the non-compliance by the trustee.

For purposes of this Annexure, the term “per day for continued non-compliance” means the penalty applicable per day, starting from the day following which the non-compliance was identified.

Section 12 [Notice of appointment or termination of a trustee]

Legal Provision	Non-compliance	Level of non-compliance	Applicable penalty
Section 12(1)	Failure to file written notice of a new approved trustee within 21 days.	Notification not made to the Authority.	US\$ 1,000 + US\$ 100 per day for continued non-compliance
Section 12(2)	Failure to file written notice when an approved trustee ceases to be a trustee within 21 days.	Notification not made to the Authority.	US\$ 500 + US\$ 25 per day for continued non-compliance (capped at US\$ 2,000)
Section 12(3)	Failure to file written notice when a trust is terminated or ceases to exist within 21 days.	Notification not made to the Authority.	US\$ 500 + US\$ 25 per day for continued non-compliance (capped at US\$ 2,000)

Section 26 [Duty to keep accounting records]

Legal Provision	Non-compliance	Level of non-compliance	Applicable penalty
Section 26(1)	Failure to keep reliable accounting records	(a) Accounting records not being kept (b) Partly kept accounting records ¹⁰	(a) US\$ 10,000 (b) US\$ 2,000 to US\$10,000

¹⁰ The level of penalty applicable will be on a case by case basis depending on the severity of non-compliance identified. For example, should most of the accounting records be available, then the penalty level would in the lower range.

Section 26(3)	Failure to preserve the trust's accounting records for at least 7 years	Accounting records not preserved for at least 7 years ¹¹	US\$ 2,000 to US\$ 10,000
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Section 27 [Location of accounting records]

Legal Provision	Non-compliance	Level of non-compliance	Applicable penalty
Section 27(1)(a)(i)	Failure by approved trustee to prepare and keep annual financial summary at the trustee's principal place of business in Seychelles within 6 months from the end of the financial year	No financial summary being kept at the registered office	US\$ 5,000 + US\$ 100 per day for continued non-compliance
Section 27(1)(a)(ii)	Failure by approved trustee to keep, on a bi-annual basis, accounting records at the trustee's principal place of business in Seychelles	No accounting records being kept at the registered office on bi-annual basis	US\$ 5,000 + US\$ 100 per day for continued non-compliance
Section 27(1)(b)(i)	Failure by PTC to prepare and keep annual financial summary at the PTC's registered office in Seychelles within 6 months from the end of the financial year	No financial summary being kept at the registered office	US\$ 5,000 + US\$ 100 per day for continued non-compliance
Section 27(1)(b)(ii)	Failure by PTC to keep, on a bi-annual basis, accounting records at the PTC's registered office in Seychelles	No accounting records being kept at the registered office on bi-annual basis	US\$ 5,000 + US\$ 100 per day for continued non-compliance
Section 27(3)	Failure to keep a written record of the physical address of where the original accounting records are being kept	Written record not being kept	US\$ 500 + US\$ 50 per day for continued non-compliance
Section 27(3A)	Failure to keep a written record of a change in the physical address of the	Written record not being kept	US\$ 500 + US\$ 50 per day for continued non-compliance

¹¹ The level of penalty applicable will be calculated on a case by case basis depending on whether the circumstances leading to the non-compliance are justifiable and to the satisfaction of the Authority.

	place at which the original accounting records are kept within 14 days of the change		
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Section 28 [Duty to keep trust register]

Legal Provision	Non-compliance	Level of non-compliance	Applicable penalty
Section 28(7)	Failure to preserve the trust's register for at least 7 years	Records not preserved by trustee for at least 7 years ¹²	US\$ 2,000 to US\$ 10,000
Section 28(8)	Failure to hand over records to the Authority	Records not handed over to the Authority or any other person approved by the Authority	US\$ 2,000 to US\$ 10,000

Section 87 [Fiscal Matters]

Legal Provision	Non-compliance	Level of non-compliance	Applicable penalty
Section 87(1)	Failure to: (a) notify the Authority that the trust is deriving assessable income within one month (b) submit annual return within one year of deriving the first assessable income	(a) Failure to notify the Authority (b) Failure to submit annual return	(a) US\$ 500 + US\$ 50 per day for continued non-compliance (b) US\$ 500 + US\$ 50 per day for continued non-compliance

¹² The level of penalty applicable will be calculated on a case by case basis depending on whether the circumstances leading to the non-compliance are justifiable and to the satisfaction of the Authority.