



# Financial Services Authority newsletter

**Mission:** To safeguard the interest of the Seychelles non-banking financial services sector, through the establishment of a sound and ethical regulatory environment

## Message from the CEO



Welcome to the first edition of the Financial Services Authority Newsletter for 2015. The year 2015 represents renewed hope for a better tomorrow. With this aspiration comes new plans and opportunities as well as challenges. As in 2014, the agenda of the FSA is firmly entrenched around a determination to ensure the adherence of the FSA to international best practices and standards.

The international financial industry is encountering drastic changes. The challenges faced are not only encountered by the Seychelles, but also by other financial services centers around the World. The way in which we address these matters will be significant in determining the future of the Seychelles as a financial services centre. The Seychelles becoming party to FATCA and a signatory to the Multilateral Convention on Mutual Administrative Assistance in Tax Matters are positive steps that have been taken towards aligning ourselves with international best practice.

To realise our vision of a better tomorrow, the Financial Services Authority has drafted a strategic plan which encapsulates our priority areas over the next five years on our journey to building a strong and well regulated financial services industry in Seychelles.

In this year's state of the nation address, the President stated " My message to the private sector is clear: consult, discuss and find solutions with Government." It is in the spirit of building a better tomorrow that we must all come together - regulators and the industry - for the love of Seychelles. To this end, the Financial Services Authority continues to value the expertise and the practical experience of industry practitioners in considering policy decisions. The industry will be involved in considering new legislations to replace the existing International Business Company Act, the Companies (Special License) Act, International Trusts Act and the International Corporate Service Providers Act which are on the agenda for this year.

Collectively, I believe that we can accentuate and fast track the development of the financial services industry of Seychelles, ensuring that it delivers a greater contribution to the national economy, whilst upholding a sterling reputation. We must all take ownership of the wellbeing of our industry and contribute positively to it.

I extend my sincere appreciation for the ongoing support the Authority receives from the Board of Directors, the Government and the industry. I thank the staff of the FSA for their hard work and valued contributions and count on their continued commitment in 2015.

## Seychelles signs the Multilateral Convention on Mutual Administrative Assistance in Tax Matters

On the 24th of February 2015, Seychelles became the 85th signatory of the Multilateral Convention on Mutual Administrative Assistance in Tax Matters. This represents Seychelles' continued commitment in its efforts to improve its legal framework and practices in the field of exchange of information for tax purposes.

The Convention was developed jointly by the OECD and the Council of Europe in 1988 and amended in 2010 to respond to a call by the G20 to align it to the international standard on exchange of information and to open it to all countries. The new changes meant that developing countries could benefit from the new, more transparent environment.

The Convention provides for all forms of administrative assistance in tax matters: exchange of information on request, spontaneous exchange, automatic exchange of information, tax examinations abroad, simultaneous tax examinations and assistance in tax collection, while simultaneously protecting taxpayers' rights.



*Caption: Minister Jean-Paul Adam (right) and Pascal Saint-Amans*

## FATCA- an Overview

The United States has pioneered a taxation system that ensures that all US owned assets internationally are taxed by the United States Government. This has been done through the United States Foreign Account Taxpayer Compliance Act (FATCA). 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 requirements of FATCA are also applicable to the Seychelles. Consequently, the Seychelles has adopted the Model 1 Intergovernmental Agreement ( 'IGA ' ) which is an agreement between states. The IGA requires financial institutions ( FFI's ) in the Seychelles 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 30% withholding tax on all U.S sourced payments will be applied by the US. Under Model 1, local law applies.

The Government of the United States and the Government of the Seychelles have reached an agreement in substance. 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.

### Seychelles prepares for FATCA

The FATCA is a complex undertaking that is very new to the Seychelles. The Financial Services Authority, in its mission to promote capacity building within the financial services industry, hosted a FATCA familiarization program for the financial services sector. This was done in collaboration with Appleby Global. Held on the 22<sup>nd</sup> January 2015, the presentation was attended by insurance companies, banks and Corporate Service Providers as well as Government stakeholders.

The Principal Secretary for Finance, Trade and Investment and Chairman of the Financial Services Authority, Dr. Steve Fanny, launched the presentation session. The presentation and subsequent discussion session was led by Appleby personnel Natasha Hardowar- Bissessur- the regional compliance manager for Asia and Africa and Malcolm Moller- the Managing Partner for Mauritius and Seychelles.

During the session, attendees received a better understanding of the law, its application in other jurisdictions and the importance for stakeholders in the financial services sector to comply amongst other related matters.

## COFA changes to the IFA

The Certificate in Offshore Finance and Administration (COFA) is a level 4 qualification offered by the Institute of Chartered Secretaries (ICSA). As of January 2015, the COFA has been replaced by the International Finance and Administration Qualifications (IFA).

The IFA is a more streamlined qualification, offering greater choice and flexibility to suit the needs of the individual. You can choose a general qualification just covering the core areas of international finance and administration (the Level 4 Award) or take your studies further by completing an accounting and/ or investment modules to gain one of the Subsidiary Certificates or a Certificate.

ICSA' s suite of Level 4 International Finance and Administration qualifications provides a broad overview of the offshore financial market and the opportunity to specialise in either accounting or investment. These qualifications contain the underpinning knowledge needed for a successful career in the offshore financial services sector.

ICSA' s International Finance and Administration suite comprises of four qualifications, each set at Level 4 on the higher education framework (the equivalent to a first year undergraduate level).

1. ICSA Level 4 Award in International Finance and Administration
2. ICSA Level 4 Subsidiary Certificate in International Finance, Accounting and Administration
3. ICSA Level 4 Subsidiary Certificate in International Finance, Investment and Administration
4. ICSA Level 4 Certificate in International Finance and Administration

Presently, Valsen Consulting is the first in Seychelles to offer tuition, revision and registration services for the new qualification.

Valsen Consulting is contactable as follows:

Valsen Consulting  
Suite B8, Orion Mall, Palm Street, Victoria

Tel: +248 4321018  
+248 2525217

Email: [david@valsen-corporate.com](mailto:david@valsen-corporate.com)

## Seychelles signs MOU with Singapore Cooperation Enterprise during official visit to Singapore

Minister Jean Paul Adam, the Minister of Finance, Trade and The Blue Economy signed a Memorandum of Understanding (MoU) with the Singapore Cooperation Enterprise (SCE) organisation to allow the two countries to better share experiences and opportunities in a number of economic sectors including financial services, port development, trade and public private partnerships. The development of financial services is expected to be one of the main areas of cooperation under the MoU.

The Singapore Cooperation Enterprise (SCE) was formed in 2006 under the Singapore Ministry of Trade and Industry to develop capacities in partner countries for economic development building on Singapore's experiences. Chief Executive Officer Mr. Kong Wy Mun signed on behalf of SCE.

In his speech before the signing ceremony, the Minister reflected that " This MoU will allow us to tap into Singapore's expertise to better formulate our own economic development strategies. This opportunity is at a key moment for us, where we seek to revamp our financial services sector and where we seek to further develop the Blue Economy Concept by building opportunities around our port and maritime infrastructure" .

Minister Adam also participated in a Singapore Business Federation Round Table meeting, chaired by Mr. Graeme Robertson representing the Singapore Business Federation, where businesses in the private sector of Singapore put forward their views on how they could tap into mutually beneficial opportunities between the two countries.

As part of his official visit, the Minister also signed, on the 13<sup>th</sup> of March 2015, an MoU on behalf of the Seychelles Investment Board with the Singapore Business Federation. Through the MoU, both parties agreed to reaffirm their commitment to the progressive improvement of trade, industrial and other ties between Seychelles and Singapore. In addition the MoU aims to promote cooperation in technology, investment and knowledge transfer between the two countries as well as identifying obstacles that may hinder the growth of trade and business.

Minister Adam was accompanied by Ambassador Philippe Le Gall, Seychelles' Ambassador to Singapore based in Beijing, Ms. Brenda Bastienne, DG for Policy and Strategy in the Ministry of Finance, Trade and the Blue Economy, Mr. Naadir Hassan, Head of Financial Services Supervision at the Central Bank of Seychelles and Mr. Randolph Samson, Fiduciary Manager at the Financial Services Authority.



Source: [http://www.mfa.gov.sd/static.php?content\\_id=36&news\\_id=983](http://www.mfa.gov.sd/static.php?content_id=36&news_id=983)

## 2014 in figures...

### Licensed service providers

68 International Corporate Service Providers

23 International Trust Service Providers

13 International Foundation Service Providers

1 Non-domestic broker

1 Domestic Broker

2 Domestic Insurers

1 Non-Domestic Insurer

2 ITZ

20,822 IBC's

14 CSL's

135 Foundations

5 PCC's

1 LP

47

International Trusts

1 Fund Administrator

3 Funds

5 Securities Dealer

1 Investment Advisor

### New Incorporations

## FSA attends blood donation presentation

Ms. Sandra Sabury, from the Red Cross Society of Seychelles, presented a talk on blood donation to staff of the Financial Services Authority. The talk was informational and inspirational.

Ms. Sabury clarified that blood donations are essential to persons who require blood transfusions or who may need blood during surgery. This includes cancer patients, accident victims, bone marrow recipients, burns patients, organ transplant recipients, heart surgery patients, trauma victims and Sickle Cell anaemia patients.

### **Why give blood?**

Donated blood is a lifeline for many people needing long-term treatments, not just in emergencies. Your blood's main components: red cells, plasma and platelets are vital for many different uses. Studies have shown that one in seven people will need a blood transfusion in their lifetime. The advantages of blood donating for the donors is that you are screened and tested for diseases that can be transmitted by blood. One would also gain personal satisfaction in knowing that a life has been saved through your donation.



### **Who can give blood?**

Most people can give blood. As long as you are fit and healthy, you are aged between 17 and 65 years old and weigh above 50 kilograms.

### **When Can one give Blood?**

Male donors can give blood every 3 months whilst female donors every 4 months.

### **Where can I give blood?**

Seychelles hospital

## FSA staff learn First Aid

First Aid and CPR training is mandatory for employees in the workplace, but unlike other types of safety training, these skills and knowledge are also applicable to an individual's daily life. Safe practices at work, home, and play can prevent many injuries, illnesses, and deaths. However, once injury or sudden illness has occurred, effective first aid can make the difference between a rapid or prolonged recovery, a temporary or permanent disability, and even life or death.

The Financial Services Authority in collaboration with the Seychelles Red Cross organized the first annual First Aid training, which took place the second and third week of February. The aim of the First Aid training is to sensitize staff on the importance on emergency care provided for injury or sudden illness before professional emergency medical treatment becomes available. First aid does not require making complex decisions or having in-depth medical knowledge. It is easy to learn, remember, and perform.



### **What to do in an emergency?**

#### **Your priorities are to:**

1. Assess the situation – do not put yourself in danger;
2. Make the area safe;
3. Assess all casualties and attend first to any unconscious casualties;
4. Send for help – do not delay.

#### **Check for a response**

Gently shake the casualty's shoulders and ask loudly, 'Are you all right?'

If there is no response, your priorities are to:

1. Shout for help;
2. Open the airway;
3. Check for normal breathing;
4. Take appropriate action.

