

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 .



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CEO's Message

Welcome to the last Edition of the FSA's Newsletter for the year 2019.

As this year comes to an end, we can look back with pride at the many accomplishments and progress made in our journey to building a modern, robust and high yield financial services industry in Seychelles.

In order to align our objectives with those of our strategic partners and to steer the development of the sector on the right trajectory, the FSA collaborated with the Seychelles International Financial Services Association (SIFSA) and hosted a two-day educational session which covered recent developments in the sector. The sessions brought together service providers within the financial services sector and government officials who had the opportunity to engage with the FSA and the Seychelles Revenue Commission (SRC).

With the aim of establishing itself as a comprehensive financial centre, Seychelles continues to trail blaze the path of innovation by examining new financial services products whilst balancing its international obligations. This year Seychelles through the FSA has become a Member of the Global Financial Innovation Network (GFIN) and the Global International Finance Centre Supervisors (GIFCS).

In 2019, the Seychelles Investment Board (SIB), in collaboration with the FSA, have worked effortlessly to improve Seychelles' presence and visibility internationally with its participation in various high-level conferences, roadshows and VIP dinners, including the Intax Expo which was held in Moscow and the China Offshore Summit in Shanghai. Seychelles also made a first appearance in Eastern Europe (Moscow and Prague) and returned to Asia, our biggest market yet.

We have also published a number of articles in top financial magazines such as Forbes, IFC Media and the European. This has allowed us to reach out to a worldwide audience and achieve a wide dissemination of our products and services on offer.

Despite the many hurdles in our path this year, we managed to overcome and surpass these challenges. I have confidence that collectively we can achieve so much more in 2020, the highlight amongst many, will be the Silver Jubilee Anniversary of the FSA. On behalf of the FSA, I would like to extend my sincere appreciation to all FSA staff, the Board of Directors and stakeholders for their valuable contributions in the jurisdiction's continued growth and for their continuous support throughout the year.

I wish you all a Merry Christmas and a prosperous New Year 2020!

Dr. Steve Fanny

Chief Executive Officer



Seychelles attends the 19th Council of Ministers and 38th Task Force of Senior Officials meeting

The 19th Council of Ministers and 38th Task Force of Senior Officials of the Eastern and Southern Africa Anti-Money Laundering Group (“ESAAMLG”) took place from the 1st to the 6th of September 2019 in the Kingdom of Eswatini.

In its capacity as regulator for non-banking financial services being provided in or from within Seychelles, the FSA formed part of the delegation (which was led by the Minister for Finance, Trade, Investment and Economic Planning, Ambassador Maurice Loustau-Lalanne) who attended the meetings. The delegation also comprised of key stakeholders that has an active role in the prevention of Money Laundering and countering the financing of terrorism in Seychelles namely the Ministry of Finance Trade Investment and Economic Planning, the Financial Intelligence Unit, the Central Bank of Seychelles, the Anti-Corruption Commission of Seychelles, the Attorney General’s Office, Seychelles Revenue Commission, Seychelles Licensing Authority and the Office of the Registrar General.

During the meeting, the Seychelles delegation presented its second follow up progress report which highlighted the actions being undertaken by the jurisdiction and the respective competent authorities to address the findings of the Mutual Evaluation Report and to strengthen the AML/CFT legal framework of the jurisdiction. This includes the proposal for a new Anti-Money Laundering Act, amendments to existing legislations, as well as introduction of the Beneficial Ownership Act.

The Task Force has urged Seychelles to ensure that the relevant actions are undertaken in accordance with the timeline provided. Seychelles is required to submit another follow up report to the ESAAMLG in February 2020, following which the Seychelles would be requesting for re-ratings of certain specific FATF recommendations.

During the meeting, Minister Loustau-Lalanne handed over the Presidency of the ESAAMLG’s Council of Ministers to the Minister for Finance of Eswatini, Mr. Neal Rijkenberg, while the Director of the Financial Intelligence Unit, Mr. Richard Rampal handed over the chairmanship of the Task Force of Senior Officials of ESAAMLG to the Head of FIU of Eswatini, Mr. Fitzgerald Graham. Eswatini shall hold these positions until September 2020.

The delegates were also privileged to witness certain cultural events of Eswatini including attending the famous Reed dance ritual and a gala that was hosted by the King of Eswatini.



The Seychelles Delegation

Moscow and Prague Roadshow

The Seychelles Investment Board (SIB) and the FSA were the lead sponsors at the Intax Expo Russia which took place on the 23rd and 24th September at the Lotte Hotel in Moscow, Russia.

The Intax Expo is one of the world's biggest conference and exhibition for practitioners in spheres of corporate finance, residence and citizenship, estate planning and international tax structuring as well as for companies focused on international trade and investment. This year's event was attended by over 250 delegates.

Over the two days, the Seychelles' team, comprising of representatives from the SIB, FSA, the Seychelles International Financial Services Association (SIFSA) and other private sector members, showcased the different financial services products and investment opportunities available in Seychelles. Dr. Steve Fanny, Chief Executive Officer of the FSA and Mrs. Tatiana Balabanova, Director of Apollo Business Solutions (PTY) Ltd, presented 'The Regulatory Landscape of Seychelles Financial Services Industry' and the 'Tax reforms in Seychelles: New opportunities for international businesses' respectively at the main conference.

On the last day of the event, SIB and FSA hosted a conference themed "Seychelles: The Premier Financial Services Centre in the Digital Era". Following the welcoming remarks by the Chairman of the FSA, Mr. Suketu Patel, Dr. Steve Fanny, Mrs. Tatiana Balabanova, Ms. Ina Laporte, Chairperson of SIFSA and Mr. Faraj Abbasbayli from the FSA, presented the Seychelles' regulatory framework (including the recent legislative amendments in regards to IBCs), asset protection in Seychelles and the newly developed Fintech Regulations.

Following the Intax Expo Russia, the Seychelles team proceeded to Prague, Czech Republic to hold a similar roadshow which took place on the 26th September, 2019 at the Alcron Hotel. On the eve of the event, a welcoming cocktail was organized where the Seychelles delegation was able to meet and get acquainted with the participants prior to the main event in a more relaxed atmosphere. The Roadshow held in the afternoon of the 26th, was attended by high-level business leaders from Cyprus, Czech Republic, Georgia, Israel, Norway and Slovakia.

The feedback received from the participants at both events were very positive and hence, the Seychelles intends to maintain its presence in the region.



Seychelles excels at the China Offshore Shanghai Summit 2019

The 9th Annual China Offshore Shanghai Summit this year was a three-day event running from the 12th to 14th November 2019, held at the Grand Kempinski Shanghai Hotel. The Seychelles FSA was a main sponsor of the summit. Accompanying the FSA were the Seychelles Investment Board (SIB), Chairperson and Vice Chairperson of the Seychelles International Financial Services Association (SIFSA), Ms. Ina Laporte and Mrs. Tatiana Balabanova respectively, who were also representing the private sector.

As a result of the economic boom in China, Chinese investment groups and corporations have developed a need for sophisticated international wealth and asset management services. Since its inception in 2010, the China Offshore Summit aims at providing a premium platform for information exchange and business development.

The summit was launched on 12th November, 2019 with presentations and panel discussions from various stakeholders and participants. As part of the activities, exhibition booths were set up to display the various financial services products and investment opportunities that different jurisdictions had to offer. Manning the Seychelles' booth were representatives from FSA, SIB and the private sector. Visitors to the booth appreciated the presence of the private sector who were able to interact with them on a one-on-one basis and provide them with the specific information they required.

The summit was also attended by Mr. William Gao, the trade attaché of FSA in China, who delivered a presentation on the 'Regulatory Landscape of the Seychelles Financial Services Industry'. After giving a brief explanation on the FSA's background and its history, Mr. Gao highlighted the various financial services products under the purview of the FSA including the new Sandbox Regulations and the Seychelles' Tax System. On the last day of the summit, Mrs. Tatiana Balabanova, Director of Apollo Group, delivered a very insightful presentation on "IBC: New Look, New Opportunities and Asset Protection".

The Seychelles also organized a VIP dinner for a targeted group of high net worth potential investors in a more intimate and niche atmosphere. The dinner was held on the evening of November 13th, positioning Seychelles as "The premier financial services centre in the digital world".

During the dinner, Dr. Steve Fanny's presentation entitled "Why Seychelles?" touched on our hybrid legal system, the tax system, the new Fintech development and the advantages of Seychelles' entities which was followed by a Q&A session and dinner.

The Seychelles will continue to participate in such events going forward given the high level of interest shown by the participants.



FSA joins the Global Financial Innovation Network (GFIN)



The Global Financial Innovation Network (GFIN) is a network of 50 organisations committed to supporting financial innovation in the interests of consumers. It was formally launched in January 2019 by an international group of financial regulators and related organisations, including the UK's Financial Conduct Authority (FCA) (built on the FCA's early 2018 proposal to create a global sandbox). The Seychelles through the FSA became a full member on the 21st October, 2019.

The GFIN seeks to provide a more efficient way for innovative firms to interact with regulators, helping them navigate between countries as they look to scale new ideas. This includes a pilot for firms wishing to test innovative products, services or business models across more than one jurisdiction. It also aims to create a new framework for co-operation between financial services regulators on innovation related topics, sharing different experiences and approaches.

The three primary functions of the GFIN can be broken down in the following:

- To act as a network of regulators to collaborate and share experience of innovation in respective markets, including emerging technologies and business models, and to provide accessible regulatory contact information for firms.
- To provide a forum for joint RegTech work and collaborative knowledge sharing/lessons learned.
- To provide firms with an environment in which to trial cross-border solutions.

“...FSA's vision to create a dedicated FinTech hub where finance and technology interact to foster innovation ...”

The GFIN engages in different work-streams (i.e. progressive completion of tasks driven by different members) on specific topics relating to innovation in financial services. The work-streams are cross-border challenges, opportunities and problems, which fit within the GFIN mission statement such as:

- RegTech
- E-KYC
- Data privacy
- Financial inclusion

In terms of cross-border testing, usually firms develop testing plans with their relevant regulator for their cross-border trial, some of which involves live transactions. Firms that develop a testing plan satisfactory to each jurisdiction's criteria are able to take part in pilot testing phases. From the last pilot testing phase, it was observed that a high number of applications were from firms with RegTech and crypto-asset related business models. GFIN members are now exploring ways of supporting cross-border tests either through their own regulatory sandbox or by additional means.

In terms of our area of interest vis-à-vis GFIN, one of the primary reasons behind the Seychelles FSA applying for GFIN membership was part of the FSA's vision to create a dedicated FinTech hub where finance and technology interact to foster innovation, develop solutions to foster innovation, and develop solutions to shape the future of financial services.

FSA and SIFSA host educational sessions

The Financial Services Authority (FSA), in collaboration with the Seychelles International Financial Services Association (SIFSA), hosted two educational sessions over two half days on the recent developments in the non-bank financial services sector. The sessions, which mainly brought together service providers within the financial services sector, the Ministry of Finance, Trade and Economic Planning and the Seychelles Revenue Commission (SRC), were to educate and spread awareness on the different non-bank financial services on offer in Seychelles. “The main objective is for us to walk away with clarifications on the misconception of what ‘offshore’ is all about” said Ms. Ina Laporte, Chairperson of SIFSA, during her presentation.

FSA and SIFSA host educational sessions

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The sessions kicked off with an introduction of the International Financial Services (IFS) by Ms. Laporte followed by presentations by Mrs. Tatiana Balabanova on the Seychelles' Business Tax System, the different types of Seychelles' companies that may be set up and the recent amendments made to the International Business Companies (IBC) Act wrapping up the first day.

On the second day, presentations covered the recent amendments made by Seychelles to comply with the Base Erosion Profit Shifting (BEPS) project of the OECD which impact the Companies (Special Licenses) (CSLs), non-domestic insurance, the Fund Administrators, licensees under the Securities Act. The presentations, delivered by Mr. Paul Robert, Director of Policy and Legal at the FSA, focused on the substantial activity requirements to be met by relevant licensees and the application of the grandfathering provisions. In addition, the SRC was also given the opportunity to give an overview of the newly introduced procedures to apply for a Tax Identification Number (TIN) for IBCs and the registration, with SRC for IBCs deriving Seychelles' sourced income.

Overall, the forum served as a good platform which enabled interactive discussions and learning opportunities for the participants. The FSA and SIFSA remain committed to work cohesively with all its stakeholders for the development of the sector and aim to conduct more such sessions in the future.

FSA becomes a member of the Group of International Finance Centre Supervisors (GIFCS)



The Group of International Finance Centre Supervisors ("GIFCS") is a long established group of financial services supervisors with a core interest of promoting the adoption of international regulatory standards especially in the banking, securities, fiduciary and Anti Money Laundering ("AML") / Counter Finance Terrorism ("CFT") arena.

The GIFCS, in its previous form as the OGBS, was established in 1980. Today its present membership accounts for a market share of nearly 10% of global international banking assets. The Group has become a very positive contributor to promoting compliance among its members with the Basel Core Principles and the FATF Recommendations. The GIFCS has also become recognised as a leading authority on the regulation of trust and company service providers, and the interface of these intermediaries with AML/CFT standards.

The Group's purposes are to:

1. Contribute to global financial stability through the support and adoption of international regulatory standards and the promotion of best practice where appropriate
2. Apply its collective expertise to participate in change and effectively influence debate and consultation on evolving regulatory standards
3. Provide mutual support to each other and a forum for promoting common interests

With two annual plenary held every year, the members meet to discuss pertinent issues experienced by numerous jurisdictions as well as engage in an open platform to exchange ideas, as well as potential solutions.

At present the organization is represented on the Basil Committee's Consultative Group, as well as holding observer when attending Financial Action Task Force ("FATF") meetings. As a member of GIFCS, the Seychelles is now able to also participate as a member of the GIFCS.

FSA becomes a member of the Group of International Finance Centre Supervisors (GIFCS)

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The Seychelles presented their written submission for membership and the Seychelles delegation, comprising of members from both the FSA and the Central Bank of Seychelles, defended the application at the November 2019 Plenary meeting held in the Cayman Islands. The Seychelles was successful in their application, for which a formal welcome letter was issued on the 15th November 2019 from the Chairman Mr. John Apsden.

Training Plan 2020

International Compliance Association (ICA)

Certificate in Governance, Risk and Compliance	May 2020
Certificate in Anti-Money Laundering	May 2020
International Diploma in Governance, Risk and Compliance	April 2020—January 2021
International Diploma in Anti-Money Laundering	April 2020—January 2021

HAPPY HOLIDAYS!

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