

S.I 29 OF 1996

FINANCIAL INSTITUTIONS ACT

(Cap 79)

**Financial Institutions (Non-Domestic Banking Business)
Regulations, 1996**

Additional
particulars in
an application
for a licence

In exercise of the powers conferred by sections 4, 9, 20 and 56 of the Financial Institutions Act, the Minister of Finance and Communications after consultation with the Central Bank hereby makes the following Regulations -

1. These Regulations may be cited as the Financial Institutions (Non-Domestic Banking Business) Regulations, 1996. Citation

2. (1) In these Regulations - Interpretation

"Assigned capital" or "paid up capital" means, subject to section 2 of the Act, the amount of money contributed by the shareholders of a financial institution for the conduct of banking business but does not include credit facilities granted to it by the shareholders;

"Credit facilities" means -

- (a) Any advance, loan or other facility in whatever form or by whatever name called, by the giving of which the person to whom it is given has access, directly or indirectly, to the funds of the person giving it;
- (b) Any liability whatsoever incurred on behalf of any person.

(2) The Symbol \$ denotes dollars in the currency of the United States of America.

3. (1) The Central Bank may require an applicant for a licence to conduct non-domestic banking business to include in its application under section 4 of the Act -

- (a) A list of all persons, with their addresses and nationalities, who are registered shareholders of the applicant, distinguishing the shareholdings of each shareholder and a list of all persons with their addresses and nationalities, who are beneficial owners of shares of the applicant but are not registered shareholders, distinguishing the shares of each such beneficial owner and two or more references verifying the good financial standing of each such shareholder or beneficial owner;
- (b) A statement that every person appointed or elected as director, manager or other officer concerned with the management of the applicant is qualified for appointment or election under section 32 of the Act;
- (c) In the case of a foreign financial institution, a statement that the authority responsible for supervision of banking in the country under the laws of which the financial institution is formed is aware of the application;
- (d) Where the instrument under which the applicant company is formed is not in the English Language, a translation of the instrument in the English language;
- (e) Three references, one of which shall be financial in nature from an internationally reputable financial institution, other than the applicant, in respect of the directors, managers or other officers concerned with the management of the applicant;

- (f) The name, address and professional qualification of the auditor proposed to be appointed under section 28 of the Act;
- (g) Where the applicant is a subsidiary company of another company, a copy of the annual audited balance sheet of the company of which it is a subsidiary, for the year immediately preceding the application;
- (h) Where a company holds ten percentum or more of the paid up capital of the applicant, a copy of the annual audited balance sheet of the company which holds that share capital, for the year immediately preceding the application;
- (i) A business plan setting out details of the commercial activities in which the applicant intends to engage in, if a licence is granted, which shall include, as far as practicable -
 - (i) The business objectives of the applicant and the type and source of business contemplated;
 - (ii) The proposed initial assets of the applicant and the applicant's anticipated assets and liabilities and estimated income at the end of each of the two years next succeeding the grant of the licence;
 - (iii) The particulars of the applicant's management structure and personnel;
 - (iv) The reasons for the selection of Seychelles as a place for the conduct of the applicant's business,

and where the applicant is unable to include in the business plan any of the above details, the reasons for such inability;

Capital requirement

- (j) Where the applicant is to be administered by another financial institution, a copy of the Administered Bank Agreement; and
- (k) A list of companies in which the applicant holds shares and specifying the number of shares so held and the registered addresses of those companies.

4. (1) For the purposes of section 20 of the Act, a financial institution conducting non-domestic banking business shall, except where the financial institution is also conducting domestic banking business under the Act, have and maintain paid up capital or assigned capital of not less than \$1,000,000 or its equivalent in any freely convertible currency, unimpaired by losses.

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Display of name, licence number etc. on the office or other documents and restrictions on the use of those words

(2) The paid up capital or the assigned capital specified in subregulation (1) shall be maintained at all times in an account of the financial institution applying for the licence with a bank licensed under the Act or with any other bank outside Seychelles approved by the Central Bank, as evidenced by the certificate of such bank at the time the application for the licence is made.

(3) The Financial Institutions (Minimum Capital) Regulations shall not apply to a financial institution solely conducting non-domestic banking business.

5. (1) A financial institution conducting non-domestic banking business shall -

- (i) Affix or paint in a prominent position on the outside of each of its offices where it conducts banking business;
- (ii) Print prominently in any billhead, printed form, letter paper, notice, advertisement or any other documents issued from its office in the course of its business,

the name of the institution, the number of its licence to carry on non-domestic banking business and the words "Licensed Non-Domestic Bank" or "Licensed Off-Shore Bank".

(2) A financial institution, other than a financial institution conducting non-domestic banking business under the Act, shall not use or assume the words "Licensed Non-Domestic Bank" or "Licensed Off-Shore Bank" or any derivative of those words in any language so as to indicate or likely to indicate the conducting by that institution of non-domestic banking business under the Act.

6. Where a financial institution conducting non-domestic banking business has reasonable grounds to believe that any holder of any account with that institution or any other person transacting business with that institution is conducting business affairs which are or are likely to be contrary to the laws of Seychelles or are or are likely to be detrimental to the reputation of Seychelles, the financial institution shall forthwith notify in writing that fact to the Central Bank and furnish the Central Bank the full particulars thereof known to the financial institution.

Business
affairs
contrary to
laws or
detriment to
reputation of
Seychelles

7. (1) A financial institution conducting non-domestic banking business shall notify the Central Bank of -

Notification
of change

- (a) Any change in the registered shareholders who each hold or would hold 5% of the paid up capital of the institution within 21 days of such change or becoming aware of such change, whichever is the later;
- (b) Any change in the directors, managers or other officers concerned with the management of the institution within 21 days of such change;
- (c) Any change in the auditors of the institution within 21 days of such change and, if so

required by the Central Bank, the reasons for such change.

(2) The Central Bank may exempt any financial institution conducting non-domestic banking business from the provisions of subregulation (1).

8. (1) A financial institution conducting non-domestic banking business shall not issue bearer shares nor shall be authorised by the instrument under which it is formed to issue bearer shares.

Bearer shares prohibited

(2) Where a company is a shareholder of a financial institution conducting non-domestic banking business, that company shall not issue bearer shares nor shall be authorised by the instrument by which it is formed to issue bearer shares.

9. (1) An application for a licence to conduct non-domestic business shall be accompanied by the application-processing fee specified in the First Schedule.

Fees

(2) Subject to subsection (4), a financial institution shall on the grant of a licence to conduct non-domestic banking business, pay before the commencement of such business the annual fees specified in the First Schedule and thereafter shall pay for each subsequent year the annual fee at or before the time specified in section 9(3) of the Act.

(3) Where a licence of a financial institution conducting non-domestic banking business ceases to be valid under section 9(3) of the Act, the financial institution shall, in applying for a licence under section 4 of the Act, be liable to pay a surcharge -

- (i) Equal to 10% of the annual fee for each month that has elapsed between the date on which the licence ceased to be valid and the date of lodging of the application, where the period that elapsed is less than 90 days;

- (ii) Equal to 50% of the annual fee for each month that has elapsed between the date on which the licence ceased to be valid and the date of lodging the application, where the period that elapsed is more than 90 days,

unless the Central Bank is satisfied that the financial institution has since the date on which the licence ceased to be valid, ceased to carry on non-domestic banking business.

(4) Where a licence to conduct non-domestic banking business has been granted to commence business after the month of January in the year in which it is granted, the annual fee for that year shall be paid pro rata before the commencement of business for that year.

10. A licence to conduct non-domestic banking business shall be in the Form in the Second Schedule.

FIRST SCHEDULE

FEES

Application processing fee	\$2000.00 or equivalent in freely convertible currency
Annual fee shall be	\$15,000 or equivalent in freely convertible currency.

SECOND SCHEDULE



REPUBLIC OF SEYCHELLES

The Financial Institutions Act

(Cap 79)

The Financial Institutions (Non-Domestic Banking Business) Regulations 1996

Licence to Conduct

Non-Domestic Banking Business

Licence No:

1. _____, being a financial institution incorporated in _____ and having its Head Office at _____, is hereby granted a

Non-Domestic Banking Licence

to conduct banking business under the Financial Institutions Act

2. The licensee is permitted under sections 11(1) of the Financial Institutions Act to use the word "Bank" in the title or description of its business.
3. The licence is issued under and subject to provisions of the Financial Institutions Act, and these Regulations and any other Regulations, as amended from time to time, made under that Act and subject also to the conditions, if any, set out hereunder.

Conditions

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Dated at Victoria, Republic of Seychelles
this ____ of _____, 199__.

Central Bank of Seychelles