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To all Banks

Unimpaired paid-up capital or assigned capital

As per Regulation 4(1) of the Financial Institutions (Capital Adequacy) Regulations, 2010, banks are required to maintain SCR20,000,000 as the minimum amount of unimpaired paid-up capital or assigned capital.

The purpose of this circular is to provide clarity on the computation of unimpaired paid-up capital or assigned capital. Specifically, the sum of the following items will determine whether paid-up capital or assigned capital is impaired or unimpaired:

- Paid-up ordinary shares
- Paid-up non-cumulative perpetual preference shares
- Share premium
- Statutory reserve fund
- Retained earnings/ losses as well as unaudited losses

If the computation outcome is above the nominal value of the paid-up capital or assigned capital, then paid-up capital or assigned capital is not impaired. Otherwise, if the computation is below the nominal value of the paid-up capital or assigned capital, then paid-up capital or assigned capital is impaired.

The Central Bank of Seychelles counts on your usual co-operation.

Yours faithfully,

C. Edmond

First Deputy Governor