



## CENTRAL BANK OF SEYCHELLES

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**Date:** June 8, 2020

### To all Banks

#### **Notice on non-application of, exceptions and modifications to certain provisions of the Financial Institutions Act 2004, as amended (FIA) and statutory instruments issued under the FIA**

Pursuant to section 74A of the FIA, the Central Bank of Seychelles (CBS) hereby issues this Notice directing the non-application of, exceptions and modifications to certain provisions of the FIA and statutory instruments issued under the FIA in light of the Covid-19 pandemic.

#### **1.0 Section 31 of the FIA is modified for all banks as follows -**

- a. a bank shall not declare any dividend in relation to the financial years ending December 31, 2019 and December 31, 2020,
- b. a local bank shall not pay any dividend on its shares and a foreign bank shall not transfer overseas any profits earned in Seychelles whilst the Notice is in effect,
- c. subject to section 24(1) of the Financial Institutions Act 2004, as amended, a bank shall transfer all profits earned in the financial years ending December 31, 2019 and December 31, 2020 to retained earnings.

#### **2.0 The Financial Institutions (Foreign Currency Exposure) Regulations, 2009 as amended shall apply to all banks with the following modification to sub-regulation 5(2) -**

The total short position to capital ratio shall not exceed 50%.

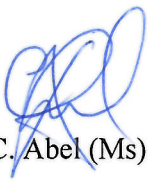
#### **3.0 The Financial Institutions (Credit Classification and Provisioning) Regulations, 2010 as amended shall apply to all banks with the following exceptions and modifications -**

- a. In regulation 2, the definition of “eligible collateral” shall apply with respect to a credit granted under a relief scheme and the definition is hereby modified, with respect to such credit, to include the guarantee granted by the Government of Seychelles to the CBS under the relief scheme, notwithstanding that such guarantee is inconsistent with any part of the definition.
- b. For the purpose of the Notice, a relief scheme is a scheme established for banks to provide financing from advances obtained from the CBS, to customers affected by the Covid-19 pandemic.
- c. Regulations 4(2), 4(6) and 4(8) shall apply except that an eligible credit that was assigned a lesser classification category prior to the commencement of this Notice shall be reclassified as “Pass” or “Special Mention” accordingly, as from

the date it is restructured or renegotiated provided that such date is a date before July 30, 2020.

- d. For the purpose of the Notice, an eligible credit is a credit:
  - (a) which was classified as “Pass” or “Special Mention”, as at the end of February 2020; and
  - (b) the repayment of which has been adversely impacted by Covid-19.
- e. Sub regulations 5(b)(ii), 5(c)(i) and 5(d)(ii) shall not in any event apply in determining the classification of any credit.

CBS trusts in your co-operation for adherence to the Notice.



C. Abel (Ms)

**Governor**