



CENTRAL BANK OF SEYCHELLES

P. O. Box 701, Victoria, Seychelles

Telephone: [+248] 428 20 00

Fax: [+248] 432 36 65

E-mail: enquiries@cbs.sc

Ref: FSD/GEN/1

FSD/CR/14

FSD/FIA/4

Date: July 4, 2023

TO ALL BANKS

Guideline on restriction on payment of dividend

The Central Bank has re-assessed its current procedure in relation to section 31 of the Financial Institutions Act 2004, as amended (FIA) and has determined that a change in process is warranted.

As from today, requests in line with section 31 of the FIA should be supported by an analysis showing that the approval will not cause the financial institution to be in breach of the aforementioned section of the FIA. In essence, the analysis should:

- 1) provide confirmation that all capitalised expenses and items of expenditure not represented by tangible assets have been written off;
- 2) demonstrate that the payment of dividend or any other transfer from profits will not cause the bank to be in contravention of the requirements in capital adequacy, reserve fund, liquidity or any other prudential requirement deemed relevant or likely to impair the future capital adequacy or liquidity of the bank; and
- 3) provide confirmation that provisions have been made in respect of impaired credits.

The Central Bank trusts in your co-operation for adherence with the new procedures articulated in this Guideline.

Yours sincerely,

Caroline Abel
Jul 4 2023 9:00 PM

C. Abel (Ms)

Governor

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