



CENTRAL BANK OF SEYCHELLES

ENFORCEMENT INFORMATION GUIDE

Our commitment to a fair, transparent
and accountable enforcement process



1.0 Introduction

1.1 Purpose of this Guide

This Enforcement Information Guide explains how the Central Bank of Seychelles (CBS) exercises its enforcement powers. It is intended to provide transparency on CBS' approach to enforcement and to help Financial Services Providers (FSPs) and the public understand how enforcement decisions are made.

This guide is not legally binding and should be read alongside applicable legislation.

1.2 Scope of this Guide

This guide applies to enforcement action taken under the Financial Consumer Protection Act, 2022 (FCPA) and its related regulations.

2.0 Enforcement Powers

Under the FCPA, CBS has a range of powers that allow it to respond appropriately to different types of misconduct. These include the ability to:

- Require information and documentation
- Conduct inspections and investigations
- Issue directions and corrective measures
- Impose administrative penalties
- Require compensation or redress to consumers
- Restrict or suspend financial activities
- Refer matters for criminal prosecution
- Publish enforcement outcomes

3.0 Approach to Enforcement

CBS' enforcement approach supports its statutory objectives to:

- Protect financial consumers
- Promote fair, efficient and transparent financial markets

- Maintain confidence in the financial system

In exercising its enforcement functions, CBS also recognises its broader mandates, including maintaining financial stability, conducting prudential supervision, and overseeing anti-money laundering and countering the financing of terrorism (AML/CFT). These mandates are taken into account when determining the most appropriate enforcement response.

4.0 Principles of Enforcement

CBS applies the following principles when exercising its enforcement powers:

Proportionality - CBS ensures that enforcement actions are proportionate to the nature, scale, and impact of the breach. This means that more serious or systemic misconduct will attract stronger enforcement measures, while less significant breaches may be addressed through supervisory or remedial actions.

Consistency - CBS seeks to apply enforcement actions consistently across similar cases. This promotes fairness and ensures that comparable breaches are treated in a similar manner, taking into account relevant circumstances.

Transparency - CBS strives to be open about its enforcement and share information as permitted by law.

Deterrence - Enforcement actions are designed to deter both the entity involved and the wider market from engaging in misconduct. Penalties and other measures are therefore calibrated to discourage future breaches.

Accountability - CBS holds financial institutions and individuals accountable for their actions. This includes ensuring that responsibility for misconduct is appropriately attributed and that corrective measures are implemented.

Timeliness - CBS seeks to take enforcement action in a timely manner to prevent ongoing harm, address issues promptly, and maintain confidence in the regulatory framework.

5.0 The Enforcement Process

The flowchart below shows the process of a typical enforcement case by using regulatory powers under the FCPA.

CBS ENFORCEMENT PROCESS



6.0 Enforcement Outcome

An enforcement outcome is the final action or decision taken by the CBS after completing the enforcement process. It represents how a breach is ultimately resolved. The Figure below shows the different types of enforcement outcomes.



7.0 Publication of Enforcement Action

CBS may publish information regarding enforcement actions. Publication helps inform the public, support accountability, and reinforce confidence in the financial system. This will be done after the FSP has been given appropriate notification. Published information may include nature of the breach, enforcement action taken and the name of the FSP.