

CENTRAL BANK OF SEYCHELLES



Information on the Establishment and operation of Offshore Banks (OBs) in Seychelles

1. The conduct of Offshore Banking business is governed by the Financial Institutions Act (FIA), 2004 and the Financial Institutions (Non Domestic Banking Business) Regulation, 1996¹.
2. Application for an offshore banking licence should be in the prescribed form 1 and be supported by the relevant information and documents as laid down in Section 5 of the FIA 2004.
3. The prospective applicant must be a locally incorporated company or an overseas company registered under the local Companies Act, 1972.
4. The applicant must satisfy the Central Bank of its international repute and good standing by showing that it has a proven track record of growth and profitability of at least five years in the banking industry.
5. The application must be accompanied by an application fee of US\$2,000 or its equivalent in a freely convertible currency.
6. The applicant should be subject to satisfactory consolidated supervision by the supervisory authority responsible for the financial institution in its country of incorporation. The Central Bank of Seychelles will request for a written confirmation from the home country supervisor that the Seychelles entity will be included in its consolidated supervision.
7. OBs are required to establish a real presence in Seychelles and actually carry out real business. They are expected to operate as fully staffed banks and not merely as “brass plates”. However, an applicant bank may be administered by another financial institution, in which case, a copy of the Administered Bank Agreement should be submitted with the application, together with a letter of comfort from the ultimate parent.

¹ However in instances where there is any consistency between them, the FIA 2004 prevails.

8. Unless conducting both offshore and domestic banking business, OBs must maintain at all times in an account opened with a financial institution, approved by the Central Bank of Seychelles, the minimum paid up capital of US\$2 million or its equivalent in any freely convertible currency.
9. Except as otherwise permitted by the FIA 2004, specifically section 58, OBs shall conduct banking business solely with non-residents in currencies other than the Seychelles Rupee.
10. OBs are exempted from all corporate taxes on income or capital gains, withholding tax on dividends, interest or other return to shareholders, any tax on transfer of assets or securities to any person, customs duties on office equipments and other items essential to the conduct of banking business. OBs are also exempted from foreign exchange control.
11. OBs must prepare annual accounts and submit them, after they have been audited, to the Central Bank of Seychelles by or before end of May. These accounts have to be audited by external auditors appointed by the OBs and approved by the Central Bank of Seychelles.
12. OBs are required to maintain their accounting systems as well as all their official books, records, documentation and correspondence relating to their banking business, in the English language.
13. OBs shall supply to the Central Bank of Seychelles such information, about their activities as may be requested, to satisfy the Central Bank of their ability to meet their obligations as they fall due and of their adherence to sound banking practices.
14. OBs are not subject to prudential requirements regarding minimum reserve and local assets ratio.
15. In the case of Banks licensed to carry out both domestic banking business and offshore business, a written confirmation is required that accounting records will be maintained separately for each type of business.
16. An annual fee of US\$15,000 or its equivalent in a freely convertible currency is payable to the Central Bank of Seychelles.

For further details contact the Financial Services Supervision Division
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