

BS 18

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To all banks

Opening, closing or change of location of a banking
office in Seychelles

Under Section 10 of the Financial Institutions Act 1984, the written approval of the Central Bank is required for a bank to open or close a branch, agency or office in any part of Seychelles or to change the location of any existing place of business in Seychelles. Accordingly, the following instructions are issued for the guidance of the banks operating in Seychelles.

A. Opening a new branch, agency or office

- (1) A licenced bank intending to open a new banking office in Seychelles should submit an application to the Central Bank with the following information/documents -
 - (a) proposed site of the new office and the area to be served;
 - (b) banking facilities and services to be offered;
 - (c) days and hours of business intended;
 - (d) business or economic justification giving facts and figures such as population, number of businesses or enterprises expected to be financed, and deposits, advances and profit or loss potential for the first 12 months of operations;
 - (e) details of staff to be employed and the name, qualifications and experience of the proposed Manager;
 - (f) any other relevant information in support of the application.
- (2) In considering the application, the following matters will be taken into account by the Central Bank -
 - (a) the need for proposed banking services in the area;
 - (b) the profitability of the main office and its ability to support the new office;
 - (c) compliance by the main office with the regulations and directions of the Central Bank.
- (3) Any approval given by the Central Bank will lapse if not utilised within a period of six months from the date of approval.

- (4) The opening of a new banking office should be notified in a daily newspaper giving the days and hours of business and the nature of banking facilities and services offered to the public. A copy of such notice should be furnished to the Central Bank.

B. Closing an existing branch, agency or office

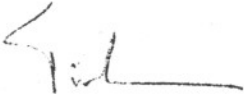
- (1) An application for permission to close an existing banking office should be submitted to the Central Bank with the following particulars -
 - (a) reasons/justifications for proposed closure of the banking office supported by facts and figures such as decline in business/profitability;
 - (b) disposal of staff employed;
 - (c) arrangements to deal with deposits, advances and other assets and liabilities of the office to be closed;
 - (d) intended date of closure.
- (2) When the closure is approved by the Central Bank, a notice should be sent to all customers advising them of any alternative banking arrangements made for them. A notice of closure should also be published in a daily newspaper and a copy displayed in a conspicuous place at the banking office to be closed. A copy of such notice should be furnished to the Central Bank.
- (3) In the case of temporary closure brought about suddenly by an act of God or by any circumstance beyond the control of the bank, the bank concerned should inform the public by announcement over the radio and by notice in a daily newspaper, a copy of which should be displayed in a conspicuous place at the banking office which is temporarily closed. Within 24 hours of closure, the bank concerned should also submit a report to the Central Bank advising the cause of the closure, the date on which it expects to reopen the office and any information which might affect the financial position of the banking office.

C. Change of location of an existing office

- (1) An application to change the location of an existing banking office should be submitted to the Central Bank with the following particulars -
 - (a) particulars of the new location and the area to be served;
 - (b) reasons/justifications for proposed change of location;
 - (c) any change in the nature of banking facilities and services to be offered and in the days and hours of business;

- (d) any change in the existing staff structure;
- (e) proposed date of transfer to new location.

(2) After receipt of approval from the Central Bank, a notice of change of location should be given to the general public in a daily newspaper and a copy posted in a conspicuous place at the old premises. A copy of such notice should be furnished to the Central Bank.


(Tin Tun)
for Governor