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To all Banks, Bureaux de Changes, Housing Finance Company, Development Bank of Seychelles, Seychelles Credit Union and Payment Service Providers/Operators

Obligation to establish and maintain Internal Control Systems and Procedures

Internal controls are the systems used by an organisation to manage risk and diminish the occurrence of fraud. Besides complying with laws and regulations, and preventing employees from stealing assets or committing fraud, internal controls can help improve operational efficiency by improving the accuracy and timeliness of both internal and external risk reporting.

With the enactment of the Anti-Money Laundering and Countering the Financing of Terrorism Act, 2020, (AML/CFT Act) reporting entities are obligated to establish several preventive measures in order to adhere to the said Act. One of these requirements is stipulated under section 33(1) of the AML/CFT Act, which is to “*establish and maintain procedures and systems to —*

- (a) implement internal policies, procedures and controls to fulfil the obligations under this Act;*
- (b) implement adequate screening procedures to screen persons before recruitment;*
- (c) train its officers, employees and agents to recognise suspicious transactions, trends in money laundering, and terrorist financing activities and risks within the reporting entity’s products, services and operations; and*
- (d) implement independent audit arrangements to test its procedures and systems relating to anti-money laundering, and terrorist financing activities.”*

Furthermore, as required by section 33(2) of the AML/CFT Act, “*the procedures and systems shall be appropriate to the risks identified under section 32, any risk assessment carried out at national level and be proportionate to the nature and size of the reporting entity’s business*”. Moreover, as specified by section 33(3) “*the procedures and systems shall be approved by senior management and monitored and enhanced, if necessary*”.

Given the length of time elapsed since the enactment of the AML/CFT Act in March 2020, sufficient time has been afforded for all reporting entities to establish the necessary measures, policies and procedures to ensure that it is complying with the aforementioned provisions. Section 33(1)(a) of the AML/CFT Act further requires reporting entities to refer to Regulation

13 (b), of the Anti-Money Laundering and Countering the Financing of Terrorism Regulations, 2020, which places the responsibility of maintaining a manual of compliance of the policies, procedures and systems on the compliance officers.

As such, reporting entities are being advised that a period of one month is being extended to complete this exercise, from the date of issue of this Directive. Failure to implement the necessary measures, especially in view of new requirements from the AML/CFT Act, Regulations and their subsequent amendments, will result in the appropriate sanctions being applied, as provided for under section 60 of the said Act.

Central Bank of Seychelles counts on your usual co-operation.

Yours sincerely,



Caroline Abel
Feb 7 2022 9:32 PM

C. Abel (Ms) 
Governor