

SEYCHELLES

Seychelles International Business Companies are useful alternatives to offshore companies established in jurisdictions such as the British Virgin Islands.

In December 1994 the Seychelles enacted legislation enabling the registration of International Business Companies, International Trusts and the licensing of International (free) Trade Zone Companies.

Although not dissimilar to those of the well-established offshore jurisdictions such as the Cayman, the laws take a most comprehensive, modern and attractive approach to the establishment and operation of offshore companies.

The Business Tax (Amendment) Act 2018 introduces a Territorial Tax System in Seychelles. As such, a Seychelles tax resident, including an IBC, is liable for Seychelles tax on any Seychelles-sourced income.

In a similar fashion, foreign sourced income or international profits made by an IBC are not taxable in Seychelles.

It is advisable to always check with us to confirm the tax liability of the IBC, in the event that it is carrying out its activities in the Seychelles.

The exemption from Seychelles stamp duty still remains on: the transfer of IBC shares, other IBC securities and on all other transactions relating to the business of an IBC.

Seychelles is one of the fastest IBC registrar in the world. The International Business Companies (Amendment) Act, 2018, governs the operations of offshore companies. The registration process in Seychelles is straightforward.

The Seychelles Business Company

1. GENERAL ASPECTS

1.1. Company Law:

International Business Companies (Amendment) Act 2018. This Act (The “Act”), which was signed in December 2018, has repealed and replaced the relevant sections of the International Business Companies Act, 2016 (The “IBC Act”). Including amendments per Act No. 9 of 1995, Act No. 9 of 1997, Act No. 5 of 2000, Act No. 31 of 2005, Act No. 28 of 2007 and Act No. 33 of 2007, Act 15 of 2013, Act 15 of 2016, Act 12 of 2018 and Act 15 of 2018.

1.2. Types of companies

Several types of companies are now allowed under the new Act. These are:

- International Business Company (IBC)
- Protected cell companies (PCC)
- Limited Life Companies

1.3. Incorporation and Administration

- Excellent availability of company names for incorporation.
- Familiarity of incorporation documents (Memorandum & Articles of Association, Certificate of Incorporation) because the Republic of Seychelles is a member of the Commonwealth of Nations.
- Incorporation documents may be drafted in any language and submitted together with an English or French translation.
- Speedy incorporation procedures and simple ongoing administration.
- The Seychelles Registry is equipped with modern sophisticated computer equipment improving speed and efficiency in the processing of documents.
- Shelf companies are available.
- Full exemption from taxation for any business activity or transaction carried out outside Seychelles.
- No requirement to file financial statements; no requirement to hold annual general meetings of shareholders or directors.
- Reasonable formation and maintenance costs and fees.

IMPORTANT NOTE: In accordance with regulatory and legal provisions, our firm maintains internal policies related to the processes of “Due Diligence” and “Know your Client”, as routine to avoid the occurrence of illicit activities, protecting our clients and our business.

2. INCORPORATION PROCEDURE

2.1. Company Name:

Anything identical or similar to a company already incorporated. Anything that implies patronage of the Seychelles, or any other government, insurance, royal, imperial or any other name that may imply that a company intends to undertake a licensable or undesirable activity.

A Seychelles IBC name must end in an approved suffix to denote limited liability: including “Limited”, “LTD.”, “Corporation”, “Corp.”, “Incorporated”, “Inc.”. The full list of approved suffixes is available on request.

IBC name restrictions: it is prohibited for a Seychelles IBC name to contain words such as “Assurance”, “Bank”, “Trust”, “Building Society”, “Cooperative”, “Chamber of Commerce”, “Chartered”, “Insurance”, “Imperial”, “Municipal” or “Foundation” or which suggests the patronage of any government. It is prohibited to use a name already in use or any names deemed by the Registrar to be indecent, offensive or misleading. The following words are prohibited as IBC names unless evidence of the appropriate licence or permission is provided: “Casino”, “Fund”, “Securities” and “University”.

Language of IBC name: while normally in English, an IBC name can also be registered in any language; this requires a translator’s certificate (English or French translation and transliteration). It is also possible to have bilingual Memo & Arts documentation in English or French and any other language.

2.2. Uses of a Seychelles IBC

- IBC’s may engage in any lawful business in any country and may carry on transactions in whatever currencies they choose.
- Holder of bank accounts, fixed deposits, investment plans and any other financial or commercial title.
- Owner of the shares of other companies or legal entities.
- Owner of apartments, houses, buildings, vessels and any other movable or immovable property or goods.
- Manager or promoter of international business transactions.
- International leasing of vehicles, machinery and others.
- Borrowing or lending money, paying or receiving commissions, royalties or others.
- Marketing and promotion of products and services.
- Other commercial and financial activities.

2.3. Capital:

- The standard authorized share capital is US\$50,000 (but that can be changed if required by the client; and the annual government license fee is US\$100 plus taxes irrespective of the amount of the authorized share capital).
- Standard minimum issued capital is US\$1
- The standard currency is the United States Dollar, but any other convertible currencies are permitted
- The IBC Act allows for Seychelles IBCs to issue registered shares only.
- The IBC Act requires that all issued shares be paid-up – ie. issued in exchange for payment to the company in cash or other valuable consideration, of such amount as the directors may determine but which cannot be less than the par value per share.

2.4. Registered Agent

A Seychelles IBC is required by the IBC Act to have a Registered Agent in Seychelles (which must hold a current license to provide international corporate services issued by the Seychelles International Business Authority). All documents relating to the IBC must be filed with the Registry by its Registered Agent.

2.5. Registered Office

- A Seychelles IBC is required by law to have a Registered Office in Seychelles.
- An IBC is required to keep the original or a copy of its Register of Shares and Register of Directors at its Registered Office in Seychelles. The Registers may be in electronic or other data storage format.

2.6. Shares

Only registered shares are allowed to be issued. Bearer shares have been abolished.

2.7. Directors, Officers and Shareholders

- Every company is required to have one or more directors and shareholders, and corporate directors/shareholders are permissible.
- There are no nationality or residency requirements for director and shareholders.
- Every company is required to have its Register of Directors filed at the Registry within 30 days of the appointment of its first director(s). (However, this will not be made public once it is filed)
- Any change made in the structure of the directors, officers and shareholders must be duly registered in the Registers of the company and the same must be kept at the Register Office of the same.
- Within 30 days after the change made in the structure of the directors, the Register of Directors will need to be filed at the Registry. (However, this will not be made public once it is filed)
- Directors may grant special and general power of attorney.
- Nor the directors or officers of the company need to be shareholders of the same.
- There is no public filing or access of director/shareholder details.
- The location of Directors/shareholders meetings could be anywhere and the Directors/Shareholders may attend meetings by proxy or via telephone or other electronic means.

The Articles specify proceedings at meetings, voting, and for members (i. e. shareholders) acting through representatives at meetings. Members may be represented by a natural person or a body corporate. Members may also be represented by proxy.

2.8. Statutory Registered

An IBC must maintain a Register of Shares, containing the name and address of each registered share holder as well as the name and address of each holder of the shares; the number of each class and series of shares held by each shareholder; the date on which the name of each member was entered in the Register; and the date on which any person ceased to be a member.

An IBC must maintain a Register of Directors, containing the name and address of each director and other officer of the company, their date of appointment and the date on which each such person ceased to a director or other officer.

An IBC must maintain a Register of Beneficial Owner, containing:

- Name, address, Date of Birth and Nationality of the Beneficial Owner
- Particulars of each Beneficial Owner beneficial interest and how it is held
- Date on which a person became a Beneficial Owner
- Date on which a person ceased to be a Beneficial Owner

Seychelles IBCs may (optionally) maintain a variety of other registers from time to time, for example - a Register of Charges in the event that the IBC creates a charge over all or any of its property. The Register of Charges will also need to be filed at the Registry.

2.9. Accounts

There is no requirement to file financial statements or annual returns, but a company must keep records to reflect its financial position. The company's accounting books, records and minutes may be kept in any place or country chosen by the director; the Registered Agent must keep written confirmation regarding the location of the company's accounting records.

2.10. Government Taxes:

Annual Tax for License US\$150.50

The above mentioned government taxes will apply as from the calendar year following the calendar year in which the Company was organized. Payment to the government authorities must be made through the Registered Agent, pursuant to the following requirements:

a) The maturity date of the corporation goes according to their date of organization.

b) After the maturity date of the organization of the corporation, surcharges will be

applied over the amount of the Annual Fee as follows:

10% over the value of the Annual Fee (if the client does not pay before and/or on the date of organization' anniversary)

50% over the value of the Annual Fee (if the client does not pay within 90 days after the date of organization' anniversary)

If the payment of the annual tax is not paid after a period of 180 days of the organization' anniversary date, the company will be struck off of the Registry.

The Striking Off shall only occur on 1st January next ensuing.

However, it may be later restored by means of the payment of an additional fine. Please take note that during the year following the year of organization, we will forward a notice of the date and manner of payment of the Annual Tax for License and the fees of the Agent and Registered Office.

2.11. Annual Return

By the Annual Return, an IBC will certify to its Registered Agent:

- i. That the Company is keeping accounting records in accordance with the requirement of the Act and also confirm the location where the accounting records are being kept.
- ii. That the Company is keeping minutes of meetings and copies of written resolutions of member and directors in accordance with the requirements of the Act and confirm the location where the minutes and resolutions are being kept.
- iii. Where the Company is requested pursuant to a written law of Seychelles to furnish all or any of its accounting records and minutes and resolutions or copies thereof, it will cause the requested accounting records and minutes and resolutions or copies thereof to be furnished to the requesting party in Seychelles within the time period specified in the request.

2.12. Company Seal

The Common Seal is optional depending on your needs since the IBC ACT does not establishes the same as mandatory

2.13. Confidentiality

There are no requirement to enter the names of directors, shareholders and Beneficial Owners in a public registry.

However, it is important to note that that a ROD must be maintained at the company' Registered Office and it also needs to be filed at the Registry (not available to Public though). The filing at the Registry is done upon appointment of the first director and/or if there are any changes made to the previously filed ROD.

The Register of Members, Register of Beneficial Owners and Register of Charges (if applicable) are also required at the Registered Office of the company.

2.14. Transfer of Jurisdiction

Based on the IBC Act, a company incorporated under the laws of a jurisdiction outside the Republic of Seychelles (that is, a foreign company) may continue, permanently or provisionally, as a company incorporated under the IBC Act if it fulfills the requirements prescribed by the IBC Act.

2.15. Our Professional Fees

A table of fees is available at this or any at the QUIJANO & ASSOCIATES offices upon request.