



FINANCIAL SERVICES AUTHORITY

Press Release

Response to Reuters Article “Seychelles to set up company ownership registry in transparency drive”

Date: 19th July 2016

On the 6th July 2016, Reuters released an article entitled “Seychelles to set up company ownership registry in transparency drive” which implied that Seychelles is setting up a centralized register of company ultimate beneficial owners maintained by the government. The Financial Services Authority would like to confirm that this is not the case. We believe that there has been a misunderstanding in respect to the comments of our Minister of Finance, Trade and the Blue Economy, Mr Jean Paul Adam.

There are very few countries in the world, including none in Africa, which have a centralised register of company ultimate beneficial owners (in contrast to a centralised registry of shareholders, who may be nominees). The Minister clarified that the provisions that Seychelles is making in relation to the availability of beneficial ownership will be in line with FATF recommendations. In summary, the Seychelles will adopt the following measures on this issue.

Among other pending financial services legislation, later this year Seychelles will be enacting the International Business Companies Act 2016 (the “**new Act**”), which will replace the International Business Companies Act 1994. The new Act will strengthen and modernise Seychelles’ regulatory framework relating to international business companies, including requiring every company to file details of its directors with the government registrar.

While the new Act will not introduce a central register (filed with the government registrar) of company beneficial owners, it will introduce a legal obligation on every company and its directors to keep a register of beneficial owners at its registered office in Seychelles (along with its register of directors and register of members). This will enhance timely access to company ultimate ownership information when needed in connection with an investigation into suspected criminal activities, including tax evasion. Seychelles will be one of only a few countries worldwide to have introduced a requirement on companies to keep a register of beneficial owners.

The new Act will enhance Seychelles' existing laws relating to beneficial ownership information. Seychelles already has in place strong anti-money laundering legislation reflective of FATF Standards and global norms. Corporate service providers (who form and administer Seychelles companies for clients) are required to conduct customer due diligence on clients, including verification of customer identity and address and obtaining information on the business activities of the IBC and source of customer's funds. Corporate service providers are required to report suspicious transactions to Seychelles authorities.

Seychelles has been assessed as largely compliant by the OECD's Global Forum on Transparency and Exchange of Information for Tax Purposes. On 24 February 2015 Seychelles became a signatory to the Multilateral Convention on Mutual Administrative Assistance in Tax Matters, which enables automatic exchange of information in tax matters. Seychelles has also committed to the United States' FATCA regime, which provides for exchange of information relating to US persons.

In summary, Seychelles is committed to global efforts relating to tackling money laundering and tax evasion through exchange of information legislation and robust regulation of Seychelles companies and corporate and financial service providers.