

COMPENDIUM
ON
INVESTMENT
AND
TRADE

REPUBLIC OF SEYCHELLES

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ESSENTIAL FACTS

| | |
|-------------------------------------|--|
| Land Area: | 455.3 km ² |
| Population: | 81,100 (2002) |
| Capital: | Victoria |
| Official language: | English, French & Creole |
| Language of the media: | English, French & Creole |
| Currency: | Seychelles Rupees (R) and Cents (c) Average annual exchange rate against the US\$: SR5.7136 (2002) |
| GDP: | \$605 million (2002) |
| GDP per capita: | \$7 600 (2002) |
| GDP growth: | 1.5 % in real terms (2001) |
| Composition of GDP: | Manufacturing & construction (including industrial fishing) – 26%; Tourism related (direct) – 16%; Trade & Transport – 26%, Finance and Services – 11%; Agriculture, forestry & fishing – 2%, Government – 13%; Other – 6% |
| Budget (deficit or surplus): | Deficit: 9.9 % of GDP (2002) |
| Inflation: | 6.1 % (2001) |
| Exports: | 182.6 million f.o.b (2001) |
| Main Exports: | Canned tuna, Frozen and Fresh Fish, frozen Prawns, cinnamon, copra |
| Imports: | 360.2 million f.o.b (2001) |
| Main Imports: | Food and Live Animals; Beverages and Tobacco; Crude Materials, Mineral Fuels, Lubricants, etc; Animals & vegetable oils & fats; Chemicals, Manufactured goods, Machinery and Transportation Equipment, |

SEYCHELLES - AN OVERVIEW

GEOGRAPHY AND HISTORY

Seychelles is an archipelago comprising 115 islands (42 Granite and 73 Coral) and is located in the Indian Ocean, about 1,600 km off the east coast of Africa. Seychelles enjoys a tropical climate. The seasons are defined by the beginning and the end of the South East Trade winds (May – September), during when the temperature ranges from 24°C to 30°C. The Northwest monsoon winds, for the rest of the year, bring tropical rainfall, higher humidity and temperatures, which could reach a maximum of 32°C.

Seychelles was colonised by the French (1756 – 1811) and the British (1811 – 1976).

INSTITUTIONS

Seychelles gained independence from Great Britain in 1976 and became a Republic within the Commonwealth. The separation of powers between the Executive, Legislative and Judiciary is clearly established in the Constitution.

The President is elected by the universal suffrage, empowered under the 1993 Constitution to rule by decree, serves a five-year term.

The legislative branch is enacted through a National Assembly, which has a total of 34 seats, elected by universal adult suffrage using a combination of the first-past-the-post system (25 seats) and proportional representation (9 seats). Members of the National Assembly serve a term of five years.

The Seychelles legal system is based on English Common Law, the Napoleonic Code and the amended 1993 Constitution. Civil Law is based on the French Napoleonic Code adapted to Seychelles and is known as the Civil Code of the Seychelles. Company Law is based on English Common Law. The highest court is the Court of Appeal.

THE SEYCHELLES ECONOMY

Seychelles is ranked as an upper-middle-income developing country by its per capita income and key social indicators. The country's adult literacy rate is about 85 per cent; life expectancy at birth is above 70 years. Almost all of the population has access to basic health care, and nearly all the children under one year of age are immunized against the most common childhood diseases. About 75 per cent of children between the ages of 6 to 14 years are in school, and the pupil to teacher ratio is low: 17:1 for primary schools and 14:1 for secondary schools. The Seychellois enjoy a relatively high standard of living.

Main Productive Sectors

Although Seychelles has a tropical climate with high rainfall, agricultural development is limited by a shortage of arable land, the poor organic content of soils and the low water retention capacity of sandy soil. Coconut plantations have mostly been abandoned although efforts are being made to revive coconut production. Cinnamon production and cropping is reviving.

Despite the constraints, the country has over the last four years produced 100% of eggs, 95% of poultry meat, 70% of pork and 20% of beef consumed locally. There is also an efficient and progressive horticultural sector, which produces high quality fruit and vegetable for the tourist industry and thus constitutes an important indirect foreign currency earner.

Tourism

The Seychelles tropical climate and the great scenic beauty has been a great plus for the development of its tourism industry. The Seychelles' economy continues to rely heavily on tourism as a foreign exchange earner and currently accounts for about 17% of GDP. The industry also provides employment for about 16% of the total labour force and also stimulates activities in a number of other related sectors such as diving and other marine based activities, entertainment, horticulture and the productions and sales of local handicrafts.

Fisheries

Whilst the pristine Seychelles environment has been the basis of the tourism industry, it also forms the basis of a large and expanding fishing industry. Within the 1.3 million km² of the Seychelles Exclusive Economic Zone (EEZ), there are approximately 40 thousand km² of plateaus and shallow banks of less than 200 m depth. Given this vast and easily accessible maritime domain, fishing has traditionally played an important role in the Seychelles economy.

The Fishing sector is divided into three main branches:

- Artisanal Fishery, which comprises of small vessels catching various types of fish, mostly for local consumption;
- Semi-Industrial (Longline Fishery) consisting of a few Seychellois companies catching mainly tuna but also some other species, mainly for export;
- Industrial or Purse Seine Fishery which concentrates mainly on tuna and comprise of vessels (mainly from the EU) which are licensed to fish in the Seychelles EEZ.

The importance of this fisheries sector in the national economy has grown significantly with the development of the Industrial Tuna Fishing activity in the West Indian Ocean in early 1980 and the setting up of the tuna canning factory in 1987. Seychelles' strategic position in the center of the tuna fishing grounds enables the country to reap immense benefits from this activity. Exports of canned tuna accounted for around 93.7 percent of domestic exports (excluding tourism and re-exports) in 1999, in contrast to 36 percent in 1983. This represented gross foreign exchange earnings of SR 577.7 million. In 2000, Industrial fishing surpassed tourism as the most important foreign exchange earner.

The cannery has recently expanded its present daily processing capacity from 112 tons of raw materials to a daily processing level of 300 - 400 tons and increase cold storage facility from 2,000 to 7,000 tons.

The processed tuna is exported mainly to the European market (83% to UK and France). To maintain and expand its share of the European market, Seychelles recently set up a fish inspection laboratory to ensure that EU standards and regulations are complied to.

In addition to the conventional fishing activities, Seychelles has also developed Aquaculture, which includes prawn farming (mainly for export) and the breeding of giant clams and pearl oysters.

Manufacturing

Given the heavy reliance on tourism and fisheries, the Seychelles' economy is extremely vulnerable to external shocks. This situation is further exacerbated by its reliance on imports: over 90 per cent of its total primary and secondary production inputs and of consumption goods.

To limit its vulnerability to external shocks, the Government has, in the past, adopted a policy of assisting industrial development. This responsibility, as well as manufacturing and related industries as a whole, falls under the auspices of the Ministry of Industry and International Businesses (MIIB). Today, the manufacturing and construction sector accounts for 26.6% of GDP (including IOT). The cannery (IOT), the local beverage company, (SEYBREW), the recently privatized stationary and printing company (PRINTEC), the manufacturing unit of the Seychelles Marketing Board (FoodPro) and the prawn production project (COETIVY PRAWN) are the major firms within the manufacturing sector.

Most of the other industrial activities are limited to small-scale manufacturing, particularly agro-processing and import-substitution.

Offshore Sector

Government's efforts to diversify the economy base have paved the way for a fast developing offshore sector. The sale of financial and business products is now being regarded as the third pillar of the economy. The status of Seychelles as an independent financial centre is rapidly emerging (annual growth of 6%) due to the establishment of the Seychelles International Business Authority (SIBA). The Seychelles International Trade (Free) Zone is also becoming a major element in the economic development of the area.

Foreign Investment

The driving force behind economic policies in Seychelles since the beginning of the decade has been private investments, which includes foreign investments.

Foreign investors are welcomed with a wide range of benefits and concessions. The Government has enacted legislation that provides investors with guaranteed fiscal concessions through the Investment Promotion Act (1994). Further opportunities lie in the offshore businesses whereby many benefits are afforded by the main island's fast growing Free Trade Zone.

There are no limits on foreign ownership of businesses in Seychelles and companies may be 100% foreign owned.

Infrastructure Development

Seychelles has a solid infrastructure in place, which provides a platform for business successes. There is an extensive network of well-maintained roads covering the main islands (Mahé and Praslin). The supply of water and electricity for domestic and industrial purposes

is efficient and reliable. State of the art telecommunication services, a well established banking sector, regular international air connections, efficient port facility and a conveniently situated free trade zone that guarantees a competitive edge are other key elements of the well-established infrastructure in Seychelles.

The remarkable development achieved in the last two decades has brought in its wake competing demands from various sectors for scarce developable land, which has been compounded by the authorities unequivocal commitment to preserving the environment and dedicating over 40% of the surface area to conservation. As such, to sustain the economic development of Seychelles, whilst conserving the environment, the Government has turned to land reclamation to accommodate the growing demand for land, for both economic and social infrastructure.

In the course of the past thirty years, reclamation has been carried out on a much larger scale, beginning with the Seychelles International Airport, the commercial port and the extension of the central business district in the early 1970s. In more recent years, the Government has twice commissioned extensive reclamation work in and around Victoria, initially in 1985 (East Coast Project Phase I) and subsequently in 1991 (East Coast Project Phase II).

These reclamation projects have served as vital springboards for key developments in the fields of tourism, transportation, fisheries, light industries, housing and related community projects, without which the Seychelles economic on the whole would have remained stagnated.

It is therefore crucial at this juncture for Seychelles to be endowed with appropriate infrastructure in its endeavour to further diversify its narrow economic base, which still remains somewhat over dependent on tourism and fisheries.

Consequently, the Government is currently implementing the Victoria Expansion and Modernisation Programme, which in its totality will represent the single largest investment by both public and private sectors over the next twenty to twenty five years.

The primary component of the Programme entails the dredging and reclamation of 339 hectares of land in and around Victoria and the East Coast (East Coast Project Phase III) and putting into place essential infrastructure and utilities at an estimated cost of USD 100 million.

Once the primary component has been completed, the private sector is expected to undertake the remaining components of the programme, which will include new port facilities for fisheries, cargo and cruise-ships; new international passengers and cargo airport terminal; a waterfront; housing and industrial estates. These infrastructure projects are crucial in allowing Seychelles to develop export-processing zones, Freeport activities and international financial services, all of which are pivotal components in transforming Seychelles into an international business centre.

Productivity and Quality Standards

Efforts of the government are vested not only towards direct productivity improvement at all levels of the economy but also to raise awareness of the need for it in the face of intense international competition. The government also emphasises the participation of the private sector in productivity enhancement and is committed to promote an enabling environment. The various schemes and programmes in place - in particular with regard to training and

retraining as related to current and future requirements of industries, diffusion and upgrading of technology and providing assistance to small businesses to upgrade their equipment - are bearing fruitful results as reflected by an overall improvement in productivity.

“Standards and Quality” has been well established in the corporate culture of enterprises. Many firms are getting ISO 9000 series accreditation. Moreover, environmental issues within the context of business development have always been a great concern for all the key stakeholders. The Seychelles Bureau of Standards, under the auspices of the Ministry of Industries and International Business, works closely with all those involved to help establish a standards-and-quality consciousness throughout the economy. Numerous opportunities are now available to suit Seychelles as a high quality destination with high quality products.

Human Resources

The human resource supply in Seychelles, though being relatively small, is a young and dynamic one. The employment policy in place is one that emphasizes sound education and training so as to ensure a trained, multi-skilled and productive workforce.

The committed efforts of all key stakeholders have helped to cultivate a human resource supply that is highly literate, educated, trained, disciplined, productive and motivated. The workforce is also multilingual.

There is a common consensus between government and all stakeholders on the need for a stable and peaceful climate as a catalyst for increased productivity and economic development.

INTERNATIONAL AGREEMENTS AND MARKETS

EUROPE

The ACP-EU Convention

Seychelles is party to the African Caribbean Pacific (ACP) / EU Convention whereby Seychelles' products enjoy quota-free and duty-free access to the EU market, provided the rules of origin are met. Under the Lomé Convention, Seychelles benefits from a special derogation with regard to the exportation of tuna.

In June 2000, a new 20-year Trade and Aid Accord, which replaced the Lomé IV Convention, was signed between the 15 EU member States and the 77 ACP States in Cotonou, Benin. The Cotonou Agreement provides the ACP countries with an extension of the existing non-reciprocal preferential access for certain ACP products to the EU market, at least until end of 2007. Negotiations for a new trading arrangement that is more WTO compatible will begin in 2002 and is due to enter into force by 1st January 2008 when non-reciprocal preferential access to the EU market will end. The WTO compatible and reciprocal trade arrangements will be implemented from 2008 - 2020.

THE UNITED STATES

The Trade and Development Act 2000

The Trade and Development Act 2000/African Growth and Opportunities Act authorises a new US Trade and Investment policy towards Africa. It promotes increased trade and economic cooperation between the United States and eligible Sub-Saharan African countries. This legislation represents a solid, meaningful and significant opportunity, which will result in billions of dollars in new trade and investment flows between the US and Africa.

THE GENERALISED SYSTEM OF PREFERENCES (GSP)

Intergovernmental negotiations held under the auspices of the UNCTAD (United Nations Conference for Trade and Development) resulted in the adoption (1990) of the Generalised Preference System (GSP) whereby preferential tariff treatment is granted on a non-reciprocal and non-discriminatory basis by most developed countries to export from developing countries. Specific products are allowed to enter the markets of preference-giving countries with Most-Favoured-Nation (MFN) duties reduced or eliminated.

Seychelles' qualified products can obtain access to the markets of Japan, Switzerland, Norway, New Zealand, Hungary, Canada, Czech Republic, Russian Federation, Slovak Republic, United States, Belarus and the EC under the GSP system.

AFRICA

Common Market for Southern and Eastern Africa (COMESA)

Seychelles became a member of the COMESA in 1998. COMESA comprises of 20 African States: Angola, Burundi, Comoros, Democratic Republic of Congo, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Madagascar, Malawi, Mauritius, Namibia, Rwanda, Seychelles, Sudan, Swaziland, Uganda, Zambia and Zimbabwe. This regional grouping is committed to promote the integration of the COMESA region through trade development and investment promotion. The ultimate objective is the integration of the region into the global market.

The creation of the COMESA Free Trade Area (FTA) will allow for free movement of goods and services produced within COMESA. The COMESA FTA represents a market of 280 million people. So far, tariff and non-tariff barriers have been eliminated between 9 member countries. Another important event featured on the COMESA Agenda is the introduction of a Common External Tariff (CET) in 2004, with respect to trade development outside the sphere of COMESA.

Southern African Development Community (SADC)

Seychelles joined SADC in 1998. SADC constitutes of 14 Member States, namely Angola, Botswana, Democratic Republic of Congo, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe. The SADC grouping, like COMESA, promotes the integration of the region but on a wider scale as reflected by its “community-building” programme, which other than trade development encompasses a political dimension.

INDIAN OCEAN

The Indian Ocean Commission (IOC)

The IOC is made up of Comoros, Madagascar, Mauritius, France represented by Reunion and Seychelles. IOC’s main objective is the promotion of regional co-operation by means of different sectoral programmes such as trade, tourism, environment, fishing, culture and investment. The European Union has funded the “ Integrated Regional Programme for Development of Trade” (PRIDE), which is aimed at establishing a regional strategy to facilitate the free movement of goods, services, capital and human resources in the said region.

Indian Ocean Rim – Association of Regional Co-operation (IOR – ARC)

The IOR-ARC is essentially focused on establishing and promoting closer economic ties, particularly in the domain of investment, trade and commerce, between the Member States. IOR-ARC comprises 19 Member countries: Australia, Bangladesh, India, Indonesia, Iran, Kenya, Madagascar, Malaysia, Mauritius, Mozambique, Oman, Seychelles, Singapore, South Africa, Sri-Lanka, Tanzania, Thailand, United Arab Emirates and Yemen. Five non-IOR countries have been granted status of Dialogue Partners namely China, Egypt, France, Japan and United Kingdom. The Indian Ocean Tourism Organisation (IOTO) is an Observer, the headquarters (Secretariat) of which is based in Seychelles.

OTHER AGREEMENTS

Seychelles is a member of the Multilateral Investment Guarantee Agreement (MIGA) and has ratified the Convention for Settlement of Investment Dispute.

Seychelles has signed Double Taxation Avoidance (DTA) Agreements with China, Indonesia, South Africa and Thailand and is in the process of finalising such an agreement with a number of other countries, including Malaysia, Mauritius, Oman, Vietnam and Egypt. Seychelles has signed bilateral agreements for reciprocal Promotion and Protection of Investment (PPI) with Egypt as well as a non-reciprocal PPI with the OPEC Fund. Negotiations are underway with other countries for the conclusion of PPIs. The relevant Authorities of Seychelles intend to create a network, as extensive as possible, of DTAs and PPIs.

Seychelles is also a member of the following international political and financial institutions:

- The United Nations and its organs/agencies
- The International Monetary Fund and the World Bank
- The African Development Bank
- The African Union
- The Commonwealth
- The Association of French-speaking States
- The Non- Aligned Movement (NAM)
- Group 77

Note: Seychelles is in the process of acceding to the World Trade Organization (WTO).

INVESTMENT SCHEMES AND INCENTIVES

Seychelles offers investors/businesses a wide range of incentives and concessions with a view to encourage businesses at all levels of the economy. The different investment incentives can generally be categorised into those provided for under the Investment Promotion Act (1994), Off-Shore Sector and the Industrial Policy.

INVESTMENT PROMOTION ACT (1994)

The Investment Promotion Act 1994 (IPA) became effective from January 1st 1995. It was promulgated as part of a package to:

- Stimulate economic diversification;
- Upgrade the standard of existing economic activities and increase employment; and
- Increase private sector investment and participation in the economic development of the country.

Eligible sectors under the IPA range from agriculture and marine resources, to tourism development and professional services. Incentives and fiscal concessions under the IPA are subject to a Certificate of Approval granted by the Ministry of Finance and falls under three main categories as follows:

(a) Export Oriented Unit

The status of “Export-Oriented Unit” is granted to an enterprise in relation to an investment, in which not less than 50 % of the annual turnover of its products/services is directly exported. The total proceeds of the exports are remitted to Seychelles in foreign currency and not less than 50 % of the remittances is converted into the currency of Seychelles.

Qualifying Activities

- Agriculture and Marine Resources Investment – for agriculture and marine based resources but **does not** include an enterprise engaged in the processing of agricultural and marine based resources.
- Industrial and Manufacturing Investment - for any construction activity or for the transformation of raw materials imported to or originating in Seychelles into finished products, and includes an investment in an enterprise for transformation of agricultural or marine based resources into finished products.
- Professional Services Investment - for supply of professional services arising out of special skills or knowledge but does not include tourism related services.
- Small Scale Industries Investment - any agricultural and marine resources investment or industrial manufacturing investment in which the annual turnover does not exceed SR 1,000,000, the number of workers does not exceed 10, capital investment does not exceed SR 500,000, and the enterprise is the sole enterprise of the investor and is managed by the investor.

Fiscal and Other Incentives

- Exemption from trade tax for new and replacement of equipment, for manufactured goods and services, for raw materials and throughputs except for fuel on which trade tax is applied only at 50 % of the rate.
- Exemption from employers' contribution to the social security fund for both Seychellois and non-Seychellois employees, provided that the employer takes out an acceptable policy of health insurance in respect of each employee.
- Concession on Gainful Occupation Permit fees, and an allowable guaranteed minimum number of non-Seychellois employees, expressed as 25 % of total employees.
- 15% Business Tax in excess of SR 24,000.
- Tax credit of 5%, 10% and 15% where export turnover exceeds 60%, 70% and 80% of total turnover, subject to a certificate from the auditor that certain criteria are satisfied for the full assessment year.
- Allowable special deductions from taxable income of 200% of actual or qualifying expenditure¹ with respect to marketing, research, export promotion, travelling and entertainment expenses.

(b) Special Growth Areas

A Special Growth Area is an investment in any of the qualifying activities listed below for such a period and subject to such conditions as may be specified in the Certificate of Approval.

Qualifying Activities

- Activities in Outer Islands – the following tourism related activities: hotels, restaurants, casinos, care hire operators, tour operators/travel agents, dive centres, boat hirers/charters, yachts and liveboards, taxi operators, passenger cruise ship.
- Golf Resort
- Yacht Marina
- Helicopter Services
- Five Star Hotel
- Semi-industrial/industrial fishing using the longline or dropline method.

Fiscal and Other Incentives

- Agriculture and Marine Resource Investment - Exemption from trade tax for new and replacement of capital equipment, for fuel, for manufacturing goods and services, and only 50% of the trade tax for raw materials and throughputs.

¹ Qualifying amount for deduction is 2% of turnover or actual expenditure whichever is lower.

- Industrial and Manufacturing Investment - Exemption from trade tax for new capital equipment, for raw materials and throughputs (including fuel), only 50% of the trade tax rate for replacement of capital equipment and only 50% of the trade tax rate for manufactured goods and services.
- Professional Services Investment - Exemption from trade tax for new capital equipment and fuel and, only 50% of the trade tax for replacement of capital equipment, for other raw materials and throughputs and, for manufactured goods and services.
- Small Scale Industries Investment - Exemption from trade tax for new and replacement of capital equipment, for raw materials and throughputs (including fuel), only 50% of the trade tax rate for manufactured goods and services.

In addition, all the above-mentioned special Growth Areas qualify for:

- Exemption from employers' contribution to the social security fund with respect to non-Seychellois employees¹ and, only 50% of the rate with respect to Seychellois employees.
- Concession on Gainful Occupation Permit fees and an allowable guaranteed minimum number of non-Seychellois employees, expressed as 25% of total employees.
- Tax credit of 5% on Business tax, subject to a certificate from the auditor that certain criteria are satisfied for the full assessment year.
- Allowable special deduction from taxable income of 200% of actual or qualifying expenditure² with respect to marketing, research, export promotion, and travelling and entertainment expenses.

(c) General Category

Businesses which does not qualify for incentives under the above two categories, can still benefit under the IPA under the General Category status, subject to a Certificate of Approval.

Fiscal and Other Incentives

- Agriculture and Marine Resource Investment
 - Exemption from trade tax for manufactured goods and services and only 50% of the trade tax rate for new capital equipment;
 - Tax credit of 5% if the company is listed on the Stock Exchange or where local raw materials is not less than 50% of total raw materials or when the number of Seychellois full time employees exceed 90% of the workforce, subject to a certificate from the auditor that the criteria are satisfied for the full assessment year;

¹ Provided the employer takes out an acceptable health policy in respect of each of the employee.

² Qualifying amount for deduction is 2% of turnover or actual expenditure whichever is lower.

- Allowable special deduction from taxable income of 100% of actual or qualifying expenditure¹ with regard to marketing, research, travelling and entertainment expenses;
- Industrial and Manufacturing Investment
 - Exemption from trades tax for new capital equipment and for raw materials and throughputs (excluding fuel and is not applicable where such activity involves construction);
 - Tax credit and allowable special deduction from taxable income as stipulated in the above section.
- Professional Services Investment
 - Exemption from trades tax for new capital equipment;
 - Tax credit and allowable special deduction from taxable income as stipulated in the first section;
- Small Scale Industries Investment
 - Exemption from trades tax for new capital equipment and only 50 % of the trades tax rate for replacement of capital equipment, exemption from trades tax for raw materials and throughputs (excluding fuel);
 - Tax credit and allowable special deduction from taxable income as stipulated in the first section;
- Tourism Development Investment
 - Tax credit as stipulated in the first section;
 - Allowable special deduction from taxable income of 100% of actual or qualifying expenditure with respect to research, marketing, export promotion, travelling and Entertainment expenses²

In addition to the above-mentioned incentives, **accelerated depreciation allowable on capital investments** (other than land and building) is as per the following (regardless of the 'status' granted):

Agriculture and Marine Resources Investment and Professional Services Investment

Up to 125% for the first five years

| | | | |
|--------|-----|--------|-----|
| Year 1 | 45% | Year 4 | 15% |
| Year2 | 40% | Year 5 | 5% |
| Year3 | 20% | | |

¹ Qualifying amount for deduction is 0.5% of turnover or actual expenditure whichever is lower.

² Amount qualifying for the deduction is 5% of turnover or actual expenditure whichever is lower.

Industrial and Manufacturing Investment, Small Scale Industrial Investment and Tourism Development Investment

Up to 150% for the first five years

| | | | |
|--------|-----|--------|-----|
| Year 1 | 45% | Year 4 | 25% |
| Year2 | 40% | Year5 | 10% |
| Year3 | 30% | | |

NOTE: The Ministry of Finance can also consider giving concessions and exemptions to companies in addition to what is provided under the IPA. Such additional concessions/exemption can be in the form of foreign exchange account, exemption on withholding and business tax, allowing companies to use its own desalination plant and electricity generator etc.

OFFSHORE SECTOR

Seychelles is one of the fastest growing offshore jurisdictions in the world. The Seychelles International Business Authority (SIBA) is the regulatory authority for the registration of IBCs, international trusts funds and other international business products. SIBA is also a one-stop shop for the licensing, regulation and administration of the Seychelles International Trade Zone (SITZ). Through a blending of dedicated professionals and efficient systems, SIBA is able to provide swift and efficient services with the aim of enhancing Seychelles' position as an International Business jurisdiction and maximising benefits for the economy.

Offshore Products

- International Trade Zone Activities (see Freeport section)
- International Business Companies Registration
- Mutual Fund
- International Trust
- Offshore Banking
- Offshore Insurance
- Ship and Aircraft Registration

Incentives

- Zero taxation, therefore exemption from
 - Corporation tax
 - Withholding tax on dividends and interests
 - Wealth tax
 - Capital gains tax
 - Customs duties, stamp duties, and
- Non-existence of exchange control
- Licence fees fixed for life

Seychelles International Trade Zone (SITZ)

The SITZ is the legal framework for international trading in and through Seychelles. The goal of the SITZ is to establish Seychelles as the Indian Ocean's main trading hub through the use and development of appropriate infrastructures.

Qualifying Activities – Only predominantly export-oriented activities falling under the following categories are eligible for license to operate in the SITZ:

- Export/Management Services
- Light Assembly
- Redistribution
- Processing/reprocessing
- Manufacturing

New categories, specially relating to e-commerce activities such as Cyber Gaming and Gambling, are under consideration.

Incentives

- Exemption from
 - Business Tax
 - Trades Tax on intermediate and final products
 - Trades tax on import of capital equipment
 - Employer's contribution to Social Security Fund

- Withholding tax
- Payment of Gainful Occupation Permit fees for allowed foreign labour
- Licence fees fixed for life
- Guaranteed residency for owners and operators within the SITZ

INDUSTRIAL POLICY

The Government remains committed to assisting businesses that do not fall within the scope of the IPA by way of tax concessions and other incentives under the Industrial Policy, which was revised in 1998 to include more concessionary facilities.

Regarding smaller businesses, various schemes are in place (financial and others) to facilitate and assist them. As facilitator, the Ministry of Industry and International Business (MIIB), together with the Seychelles Industrial Development Corporation (SIDEK) promotes activities that help boost the development of small and medium size enterprise (SMEs)

Trades Tax Concessions

Trades Tax Concessions are available for manufacturing activities in the non-SITZ and non-Offshore. A manufacturing activity is defined as any activity that makes goods or articles for export, sale or reward by subjecting physical matter to any process, which materially changes its substance, character or appearance including the assembly of components into finished goods.

The concessionary rates for qualifying manufacturing activities in respect of goods are:

- On *capital goods*: 10%
- On *raw material*: 5%
- On *semi-finished* and *intermediate goods*: 10%

Provided that

- the *capital goods* are expressly procured for the setting up, upgrading, renewing or refurbishing of manufacturing capability
- the *raw materials*, *semi-finished* and *intermediate goods* are expressly used for manufacturing activities as defined and meet the criteria.

In the initial application process, a promoter will be required to produce a complete project plan as required by Ministry responsible for Industries for approval.

EU Line of Credit

The EU Line of Credit is a source of finance, which specifically targets the small enterprises, which are envisaging to improve or to expand. It is managed by the Seychelles Industrial Development Corporation (SIDEK) in collaboration with Seychelles Savings Bank (SSB), under the direction of a Loan Management Committee in which the private sector is also represented.

| | |
|------------------------|-------------------------------------|
| Maximum loan amount: | SR30, 000 (not in foreign exchange) |
| Interest rate: | 3% per annum |
| Repayment period: | 3 years |
| Grace period: | 3 months |
| Personal contribution: | 5% for new business |
| Security: | not required in general |

The application procedure is through the Seychelles Industrial Development Corporation (SIDEK), Camion Hall, Victoria. Successful applications will be referred to the Saving Bank by SIDEK and the application will be charged a fee imposed by SIDEK and SSB will debit the applicants account by SR100 before disbursing the loan.

Small Business Finance Facility

The Small Business Finance Facility (SBFF) is for businesses, which are owner(s)-operated, employing not more than 10 people, and having a yearly turnover not exceeding SR1.5 million per year or the equivalent in foreign exchange. The business must be incorporated in Seychelles with a minimum of 51% Seychellois participation.

Only projects or business in the following sectors are eligible: Manufacturing, Industrial Related Services, Craft, Imports Substitution, Export Oriented, and Agro-industrial Processing. Loans are provided for start up and expansionary activities up to a maximum amount of SR200, 000 with an interest rate of 4%. The maximum repayment period is 7 years with a grace period of 6 months bearing interest. The personal contribution is considered on a case-by-case basis. Suitable forms of security are accepted.

The application procedure is through the Development Bank of Seychelles. Response can be obtained in six weeks. There is a non-refundable processing fee of SR 100 to 500 depending on the loan amount.

Export Marketing Scheme

The Export Marketing Fund is made variable for business, which are already exporting or have potential for exports as assessed by the MIIB. The purpose of the fund is to assist businesses for any of the following export activities:

- Participation in Fairs and Exhibitions
- Market Research, Business meetings, contracts
- Attending for a seminars or workshops
- Quality improvement programs

The fund is a grant to cover 50% of the cost of the activity with a maximum amount of:

- SR20, 000 for Market Research
- SR40, 000 for participation in Fairs and Exhibitions
- SR15, 000 for participation in Forum, Seminar or workshops
- SR20, 000 for attending Quality Improvement programs

75% of the fund will be allocated in foreign exchange prior to the departure of participants, and 25% will be refunded in local currency upon return and satisfactory submissions of receipts.

The application procedure is through the MIIB by submitting the following documents:

- A letter of request for funding with all costs properly supported
- Justifications for the request
- Information about the company/business, including financial history for the last 3 years
- Detailed business plan with minimum 3-5 year financial forecast
- Detailed schedule of the proposed export-related overseas mission
- Proof of the applicant's financial contribution towards the proposed mission.

Upon the return of the participants, the following must be submitted to the Ministry:

- All receipts pertaining to the trip
- A mission report
- Update on performance on exports every 6 months

In case the beneficiary fails to produce the necessary receipts or is found to have misused the fund, then the grant shall be converted into a loan with interest.

OTHER INVESTMENT OPPORTUNITIES

Other than those under the IPA, the Offshore Sector and the Industrial Policy, opportunities for investment abound in a wide range of sectors in Seychelles. These include:

Aqua Culture

Fish farming

Pearl farming and other ocean farming

Hydroponics

Currently there are two such projects in Seychelles, one of which is operated by the Ministry of Agriculture and Marine Resources. The hydroponics techniques used in the production of gherkins (Dawn Dew Farm) have proved to be a success. With limited land use, the project is considered ideal for Seychelles.

The cultivation of non-traditional crops such as watermelons, cantaloupes, mandarins and tangerines could also be developed using these methods and the sector is ideal for investment, especially with the scope for exports.

Export Oriented Agriculture

The tropical islands of Seychelles possess great potential for rewarding investments in agriculture. The geographical position of the islands of Seychelles provides one of the best growing conditions for a range of tropical fruits and other agricultural produce. Export markets have not been thoroughly explored, and there are clearly many opportunities for further investment.

Livestock Production

Livestock producers in Seychelles provide only around 50% of the meat consumed on the Islands. There are, therefore, opportunities for further production. Pig production and processing are welcomed.

The Ministry of Agriculture and Marine Resources (MAMR) provides the supportive framework for further development in the sector by way of various supportive services/facilities and incentives. Special incentives are given to export oriented agricultural projects under the IPA. MAMR also ensures that farmers benefit from a tax reduction on most agricultural inputs. The Farmers Training Centre, under the auspices of MAMR, provides training for future farmers and the agricultural labour force.

Information Technology

The Government attaches great importance to the development of information systems as is translated in the newly established Ministry of Information Technology and Communications. Moreover, the Government has recently introduced a legislation that legalises all e-business transactions. This opens the door for the development of the IT

sectors. Presently, there are two Telecommunication Service Providers (Cable & Wireless – Seychelles Ltd and Airtel Telecom, and two Internet Service Providers (Atlas and Kokonet).

Investment opportunities exist in:

- Software development and consultancy
- Translations
- E-commerce

Traditional Sectors - Jewellery and other handcrafted products

The Ministry of Industry and International Business through SIDEC (Seychelles Industrial Development Corporation) actively promotes the crafts sector. In co-operation with SIDEC, the Ministry aims to foster the right creating environment and SIDEC fosters the enabling environment for successful development of the craft sectors. The local artisans are encouraged and assisted by the government and the private sector to participate in local, regional and international fairs.

The craft industries are expanding rapidly and remain an attractive sector for investment. Some successful craft ventures include:

- ‘Kreolor’, which blends indigenous items with 18-carat gold to produce very exciting and unique handcrafted jewellery such as earrings, bracelets, chains, pendants and rings. The venture is expanding into the manufacture of craft products made from locally available materials, such as exotic wood, coconut shell, seeds and discarded swordfish bills.
- Pearl Production
- Candle making industry, which combines colourful candle designs with artistically decorated shells and coconut.
- Hand-made hats from palm leaves
- Dried and colourfully died local flowers
- Soap making -coconut and vanilla scented.

INSTITUTIONAL SUPPORT

The Government of Seychelles plays a supportive role in ensuring the successful development of various sectors of the economy. Specialised bodies and institutions have been set up to oversee and handle issues related to investments/businesses. The following is a brief outline of the functions of the major institutions/bodies:

The Investment Desk

The Investment Desk operates under the auspices of the Ministry of Finance¹. The Investment Desk guides and assists investors on possible areas of investment; provides information on the procedures in setting up a business (including how to go about gaining a Certificate of Approval, which guarantees various concessions and incentives available under the Investment Promotion Act), taxation policies and the general legal framework. It is the job of the Investment Desk to develop and promote the climate for investment by raising awareness both locally and overseas, introducing investors to potential sources of finance and liaising with the various agencies involved in the approval process.

Contact Point:

Investment Desk
Ministry of Finance
3rd Floor, Central Bank Building
P.O. Box 313
Victoria
Tel: +248 382016
Fax: +248 225265
Email: ideasio@seychelles.net

The Ministry of Industry and International Business

The vision of the Ministry of Industry and International Business, which is made up of three technical divisions namely the **Local and International Business** Division, the **Industrial Management and Development** Division and the **Energy Affairs** Division, is to foster economic development and international competitiveness in the industrial, international business, craft and energy sectors, in order to generate environmentally sustainable growth in Seychelles' developing economy. The Ministry is vested with the portfolio responsibility for the development of the following sectors: Manufacturing and Processing, Energy, International Business, Services and Craft.

It especially aims to strengthen these sectors by developing the right policies and strategic framework for economic development, promoting efficiency and productivity through the use of quality standards and new technology as well as by identifying appropriate training and education for employees. The Ministry's functions include processing of business projects and applications for concessions and make appropriate recommendations to Government; facilitating successful business start-ups, with special emphasis on small enterprises; advising business entrepreneurs on enquiries relating to facilities, legal requirements, application procedures and other measures to promote an enabling environment for business.

¹ The Ministry of Finance is responsible to oversee all on-shore investments.

Contact Point:

Principal Secretary
Ministry of Industries and International Business
Conference Centre
P.O. Box 648
Victoria, Mahé, Seychelles
Tel: +248 611200
Fax: +248 225086
E-mail: miib@seychelles.net

Seychelles International Business Authority (SIBA)

The Seychelles International Business Authority (SIBA) acts as the regulatory authority for the registration of International Business Companies and international trusts as well as a one stop-shop for the licensing, regulation and administration of the Seychelles International Trade (Free) Zone. In addition to these, SIBA has been very active in the marketing of other offshore products that are not under its immediate supervision. These include Offshore Banking, Insurance, Mutual Funds and, Ship and Aircraft Registration. Since its inception, SIBA has not hesitated to serve its additional mandate, which is to advise Government's policy framework with regard to international business and investments.

Contact Point:

The Managing Director
Seychelles International Business Authority
P.O. Box 991
Victoria, Mahé, Seychelles
Tel: +248 380800
Fax: +248 380889
E-mail: siba@seychelles.net
Website: <http://www.siba.net>

Seychelles Industrial Development Corporation (SIDEK)

SIDEK, a parastatal body incorporated under provisions of the Seychelles Development Corporation Act, 1988, operates under the aegis of the Ministry of Industry and International Business. SIDEK is the Ministry's executive arm for industrial and craft development in the domestic economy.

SIDEK's three-fold mandate is "to develop and manage any place in Seychelles designated by the Government as an industrial zone; promote investment in industrial development; and promote industry-related support services such as management, administration, research and quality control.

Contact Point:

Managing Director
Seychelles Industrial Development Corporation
Camion Hall
P.O. Box 537
Victoria, Mahé, Seychelles

Tel: +248 323151
Fax: +248 324121
E-mail: jdbrutus@sidec.sc

Seychelles Bureau of Standard (SBS)

The SBS is a Government regulatory organisation under the Ministry of Industry and International Business, which has the portfolio for Science and Technology.

SBS strives to promote the concept of quality throughout the country by the development of various standards documents, which are used as guidelines or even have become laws of Seychelles. It is responsible for providing national and international capabilities to Seychelles in the area of standards, applied science and technology. The services cover the following:

- Laboratory Testing and Legal Metrology
- Industrial and Technological Information and Documentation
- Standardisation and Certification

Contact Point:

Managing Director
Seychelles Bureau of Standards
P.O. Box 953
Victoria, Mahé, Seychelles
Tel: +248 380400
Fax: +248 375151
E-mail: sbsorg@seychelles.net
Website: <http://www.seychelles.net/sbsorg>

PRIVATE SECTOR ORGANISATIONS

The Seychelles private sector's role in the development of the economy of Seychelles has taken a new definition as reflected in its increased participation in the development of various sectors of the economy. The development of this encouraging trend has been assisted by the Government's pursuit of policies that encourage the growth of the private sector. Besides the pursuit of a steady programme of privatization, which saw the sell-off of a number of parastatals and the private sector participation with majority control, the Government adopted a number of measures to create the enabling environment for private participation in various sectors of the economy.

The changing environment has also brought about a closer working relationship between the private and the public sectors. The need for greater co-operation and collaboration in order to ensure economic prosperity and continuous improvement in the overall well being of the people of the country has been recognized by both sectors.

The development of the private sector in Seychelles is supported by a system of private professional and corporate institutions aimed at serving the needs and protecting the interest of the business community.

Joint Economic Council (JEC)

The Joint Economic Council was launched in September 2000 and is basically aimed at promoting free enterprise and defending the interest of the private sector.

The JEC undertakes discussions with various organizations of the private sector regarding their needs and other related issues. It dialogues with the government on macro-economic issues, the interest of the private sector and other issues of national importance.

Contact Point:

The President
Seychelles Chamber of Commerce and Industry
Ebrahim Building
P.O. Box 1399, Victoria
Tel: +248 323812
Fax: +248 321422

Seychelles Chamber of Commerce and Industry (SCCI)

The Seychelles Chamber of Commerce and Industry, formed in 1944, and the Seychelles Chamber of Commerce, formed and registered as an Association in March 1993, willingly merged into one in August 1993.

The Seychelles Chamber of Commerce and Industry, is the leading private organization engaged in the promotion and protection of trade, commerce, industry and other related services. The Chamber also organizes and runs training courses and seminars. It keeps and maintains a reference library for its members. The other aims of the Chamber include the issuing of certificates in respect of good which are grown, produced, processed, manufactured in or exported from Seychelles, and the provision for arbitration in respect of

trade disputes arising in the course of commerce, industry and other business matters as well as the securing of the services of expert technical to that end, if necessary.

Contact Point:

Secretary General
Seychelles Chamber of Commerce and Industry
2nd Floor, Ebrahim Building
P.O. Box 1399
Victoria, Mahé, Seychelles
Tel: +248 323812
Fax: +248 321422
E-mail: scci@seychelles.net

Federation of Employers' Association of Seychelles (FEAS)

In collaboration with the Employers' Activities Bureau of the International Labour Organization, the private sector formed a National Employer Umbrella Organization under the name of the Federation of Employer's Associations of Seychelles in 1978. FEAS, whose programme is socio-economic oriented, works very closely with the SCCI, and the two make joint representation to the Government on certain national issues.

Contact Point:

Executive Secretary
Federation of Employers' Associations of Seychelles
BODCO Building
New Port
P.O. Box 214, Victoria
Tel: +248 324969
Fax: +248 224065
E-mail: feas@seychelles.net

Association of Small Businesses

The Association of Small Businesses was established in 1995. The Association aims at promoting and protecting the interests and welfare of proprietors of small businesses operating in Seychelles.

The Government encourages the Association to have a stronger voice in the Industrial Policy.

Contact Point

Chairman
Association of Small Business
Plaisance Industrial Estate
P.O. Box 650
Victoria
Tel: +248 344517

FINANCIAL INSTITUTIONS

The development of the financial system in Seychelles has gained momentum with the introduction of modern financial facilities.

Government's efforts to transform the offshore Seychelles jurisdiction and to integrate the offshore sector into the financial system have resulted in the adoption of new legislations and amendments made to existing legislations. The Financial Institutions (Amendment) Act, 1995 provides for the licensing, administration and regulation of offshore banks while the Insurance (Amendment) Bill, 1996 makes provisions for offshore insurance and reinsurance businesses. The Mutual Act, 1997 provides for the control, regulation and development of the mutual funds industry. Other relevant pieces of legislation are the International Trusts Act, 1994, the International Business Companies Act, 1994 and the Securities Industry Act, 1995.

The Central Bank of Seychelles

The Central Bank of Seychelles is responsible for the supervision and regulation of the banking sector and to ensure that the sector is functioning smoothly. The Central Bank also assists the Government in assessing the economy and in implementing new measures. The Central Bank works closely with representatives of the banking sector.

In 1999, two Exchange Bills were approved, aimed at increasing the foreign flows through the banking system. The Foreign Earnings (Regulations) Act (1996) and the Foreign Exchange Control Act were amended in 1999 and further tightened in 2001. The amendment to the former requires foreigners and non-resident Seychellois to pay for services and accommodation bills (hotel/restaurants and other services) in foreign exchange, while to the latter, the amendment makes it illegal to possess foreign exchange not obtained through the banking system.

Contact Point:

The Governor
Central Bank of Seychelles
Central Bank Building
Independence Avenue, Victoria
P.O. Box 701, Victoria
Tel: +248 225200
Fax: +248 225265

Development Bank of Seychelles (DBS)

The DBS lends to developing businesses and has played a pivotal role in the start-up of new firms, financing over 3,800 business projects. The DBS main objective is to contribute to the economic welfare of Seychelles. From the outset, the bank identified a number of key areas in which it would aim to encourage development activity, notably agriculture, fisheries, tourism, industry and other services. The bank normally lends for a longer duration than commercial banks. It offers long-term lending facilities at concessionary rates for productive projects and a fixed rate of around 8% is calculated on the reducing balance.

The DBS has continued to support small to medium sized projects in the private sector. The bank offers generous credit terms to local borrowers. They are generally set at a maximum of 8% interest with easy repayment terms of 2 to 10 years. Moreover, the bank can finance up to 75% of the total value of a project, provided the backers put the balance forward.

The DBS can also aid foreign investors seeking local financial support, which it considers on a case-by-case basis. It can also help Seychelles/foreign joint ventures by funding the local element of projects, which involved equity brought in from overseas.

The bank is a joint venture between the Government, which holds a majority stake of 55%, and other financial organisations.

Contact Point:

Managing Director
Development Bank of Seychelles
Independence Avenue
P.O. Box 217
Victoria, Mahé, Seychelles
Tel: +248 224471
Fax: +248 224274
E-mail: dbs.md@sey.net

Commercial Banks

Commercial Banking has been in existence in the Seychelles since 1959. In just over 37 years, the banking sector has changed out of all recognition as institutions have responded to the rapid development of the economy. Seychelles has a sophisticated banking system similar to that found in most developed countries. The commercial banks offer a wide range of professional financial and banking services both for the domestic and foreign transactions. Customers have access to their own bank accounts, automatic teller machines, and credit and debit cards. All types of accounts are available including current; fixed deposits, call deposits, saving schemes and loan accounts. Other services include short-term advances in the form of overdraft facilities; letters of credit, guarantees, foreign currency accounts, and all major credit cards are represented.

All commercial banks are regulated by the Central Bank of Seychelles and are required to renew their licenses annually. There are 6 commercial banks established in Seychelles, which include both Seychellois and foreign banks, all of which are connected to the SWIFT network. They are as follows:

1. Barclays Bank – Seychelles PLC
2. Banque Française Commerciale
3. Seychelles International Mercantile Banking Co-operation (Nouvobank)
4. Habib Bank of Pakistan
5. Bank of Baroda of India
6. Seychelles Savings Bank

Insurance Companies

In 1995, the Government introduced the Insurance Act, which provides for companies to engage in the insurance and reinsurance businesses. This move by the Government effectively opened up the sector to create a more liberal environment. Under the terms of the Act, the Government set a SR 2 million capital requirement, which is low enough to encourage local companies into the market but high enough to deter those without adequate financial backing.

At present, there are two insurance companies operating in Seychelles namely the State Assurance Corporation of Seychelles (SACOS) and the H. Savy Insurance (HSI). In 1996, the Mauritian Eagle Insurance Co Ltd, one of the largest insurance companies in Mauritius acquired a 15 per cent stake in HSI.

Offshore Banks

Non-domestic banking (offshore banking) is one of the various financial products offered by the Seychelles International Business Authority in its quest to make Seychelles a reputable offshore jurisdiction.

A single law regulates both domestic and offshore banking. The Seychelles banking legislation was recently amended in order to make provisions for the licensing of offshore banks in Seychelles. The legislation incorporates the necessary flexibility to encourage substantial growth in the offshore banking sector.

Tax treatment of offshore banks is equivalent to that in some of the most reputable offshore jurisdictions. In the instance of Double Taxation Avoidance agreements, provision is made for a bank to elect to pay corporation tax at a rate agreeable to both the offshore banking company and the Commissioner of Taxes. Seychelles has so far concluded DTA agreements with five countries and is in the process of negotiating and finalising DTA agreements with another 12 countries.

Until now no offshore banks have been licensed. The law features full confidentiality with regard to information on its clients, except in the case of criminal investigation.

EDUCATION AND TRAINING IN SEYCHELLES

The Government of Seychelles gives great priority to education. Education in line with the Government employment policy seeks to promote full employment and improvement of working conditions for all sections of the population. The Government continues to strive to bring the standard of the education system to a higher level. The State provides free education from crèche to secondary schooling. The primary education program of 6 years and the first four years of secondary education is compulsory for all children. There is in place a cost sharing mechanism for post secondary (bursary system) and university education. The literacy rate is one of the highest in the region – 88%.

POST-SECONDARY EDUCATION AND VOCATIONAL TRAINING

There are several well-established training institutions in Seychelles that provide training facilities with regard to various sectors of the economy, especially those that are regarded as important to the development of the country. The ultimate objective of these institutions is to provide a supply of trained and skilled labour to meet current and future demand of labour of the various relevant sectors. In the same light, a National Vocational Training Board has been set up to provide a policy framework and to take important related decisions.

The National Vocational Training Board

The National Vocational Training Board was established by Section 28 of the Employment Act, 1995. It is responsible to formulate national policies on education and training and aims to provide a highly skilled and productive labour force. The Board is chaired by the President and has currently 17 members drawn from both the public and private sectors.

Training Institutions

The Seychelles Polytechnic

Established in 1983, the Seychelles Polytechnic has undergone major reforms in the last two years. It offers HSC Level education and Vocational Diploma courses in the Academic, Technical and Business spheres.

The institution is pro-active in meeting the needs of the industry and runs a range of in-service courses, which are either tailor made to meet the needs of specific clients, or regular, internationally certificated, courses to meet general vocational and educational needs. The Polytechnic has the flexibility to enrol part-time students as well as mature students.

The courses are grouped under three headings and delivered within study units called Programme Areas namely Academic Programme Area (Advanced Levels – Cambridge); Business and Secretarial Programme Area (incorporates the Association of Accounting Technician Certification and Pitman Exams) and the Technical Programme Area (City and Guilds qualifications).

The Technical Programme Area comprises Technician Diploma-level courses in the following fields:

- Construction
- Electronics and Telecommunications
- Mechanical and Electrical Engineering
- Motor Vehicle Engineering

The Seychelles Hospitality and Tourism Training College (SHTTC)

The SHTTC is the only local tourism training institution in the country. It is government funded and falls under the responsibility of the Ministry of Tourism and Transport since 1995. Between 1983 and 1996, it was one of the schools of the Seychelles Polytechnic. In 2001, it became a City and Guilds Examination Centre.

SHTTC provides the tourism industry with basic-trained human resources through its output of full-time trainees and in-service upgrading training programmes. The College offers the following courses:

- Certificate in Food and Beverage Services
- Certificate in Food Preparation and Culinary
- Certificate in Reception Operations and Services
- Certificate in Accommodation Operations and Services
- Certificate in International Tourism

SHTTC is managed by an Advisory Board, consisting of representatives drawn from the private and public sectors.

The National College of the Arts (NCA)

The National College of the Arts was established in January 1997 and forms a part of the Ministry of Local Government, Sports and Culture. The College, which also operates an annex on Praslin, consists of four Schools: Dance, Drama, Music and Visual Arts. Its mission is to provide lifetime education and training in the Arts for all and as such it spearheads the Government's commitment to artistic and cultural development. 85 % of the total student population are part-time of which the majority are primary or secondary school children.

Courses for part-time students are examined and accredited externally by the following U.K agencies:

- Associated Board of the Royal Schools of Music (Music);
- Imperial Society of Teachers of Dance (Dance) and

- London Academy of Music and Dramatic Arts (Drama).

One-year courses for full-time students are examined and certificated internally and are offered at three levels:

- Basic or Foundation,
- Certificate and
- Higher Certificate.

The majority of full-time students follow courses in the School of Visual Arts and may specialise in

- Fashion Design,
- Fine Art,
- Graphic Design or
- Textile Design.

Farmers' Training Centre (FTC)

The FTC was established in March 1998 under the responsibility of the Ministry of Agriculture and Marine Resources. It delivers intensive occupational skills courses at certificate level for the agriculture industries. The full time courses target school-leavers, mainly from the Secondary 5, who seriously want to make a career in agriculture. The specialised training, on the other hand, is aimed for farmers who are already engaged in agriculture.

Currently the FTC offers a one year course in General Agriculture, which consists of two main components: General Crop Husbandry and Animal Husbandry.

Maritime Training Centre (MTC)

The MTC, which falls under the responsibility of the Ministry of Agriculture and Marine Resources, offers basic craft level maritime education and training. Its objectives are to provide the necessary skills for competent workers in the maritime sector, self-employment in the sector and to provide refresher courses for in-service candidates.

Presently, the Centre offers only a two-year certificate course in Maritime Studies. The course is structured in modular form and covers 13 modules. The Centre may offer additional courses in the future after augmentation of the necessary infrastructure.

Centre for Health Studies (CHS)

The CHS operates under the auspices of the Ministry of Health. The Centre's mission is to actively promote excellence in professional health practice through a high quality education and training service.

It offers the following courses:

- Certificate in Basic Nursing
- Certificate in Environmental Health Science
- Certificate in Biomedical Science
- Certificate in Pharmaceutical Dispensing
- Certificate in Dental Therapy
- Certificate in Emergency Care Assisting.

As of February 2002, the Centre will be conducting a new Diploma in Social Work on distance learning mode with the Edith Cowan University of Australia.

The Industrial Training Centre (ITC)

The Industrial Training Centre, which is under the Ministry of Education, became operational in January 1999. The mandate of the Centre is to provide and deliver intensive occupational trade programmes for the construction and engineering industries, principally to substantial numbers of school leavers. All programmes offered by ITC are modular and competency-based in nature. A progressive level approach has been adopted which includes level 1, 2 and 3.

Currently, the functions of the ITC are based at the Polytechnic Technical Studies (Schools of Construction and Engineering). For this interim period, their facilities are being used to run level 1 training programmes.

The flexible entry requirements allow any school-leaver who has satisfactorily completed the secondary cycle to join the Centre. Notwithstanding the foregoing, the ITC is structured such that other applicants (such as in-service trainees from industry) will also be catered for.

All courses are offered at certificate level and lead to trade grade 3, 2 and 1. The ITC offers four programmes in the construction trades, they are:

- Carpentry and Joinery
- Masonry
- Painting and Decorating
- Plumbing

In addition to construction, the ITC also offers six programmes in the engineering trades, they are:

- Electronics Servicing
- Electrical Installation
- Refrigeration and Air Conditioning
- Machining and Fitting
- Welding and Fabrication
- Motor Vehicle Mechanics

Centre for Skills Development

The Centre for Skill Development is operated under the aegis of the Ministry of Social Affairs and Employment. It provides young job seekers with skills development programmes such as Apprenticeship in Engineering and Construction and Skills in Craft Work.

Tertiary Education

University Education

Due to the absence of an established university in Seychelles, university education is pursued in all fields of study at regional and international universities through a cost sharing mechanism. The Government also provides full scholarships to the overall best and outstanding students as well as to those selecting careers in the fields of Medicine, Dentistry, Teaching and Social Work.

Twinning Degree Programme: Seychelles Polytechnic/University of Manchester

A twinning programme between the Seychelles Polytechnic and the University of Manchester has just been introduced (September 2001) whereby local students will be able to follow their first year of their degree courses in the areas of Finance, Economics, Accountancy and Social Sciences at the Seychelles Polytechnic. The students will then proceed to the Manchester University for the other two years.

As well as being very cost-effective, the programme is part of the local human resource and institutional capacity building for the Polytechnic to gradually fully conduct Degree programmes.

The Seychelles Institute of Management (SIM)

SIM was first established in 1987. It is the only management-training institute of the country. SIM currently provides training for in-service students up to Diploma level only. Its activities are derived from training needs of organisations.

SIM's programmes include management development; computing; accountancy; small business entrepreneurship administration and distance learning degree programmes with Universities in Surrey, India and South Africa.

The Institution is now undertaking to provide a local degree in Management. The aim is to develop a degree in Management to meet the managerial needs of the country and possibly for students in the region. The programme will be developed to cater for the specific needs of small island states without ignoring the implication of globalisation. SIM will work with a university from the region to design a complementary party of the Diploma in Management, thus giving students who have done the course the possibility of moving on to a degree.

University of American Institute of Medicine (UOS –AIM)

The American Institute of Medicine (AIM) has started to run a medical degree programme in Seychelles, which was inaugurated in May 2001. The UOS-AIM, a separate and independent entity, follows the curriculum used in American Medical Schools and operates a 3-semester system with programmes starting in all 3 semesters. It starts with a pre-medical programme featuring biology, general chemistry, mathematics and English. The programme that follows involves the study of organic chemistry, physics, microbiology and computer science, before delving into biochemistry and medical terms. The next level comprises a programme featuring microanatomy, physiology, embryology and neuroscience. The students are later introduced to medical psychology, genetics, general pathology, pharmacology, microbiology, immunology and medical ethics. The clinical part comprises practical work and the students would also study systemic pathology, clinical medicine, epidermiology, biostatistics and preventive medicine. The students would then fulfil a 72-week clinical rotation at hospitals in U.S.A, U.K, India, Africa and Seychelles.

Medical students, from the Middle East, India, U.S.A, Germany, Canada and Africa, have already started lectures for a five-year degree. Seychelles benefits from three scholarships from the University every year.

The National Institute of Education (NIE)

The NIE, which was established in 1999, is the national centre for teacher education. It is responsible for the training of teachers for all levels of the compulsory education system in Seychelles, i.e. crèche, Primary and secondary, with the aim to produce competent teachers who are committed to teaching and to children's learning.

The institute comprises five faculties as follows:

- Languages
- Mathematics and Science

- Social Sciences and Educational Studies
- Personal and Social Education
- Technical Studies

NIE delivers post-‘A’ Level Diploma programmes for pre-service as well as in-service secondary school teachers. It also offers post-‘O’ Level Diploma courses for pre-service and in-service primary school teachers. Both programmes link up with the Bachelor of Education Programme at Edith Cowan University, in Perth, Australia.

NIE also coordinates the running in Seychelles of the Design and Technology Bed course and Education Management Masters programme offered by the Edith Cowan University’s distance learning window.

In addition to co-ordinating the above-mentioned programmes, the Institute runs a Post Graduate Certificate of Education for in-service teachers who hold degrees in HND (or equivalent) but have no teaching qualifications.

INDUSTRIAL ESTATES AND BUILDINGS

Providence Industrial Estate

The Providence Industrial Estate (PIE) is the first example in Seychelles of ready-prepared commercial land for local companies (non-SITZ) which may not otherwise find adequate and affordable working premises.

The Providence Industrial Estate comprising of 114 plots is managed by the Seychelles Industrial Development Corporation (SIDEK), which operates under the aegis of the Ministry of Industry and International Business. The Estate is serviced with the essentials: utilities (water and electricity), communication system (fax and phone) and other facilities. Rental is SR. 20 per square metre per year with a lease term of 60 years maximum.

The other major supplier of industrial buildings is the private sector.

Seychelles International Trade Zone (SITZ)

The Seychelles International Trade Zone, which is administered and regulated by the Seychelles International Business Authority, provides secured and flexible accommodation for transshipment, distribution and re-distribution and factory units for light assembly. The Free Trade Zone is situated on the same stretch of reclaimed land as the Providence Industrial Estate underlying the search for integration with the local business community. The complex provides 100 square metres office space. Once the implementation of the East Coast Phase III project is completed, more land will be available for industrial development of which the allocation to SIBA will be used for Freeport-type activities (i.e. transshipment, break bulk, light assembly, etc...). More office and warehousing space will also become available.

UTILITIES

WATER

The Water and Sewerage Division of the Public Utilities Corporation is charged with providing the population with an efficient supply of potable water and returning the used water to the environment in a safe manner. The Division distributes water for both domestic and industrial consumption. Our main source of water is surface water. Four new desalination plants are planned to be constructed – two on Mahé, one on Praslin and one on La Digue. These will further improve reliability supply once completed.

A business entity is allowed to produce its own water provided the owner has received a license to do so.

Procedure to obtain water supply

Application should be made to the office of the Water and Sewerage Division of PUC at Unity House specifying details of location and estimated amount of water to be consumed on the premises.

Within a period of 14 days, the applicant will be contacted and the Division will undertake a site visit.

If approved and upon payment of the connection charges and signature of the Water Supply Agreement, the connection is installed within 14 days.

Water Rates (Commercial or Government premises) in respect of Monthly Consumption

| | Water Charge | Sewerage Charge |
|---|-------------------------|-------------------------|
| Not exceeding 5m ³ – fixed charge | SR 42.10/m ³ | SR 11.25 |
| Exceeding 5m ³ but not exceeding 100m ³ | SR 8.42/m ³ | SR 3.25/m ³ |
| Exceeding 100m ³ | SR 13.16/m ³ | SR 5.15/ m ³ |
| Plus a fixed monthly charge of SR 5.26 | | |

Contact Point:

The Managing Director
Water and Sewerage Division
Public Utilities Corporation
Maison de Malavois
Bois de Rose Avenue
P.O. Box 34,
Victoria, Mahé,
Seychelles
Tel: +248 322444
Fax: +248 322127
E-mail: pucwater@seychelles.net

ELECTRICITY

The Electricity Division is the statutory body responsible for generation and distribution of electric power on Mahé, Praslin and the Inner Islands. The Division consists of two sections: the Generation Section and the Distribution Section.

The Electricity Division manages four diesel-based generating stations namely Victoria 'A', Victoria 'B', Victoria 'C' and Baie Ste-Anne Praslin. The total installed capacity of the three stations on Mahé is 82.5 MW and the maximum demand in May 2001 was 28.3 MW. The installed capacity in the Baie-Ste-Anne Praslin power station is 6.8 MW and the maximum demand in 2001 was 4.3 MW. Due to aging of plant, safe generation capacity is 59.5 MW and 4.5 MW on Mahé and Praslin respectively.

The Distribution Section manages an integrated 11 kV and 33kV-distribution network on Mahé and the islands of Praslin and La Digue

Procedure to obtain electricity

Application should be made to the Electricity Division's office, giving details of the location and specifying the total load requirements. If possible, monthly and expected peak demand should also be specified.

Contac Point

Managing Director
Electricity Division
Public Utilities Corporation
Electricity House, Roche Caiman.
P.O. Box 174, Victoria, Mahé, Seychelles
Tel: +248 322444
Fax: +248 321020

Existing Tariff (monthly charges)

| | Demand Charge SR/KVA | Energy Charge SR/KWh |
|---|-------------------------|-------------------------|
| Commercial and Industrial Sector | | |
| Tariff – 210 (single phase supply) Energy consumption less or equal to 200KWh - 0 to 200 KWh | 9.16 | 0.69 |
| Tariff – 220(single phase supply) Energy consumption greater than 200 KWh | | |
| 0 to 500 KWh | 15.87 | 0.69 |
| 501 to 1000 KWh | 15.87 | 0.81 |
| In excess of 1000 KWh | 15.87 | 1.21 |

| | | |
|--|---------------------------------|------------------------------|
| Tariff – 310 (three phase supply) Energy Consumption less or equal to 200 KWh 0 to 200 KWh | 9.16 | 0.69 |
| Tariff – 320 (three phase supply) Energy consumption greater than 200 KWh 0 to 500 KWh 501 to 1000 KWh In excess of 1000 KWh | 15.87 15.87 15.87 | 0.69 0.81 1.21 |
| Export Sector | | |
| Tariff – 510 (single or three phase) | 21 | 0.60 |

PETROLEUM

Only one national company supplies petroleum products.

Supplier:

Seychelles Petroleum Company Ltd
New Port
P.O. Box 222, Victoria
Mahé, Seychelles
Tel: +248 224240
Fax: +248 224456
Telex: 2374 SEYOIL SZ

Products

Inland Service Station and Distributions

Gasoil/Diesel, Premium Leaded Motor Gasoline, Premium Unleaded Motor Gasoline, Kerosene, LPG (4.5 kg, 9kg, 12kg, 24 kg, 48 kg) and lubricants. Also bulk LPG for large consumers; bulk Fuel oil for industrial consumers.

International Aircrafts

Jet A-1, Avgas 100LL, Aeroshell lubricants

Marine Bunkers

Gasoil/Diesel (0.4 – 9 % sulphur), Fuel oil 180 cst, various marine lubricants complying with international standards/engine requirements.

Bulk/Tanker Loading

Gasoil/Diesel (0.4 – 0.9 % sulphur), Fuel oil 180 cst, Leaded Gasoline (95 Ron), Unleaded Motor Gasoline (95 Ron), Jet A-1.

SEA AND AIR CONNECTIONS

Air Connection and Freights

Seychelles has regular air connections with most of the well-known business cities in the world. Seychelles is served by the following major airlines: Air Seychelles, Air France, Air Mauritius, Air Madagascar, Air Austral, Aeroflot, British Airways, Kenya Airways, Condor. The National Airline has joint flight ventures with Air France and Air Mauritius. Seychelles has also negotiated Air Services Agreements with a number of countries.

Air Seychelles has alliances with a number of carriers' enabling it to offer services to offline destinations worldwide. Working with General Sales Agents and supported by freight forwarders for both inbound, outbound and transfer cargo, Air Seychelles is globally well covered. Air Seychelles is the sole handling agent for other airlines operating to and from Seychelles and is authorised to accept and sell cargo and issue airway bills on behalf of most airlines. Air Seychelles offers competitive rates for airfreight services. Regular and walk in customers are welcomed for negotiations.

Victoria Harbour

Port Victoria, the region's deepest port, is at the heart of the Seychelles economy. With an extensive space for container handling, it handles almost all of the nation's external trade and plays host to many cruise ships.

Since its stevedoring operations were placed into private hands (Land Marine) in 1994, Port Victoria has become one of the most efficient and cost-competitive ports in the Indian Ocean. Tariffs have been either streamlined or reduced and fixed rates introduced for cargo handling without penalties for working weekends, public holidays or outside normal working hours. Port Victoria is well equipped with modern cargo handling equipment including mobile cranes, front-end handlers/reachstackers, container handling forklifts, specialised terminal tractors and trailers, and self-loading container trucks. The terminal has a total area of 9,600 square metres and covered storage space of 6,600 square metres.

Turnaround times for cargo and fishing vessels in Port Victoria continues to be the fastest in the Indian Ocean region.

As part of an on-going project, the currently 375 metres of quay will be expanded to 700 metres and give scope for two kilometres for future needs.

Shipping Connections

Seychelles has shipping connections with most parts of the world. Vessels of major shipping lines call at Port Victoria on a regular basis. A number of shipping lines use Seychelles for transshipment purposes, with ships coming into the commercial harbour from Europe, Far East and South Africa.

TELECOMMUNICATIONS

A modern telecommunication network is of paramount importance for growth in existing industries and also for the development of industries that may become pillars of the economy of Seychelles in the future. Growth in the Telecommunications sector has been a major contributing factor in the development of different sectors of the economy, with notable results in the financial and offshore sectors.

The Telecommunications Sector in Seychelles has been liberalised. The Broadcasting and Telecommunication Act, 1999, which was approved in March 2000 provides for the development of a quality telecommunications network. Telephone services have been growing at an increasing rate. Density of fixed telephones presently stands at 26% of households whilst that of mobile phones is 34% of population - one of the highest in the SADC region. The dynamic Sector has seen the introduction of high value-added services such as ISDN, digital leased circuits, digital video conferencing and Internet access on ISDN. The entire national and international service is fully digitalised.

Seychelles is a member of the Commonwealth Telecommunications Organisation (CTO), and the International Telecommunication Union.

Major projects underway include the first phase of VSAT for the provision of telecommunication for the Outer Islands.

Telecommunications Service Providers

At present, there are two Telecommunication Service Providers in Seychelles namely **Cable and Wireless (Seychelles) Ltd** and **Telecom (Seychelles) Ltd**. Since the establishment of a second telecommunications network (Telecom) at the end of 1998, there has been a further rise in output in the communications sector. The increased dynamism of this sector reflects strong competition between the two rival operators, which has brought along a newer and larger choice of products and cheaper communication charges.

The telecommunications operators provide a comprehensive range of telecom services including ISDN, HDSL, IDD, GSM cellular system, digital private leased circuits, internet services, PSTN, automatic international roaming, radio paging, VSAT, fixed cellular services in addition to fixed line network, fax and data and latest generation EPABX systems.

There are two types of network coverage namely GSM (Global System for Mobile Communications (coverage on Mahé, Praslin, La Digue and Inner Islands) and PSTN (Public Switch Telephone Network) Cable and Wireless Seychelles Ltd has coverage on Mahé, Praslin, La Digue, Inner Islands and some Outer Islands whereas Telecom Seychelles Ltd has coverage only on Mahé.

There are competitive peak and off-peak rates for international calls.

Contact Point

Applications for telephone services, telex and telefax services could either be made to the offices of Cable and Wireless (Seychelles) Ltd or the offices of Telecom (Seychelles) Ltd.

Cable & Wireless

Customer Services
Cable & Wireless (Seychelles) Ltd
P.O. Box 4
Victoria
Tel: +248 284000
Fax: +248 322777

Telecom

Sales and Services Centre
Telecom (Seychelles) Ltd
P.O. Box 1358
Victoria
Tel: +248 600600
Fax: +248 610611

Applications for telecommunications license should be made to the Seychelles Licensing Authority (SLA).

Seychelles Licensing Authority
P.O. Box 3, Victoria
Mahé, Seychelles
Tel: +248 225796
Fax: +248 224256

Internet Service/ E-mail

The take-up of Internet services in Seychelles has grown beyond all expectations with an ever-increasing annual growth in subscription. Currently, there are two Internet Service Providers: Atlas Seychelles Ltd and Kokonet. Various Internet service packages are offered as well as other communication services such as digital leased lines/circuits, e-mail, and wireless service.

Internet access rates, subscription fees, installation charges and other service charges are very competitive.

Kokonet

Huteau Lane
P.O. Box 835, Victoria
Tel: +248 322000
Fax: +248 324444
Web Address: www.seychelles.sc

Atlas Seychelles

Huteau Lane
P.O. Box 903, Victoria
Tel: +248 304060
Fax: +248 324565
Web Address: www.seychelles.net
E-mail address: atlas@seychelles.net

FORMALITIES FOR SETTING UP ENTERPRISES

As normal practice in all countries, there are in place checks and balances with regard to the establishment of a commercial presence in Seychelles. These are by way of permits, licenses and procedures that have to be followed to obtain required documents. However, investment deregulation in Seychelles and tighter linkages between the relevant agencies ensure the processing of applications for permits, licenses and other required documents is done in the shorter time possible.

Registration and Incorporation of Companies

Promoters should register their businesses at the Office of the Registrar General. All companies trading in Seychelles are governed by the Companies Act.

For the procedures to register local and foreign companies, please refer to the chapter on Company Law.

For the incorporation of a company, the memorandum and the articles, if any, of the proposed company should be lodged to the Registrar together with other required documents.

A statutory declaration and a certificate as regards the identity of the subscribers to the memorandum of the proposed company from a notary or an accountant engaged in the formation of the company are required to be lodged to the Registrar as well. Also refer to the chapter on Company Law.

Authorities Concerned

Registrar of Companies
Kings Gate House
P.O. Box 142
Victoria
Mahé, Seychelles
Tel: +248 224 904

With regard to the artisans sector, registration of businesses should be done at the Ministry of Industry and International Business.

Investing in Seychelles

All investors wishing to invest in Seychelles should forward a copy of its Project Memorandum to the relevant Government Ministries/Departments. Approval decision rests with the Cabinet of Ministers.

Concerned Authorities

For investment in tourism, project memorandum should be forwarded to:

Principal Secretary
Ministry of Tourism and Transport
P.O. Box 92, Victoria
Tel: +248 611100

Fax: +248 225414

For Investment in manufacturing, processing, industrial services and crafts, project memorandum should be forwarded to:

Principal Secretary
Ministry of Industries and International Business
P.O. Box 648, Victoria
Tel: +248 611200
Fax: +248 225086

For Investment in aquaculture and the fisheries sector, project memorandum should be forwarded to:

Managing Director
Seychelles Fishing Authority
P.O. Box 449
Fishing Port, Victoria
Tel: +248 224597
Fax: +248 224508

For Investment in agriculture, project memorandum should be forwarded to:

Principal Secretary
Ministry of Agriculture and Marine Resources
P.O. Box 166, Victoria
Tel: +248 611120
Fax: +248 225245

For Investment in real estate, project memorandum should be forwarded to:

Principal Secretary
Ministry of Land-Use and Habitat
P.O. Box 199, Victoria
Tel: +248 284444
Fax: +248 225187

For Investment in information technology and communication, project memorandum should be forwarded to:

Principal Secretary
Ministry of Information Technology and Communication
P.O. Box 313, Victoria
Tel: +248 382000
Fax: +248 225660

Register with the Social Security Fund (SSF) and the Seychelles Pension Scheme (SPS)

An Employer should register with the Social Security Fund within 7 days of starting business. A registration form can be collected from an SSF Branch or register directly at SSF offices on Mahé and Praslin.

Concerned Authorities

Social Security Fund
Funds Management Division
Ministry of Finance
Oceangate House
P.O. Box 350, Victoria
Tel: +248 22 45 81
Fax: +248 22 4620

Every worker pays SR 25 into the Seychelles Pension Scheme every month or part of a month during the period he or she is employed.

Concerned Authorities

Director
Seychelles Pension Scheme
Oceangate House
P.O. Box 576, Victoria
Tel: +248 224669

It is the duty of the Employer to register both itself and its workers with the Social Security Fund and the Seychelles Pension Scheme.

Application for a Business License

All businesses in Seychelles require a license to operate. If the required documents are in order, the Licensing Authority usually grants a business license within a short period of time (2 –3 days).

Procedure

Business licenses are granted by the Seychelles Licensing Authority (SLA). Application forms can be obtained at the Licensing Authority's office in Victoria or the Grand Anse Praslin Branch. The following documents should be handed in together with your completed application form:

- Certificate of Occupancy or Change of Use approval (in respect of an existing building),
- Letter of Endorsement of your project from the relevant organisation (applicable to the manufacturing sector),
- In the case of artisans, a copy of your registration form.

In the case of larger businesses

- Proof of ownership or lease agreement of the premises you will be occupying,
- Proof that you have the necessary competence and skills to provide such trade or business or you have contracted to employ persons who possess a certain level of competency, skill or experience.

In the case of a firm

- Documentary proof must be submitted to SLA of the competence and skills in respect of each of the partners of the firm

In the case of a corporate body two additional documents are required:

- A true copy of the certificate of incorporation and memorandum of association,
- Documentary proof to the satisfaction of the SLA that the applicant has in its employment persons including the manager of the enterprise possessing the necessary standards of education, competence, skills and experience to assemble, process, or manufacture the products.

Where the applicant intends to assemble or manufacture an overseas product (or products), three additional documents are required:

- The authorised dealer's certificate or permission from the overseas manufacturer that the applicant is authorised to manufacture or assemble its products in Seychelles,
- Proof that the applicant has the manufacturer's Warranty Certificate,
- Proof that after sales services (spare parts) are to be provided by the manufacturer.

Authorities Concerned

Director
Seychelles Licensing Authority
Francis Rachel Street
P.O. Box 3, Victoria
Mahé
Tel: + 248 224314 / 225796
Fax: +248 224256

NOTE: Business licenses should be renewed upon expiry.

Approval to Purchase, Rent or Lease Public Properties

Government's approval should be sought in order to purchase, rent or lease public properties (land, buildings, and so on) for business purposes.

All foreign nationals or companies with any foreign participation, which wish to acquire property, are required to obtain permission from the Ministry of Land Use and Habitat.

Procedure

Direct request for approval should be made to the above-mentioned Ministry, specifying the location of the property and the nature of the business for which the property will be used. A site visit by personnel from the Ministry will follow before approval can be granted.

Concerned Authorities

Principal Secretary
Ministry of Land Use and Habitat
Independence House
Independence Avenue
P.O. Box 199
Victoria, Mahé
Tel: +248 224404
Fax: +248 225187

Certificate of Occupancy or Approval for Change of Use

A Certificate of Occupancy or approval for Change of Use, in respect of existing building, should be obtained from the Planning Authority.

This is required to be attached to the application for a business license.

Concerned Authorities

Director
Development Control section
Ministry of Land Use and Habitat
Independence House
P.O. Box 199, Victoria
Tel: +248 284457
Fax: +248 225187

Approval for Construction Projects

All construction projects must be submitted to the Planning Authority for approval.

Procedure

The architectural drawing of the project should be submitted to the Planning Authority. The drawing should be done by a licensed architect or any licensed person for this purpose.

Concerned Authorities

Director
Development Control Section
Ministry of Land Use and Habitat
Independence House
Independence Avenue
P.O. Box 199
Victoria, Mahé
Tel: +248 284457
Fax: +248 225187

Food Producing/Processing

All businesses in the food producing /processing sector should, prior to obtaining a business license, obtain clearance from the Health Authority and the Fire Department that the business premises are safe, suitable and up to the established hygienic standard.

Concerned authorities

Director of Environmental Health
Ministry of Health
Ministry of Health
Mont-Fleuri, Mahé
P.O. Box 52, Victoria
Tel: +248 388000
Fax: +248 224792/225416

Chief Fire Officer
Fire Service
Latanier Road
P.O. Box 46, Victoria
Tel: +248 224516
Fax: +248 224537

NOTE: Approval of the fire Department is required and the established standards of safety and hygiene should be maintained regarding business premises in any sector.

For details of the 'Occupational Health & Safety Regulations', any of the following can be contacted:

Ministry of Social Affairs and Manpower Development
Unity House, Palm Street
P.O. Box 190, Victoria
Tel: + 248 322321/323991
Fax: +248 321880

Federation of Employers Associations of Seychelles
BODCO Building, New Port
P.O. Box 214, Victoria
Tel: +248 324969
Fax: +248 224065

Work Permit

A Gainful Employment Permit (GOP) should be obtained from the Division of Immigration in order to employ an expatriate worker. The employment of an expatriate worker is allowed only if the necessary skills and expertise are not available locally.

Procedure

Before making an application for a GOP, the permission of the Ministry of Social Affairs and Employment should be sought for the post to be filled by an expatriate worker.

Upon receipt of approval from the above-mentioned Ministry, an application form should be collected from the Division of Immigration. The Division of Immigration requires the following documents to be attached to the completed GOP application form:

- i. Letter of approval from the above-mentioned Ministry,
- ii. Relevant documents and information requested in the GOP application form including 2 passport size photos and processing fees (SR 600).

Once the Immigration Division approves the GOP, a copy of the contract of employment attested by the Ministry of Social Affairs and Employment should also be made available to the Immigration Division. All contracts of employment have to be attested by the aforementioned Ministry. A fee of SR 500.00 is payable for each attestation.

An attested contract of employment is also applicable for employment under the IPA concessions.

Concerned authorities

- (a) Ministry of Social Affairs and Employment
Unity House, Palm Street
P.O. Box 190, Victoria
Tel: + 248 322321/323991
Fax: +248 224792/225416
- (b) Director
Immigration Division
Independence House
P.O. Box 430, Victoria
Tel: +248 611110
Fax: +248 225035

Import Permit

All importers of products have to apply for an import permit at the Import Control Unit (ICU), Ocean Gate House. International passengers arriving with personal effects up to a total value of SR. 3000 are exempted from applying for Import Permits.

Samples of revised import permits application forms (Form AIP[R3]) are available at the ICU Reception Desk. Soft copies of the application form are also available on request.

Procedure

Importers are required to hand in filled import permits applications with all relevant documents such as pro-forma invoices/agreements. All relevant documents pertaining to clearances from the concerned authorities (SBS, Health, Industry, Agriculture, Environment, etc.) also have to be attached.

Applicants are required to fill in all relevant information including accurate HS Codes, full description of products (including specifications, break-up of number of units, packaging,