

International Trade Zone

Guidelines



FINANCIAL SERVICES AUTHORITY

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GENERAL BRIEF

The International Trade Zone (ITZ) is a zone created by an Act of Parliament to allow for international trading in and through Seychelles. The ITZ is managed by the Seychelles Financial Services Authority (FSA). This Authority, known as the ITZ Authority is mandated by law to regulate and control the activities that take place inside any declared International Trade Zone in Seychelles.

All such zones, designated by the Minister of Finance, Trade and Economic Planning, are effectively considered as ex-territorial and as such some specific laws do not apply. These laws are specified in the SITZ Act, 1995 and regulations to that same act and these same laws are the applicable laws. The laws that govern the operations and financial freedom of SITZ operators are designed to give an international competitive edge to the SITZ operator. This is not to say that no laws apply to operators inside a given zone. A copy of the law that governs SITZ operators is attached herewith.

All operators must abide strictly to the Act and its regulations. The ITZ Authority (FSA) will be responsible for the total administration of the zone and will hence be the sole Authority which all ITZ operators are answerable to.

The ITZ itself is designed to cater for the needs of re-distributors, and exporters of goods and services. Seychelles is strategically placed in the Indian Ocean to serve the region and elsewhere. The SITZ licence application form, therefore allows the Authority to evaluate projects submitted by investors in order to assess their relative merits and qualification as potential ITZ operators. Likewise, it is expected that all information given is a true statement and not merely supplied to satisfy known and expected requirements of the ITZ Authority. Please note that the concessions granted to International Trade Zone licence holders are subject to the International Trade Zone Act as may be amended from time to time. Please read these Acts carefully. Should you be unsure of any item or details contained therein please consult FSA or your attorney as you deem appropriate.

We hope you will be successful in your application and thank you for your interest in investing in Seychelles.

Setting up in the Seychelles International Trade Zone (SITZ)

Incentives offered by the Seychelles International Trade Zone

The Seychelles International Trade Zone (SITZ) is an environment created by an Act of Parliament, through the SITZ Act 1994, to promote export oriented companies setting-up shop in Seychelles. The incentives provided are numerous and they include:

- 0% tax on business profits and dividends
- 0% import duty and VAT for capital equipment*, raw materials, office furniture and equipment
- 0% VAT on intermediate and final products
- Exempt from payment of ITZ Work Permit for foreign workers
- 100% foreign ownership permissible
- 0% withholding tax
- Ability to import foreign workers for skills absent in Seychelles
- Exemption from stamp duty except for instrument for freehold properties
- Exemption from immovable property tax

* 'Capital Equipment' does not, however, include motor vehicles used by owners/operators or their employees. Only under special circumstances may 0% VAT and Excise Tax be given on the importation of specialised vehicles to be used for the companies licensed activity.

Types of licensed Activities

The types of activities that are permissible are numerous, as long as the main focus of business operation is exporting. The following table outlines the fees associated with each type of licensed activity.

Activity	Annual fee (US\$)	Processing fee * (US\$)
Redistribution license	550	NIL
Light-Assembly License	550	NIL
Manufacturing License	2700	1300
Processing License	2700	1300
Management Export Services License	1500	500

*The processing fee is a one-time payment at the initial stage of the project being licensed

Sale to the Domestic Market

However, the company is also allowed to sell a percentage to the local market, upon an application to the Ministry of Finance, Trade and Economic Planning, through the FSA. The usual maximum percentage of total output that is permissible to be sold to the domestic market will be subject to consideration by the Ministry.

This application should only be provided after at least a period of one year of being operational under the ITZ framework and should be accompanied with a feasibility study.

Requirements when making an application for ITZ Licence

1. All documents should be submitted in original format or certified true copy to the FSA by a promoter or via a Registered Agent.
2. The promoter or the Registered Agent will have to submit the following documents, in order to successfully apply for an International Trade Zone License under the International Trade Zone Act, 1995:

- Covering Letter
- Application Form
- Proof of Investment
 - i. If own investment, Bank statement should be provided
 - ii. If Loan, proof of loan should be provided
- Statutory documents for the Company:
 - i. Certificate of Incorporation
 - ii. Memorandum of Association
 - iii. Articles of Association
 - iv. Particulars of Directors and Secretaries
 - v. Register of Shareholders/Members
- Documents for Shareholders and Directors of the company:

Should the Shareholder(s) and/or Director (s) be natural person(s) the following should be submitted:

- i. Certified copy of Passport
- ii. Proof of address
- iii. Original or certified true copy Bank reference
- iv. Original or Certified true copy Bank Statement (Applicable to Shareholders)
- v. Personal Questionnaire Form

Should the Shareholder(s) be corporate body, the following should be submitted:

- i. Certified true copy Certificate of Incorporation
- ii. Certified true copy Memorandum of Association
- iii. Certified true copy Article of Association

- iv. Certified true copy Particulars of Directors and secretaries
 - v. Certified true copy Shareholder/Members Register.
- Detailed Business plan, this should include the following;

Executive Summary

- i. Objectives of the company
- ii. Mission
- iii. Type of activity the company will engage in

Company Summary

- i. Company Ownership
- ii. Source of Funding
- iii. Company History (for on-going companies or Start-up Plan (for new companies)
- iv. Company Locations and Facilities (will need to identify a place of business to the satisfaction of the FSA for demarcation later on.)

Market Details Summary

- i. Products & Services Description
- ii. Market analysis
- iii. Market strategies

Environmental Impact Assessment

- i. By-products of your activity
- ii. Effluents
- iii. Other Environment considerations

Management Summary

- i. Organizational Structure
- ii. Management Team

Financial Summary

- i. 3 years' financial forecast including breakdown of utilities, administrative/running cost, salaries, cost of sales etc...
- ii. Capital Investment / Initial Investment details
- iii. Audited account for past 3 years (if the proposed activity is an on-going, in the form of a branch or a subsidiary, then audited account for the past 3 years would be required to be submitted

- 3. If the proposed activity is an ongoing activity in the form of a branch, existing company or subsidiary then the FSA would require certain documents in respect of the parent company as follows:
 - Audited accounts of the past 3 years of the Parent company
 - Shareholders Register of parent company
 - Individual Shareholders and directors should submit individual PQ Form, as well as Certified copy of passport, proof of address and Bank Reference

Should the parent company have corporate shareholders, then the following should be submitted:

- i. Certified true copy Certificate of Incorporation
 - ii. Certified true copy Memorandum of Association
 - iii. Certified true copy Article of Association
- Particulars of Directors and Secretaries
 - Memorandum of Association
 - Articles of Association
 - Certificate of Incorporation

The above list is not an exhaustive one. The FSA reserves the right to request any additional documents / information as it may find necessary.

FREQUENTLY ASKED QUESTIONS

1. What projects are allowed?

1.1 Any Project that:

- i. involves redistribution of goods from Seychelles
- ii. involves the light assembly of goods in Seychelles
- iii. involves manufacturing or processing of goods in Seychelles
- iv. involves management services for export markets including:
 - regional headquarters
 - Professionals Services Companies such as Software Development Companies, Consultancy etc....
 - e-commerce services from Seychelles

1.2 All projects must be geared predominantly at an export market

1.3 The projects must not pose a threat to the environment

2. Who do I see first?

- i. The Financial Services Authority (FSA) is the authority that will issue an ITZ licence.
- ii. FSA will firstly need to have an idea of what your project is about
- iii. This can be done by arranging a meeting between yourself and FSA
- iv. Otherwise, you can contact one of our locally licensed agents, "International Corporate Service Providers", who can guide you through the application process. A list of these agents can be downloaded from our website, www.fsaseychelles.sc.

3. What and Where is FSA?

- i. FSA is autonomous corporate body established by an Act and is a one stop shop for all licensing, imports etc., into the zone
- ii. FSA's offices are found on the International Trade Zone at Bois De Rose Avenue
- iii. Call in at the FSA Headquarters at International Trade Zone Bois De Rose Avenue and you will be guided to the appropriate offices.

iv. Contact address:

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4. What documents do I need to submit for application?

- i. Application Form
- ii. Personal Questionnaire Forms
- iii. Copy of Passport
- iv. Bank Reference
- v. Detailed Business Plan
- vi. 3-year Cash flow or Profit and Loss Account
- vii. Audited Accounts for the past 3 years (if applicable)

5. What is the next step once approval is given?

- i. You will need to register a company through the Registrar of local companies
- ii. Once this is done, FSA will require a copy of your certificate of incorporation and the Memorandum and Articles of Association
- iii. An ITZ Licence will then be issued to you

6. What must I undertake?

- i. You must ensure that your output is geared for an export market as the ITZ is predominantly export oriented.
- ii. You must ensure that you provide insurance cover for all your workers within the zone.
- iii. You must ensure that all transactions are carried out in conformity with the laws of the zone.
- iv. You must ensure that books and records are properly kept and regular reporting must be done to FSA.
- v. You must ensure that your project does not pose a threat to the environment.

7. What are the licence Fees?

- i. Redistribution Licence: US\$550
- ii. Light-Assembly Licence: US\$550
- iii. Manufacturing Licence: US\$2,700 plus US\$1,300 one off processing fee
- iv. Processing Licence: US\$2,700 plus US\$1,300 one off processing fee
- v. Export Services Licence including headquarters operations: US\$1,500 plus US\$500 one off processing fee