



Financial Services Authority

Newsletter

Mission: To jointly create a conducive environment for the growth and development of the financial services industry of Seychelles, in alignment with the national economic development strategy and in strict compliance with local and international regulatory norms and best practices .

Message from the CEO



Welcome to the first edition of the Financial Services Authority Newsletter for 2016. This edition of the Newsletter focuses on ongoing projects such as the draft Collective Investment Schemes Bill and the financial literacy survey. We thank all stakeholders for their assistance in making these projects a success.

Over the past few weeks, the focus of the media, both international and local, has been on the “Panama Papers” revelations. The FSA condemns any act or attempt of money laundering, financing of terrorism, corruption, any criminal activity and malpractices, especially by any of its licensees, regulated persons or clients using services within our jurisdiction. As such, the FSA, in collaboration with the Financial Investigation Unit, is conducting investigations into the allegations raised so that an appropriate course of action may be undertaken to mitigate risks and protect the public.

That being said, the FSA acknowledges that it would be irresponsible, in our role as the regulatory body, to draw premature conclusions and take precipitous action in the face of censure from critics who have used the documents as grounds to accuse not just corrupt individuals and institutions but International Financial Centers collectively.

The FSA reinforces its commitment to transparency and reasserts its confidence in our regulatory framework. Whilst we acknowledge that it is not seamless, the necessary changes have been done and will continue to be done to refine and redress where weaknesses are identified.

I would like to conclude by joining Minister Jean- Paul Adam, Minister for Finance, Trade and The Blue Economy, in acknowledging the importance of defending our financial service sector and reinforcing our determination to take action against those that are not operating correctly. We thank all stakeholders for their continued support.

Ms. Jennifer Morel

Chief Executive Officer

The Financial Services Authority signs an MoU with the Financial Services Commission of Mauritius

The Financial Services Authority (FSA) Seychelles and the Financial Services Commission (FSC), Mauritius entered into a Memorandum of Understanding (MoU) on 3rd March, 2016 regarding Mutual Assistance and Exchange of Information. The MoU was signed by Ms. Jennifer Morel, the Chief Executive Officer of the FSA Seychelles and Mr. Dharam Dev Manraj, the Chairperson of the FSC Mauritius.

In consideration of the increase of international activities, especially with regards to financial markets, the two financial regulators recognize the importance of establishing a framework for mutual cooperation and consultation to ensure compliance to relevant laws and the facilitation of the performance of their respective regulatory functions.

The main areas of cooperation under the MoU include mutual assistance and exchange of information, regular exchange of regulatory expertise and technical knowledge, cooperation on the enhancement of mutual knowledge and understanding on regulatory framework, products, market institutions and intermediaries as well as assistance in the discovery and the taking of action against unauthorized business and illegal practices.

The FSA welcomes the signing of the MoU with FSC Mauritius as it marks an important step towards the strengthening of its regulatory functions and the enhancement of its relations with other reputable jurisdictions, especially as Mauritius is a well-established regulator within the region.

FSA offers Scholarships to individuals interested in seeking a Career in the Fiduciary Services Industry

As part of its mandate to promote capacity building within the non-bank financial services industry and as part of its strategic plan, the Financial Services Authority will be providing financial assistance to individuals willing to pursue further education relevant to the fiduciary services sector. Through this initiative, the FSA hopes to alleviate the shortage of adequately skilled manpower required to serve a growing industry by ensuring that individuals interested in seeking a career in this sector acquire the relevant competencies in terms of formal training and qualifications.

Courses or trainings eligible to be partially or fully financed include the Introductory Certificate in Seychelles Financial Services as well as a multitude of professional courses such as the International Finance and Administration qualification (IFA), the Diploma in Offshore Financial Administration (DOFA), and any other professional course relevant to the industry. These courses are offered by the Guy Morel Institute of the University of Seychelles.

Interested persons are required to meet certain requirements to benefit from the scholarship program. Individuals must be above 18 years of age, must be undertaking the course for a first time and must express interest in working within the industry. Applications for scholarship are subject to FSA's approval and to the applicant being successfully accepted to the course. Further information on this initiative is available from the FSA.

Individuals with a Scholarship under this policy bear no obligation to the FSA and the fiduciary services industry but will be strongly encouraged to seek employment within the fiduciary services industry.

Through the introduction of this new initiative, the FSA reinforces its commitment to enhancing the development of the fiduciary services industry through capacity building. Interested individuals are strongly urged to give due consideration to this new opportunity.

FSA holds Workshop on the Draft Collective Investment Schemes Bill

The Financial Services Authority hosted a workshop on the draft Collective Investment Schemes Bill targeted towards all stakeholders on the 18th and the 19th April 2016 at the Eden Blue Hotel, Eden Island. The workshop presented the draft Bill and accompanying regulations which is meant to replace the Mutual Fund and Hedge Fund Act, 2008 and provided stakeholders with a forum to understand, discuss and consult on the proposed bill.

The workshop was a culmination of the work being undertaken by Mr Mark St Giles for the project: Review of the Mutual Fund and Hedge Fund Act, 2008 - a component of the Financial Sector Development Implementation Strategy. This project is funded by the African Development Bank and the Investment Climate Facility.

As a consultant, Mr St Giles has advised Governments, securities commissions and private sector organisations on legislation and regulation of non-bank financial institutions and capital markets in more than 30 transition, emerging and developing countries. He also has extensive experience in both the public and private sector as well as being co-author of the textbook "Managing Collective Investment Funds".

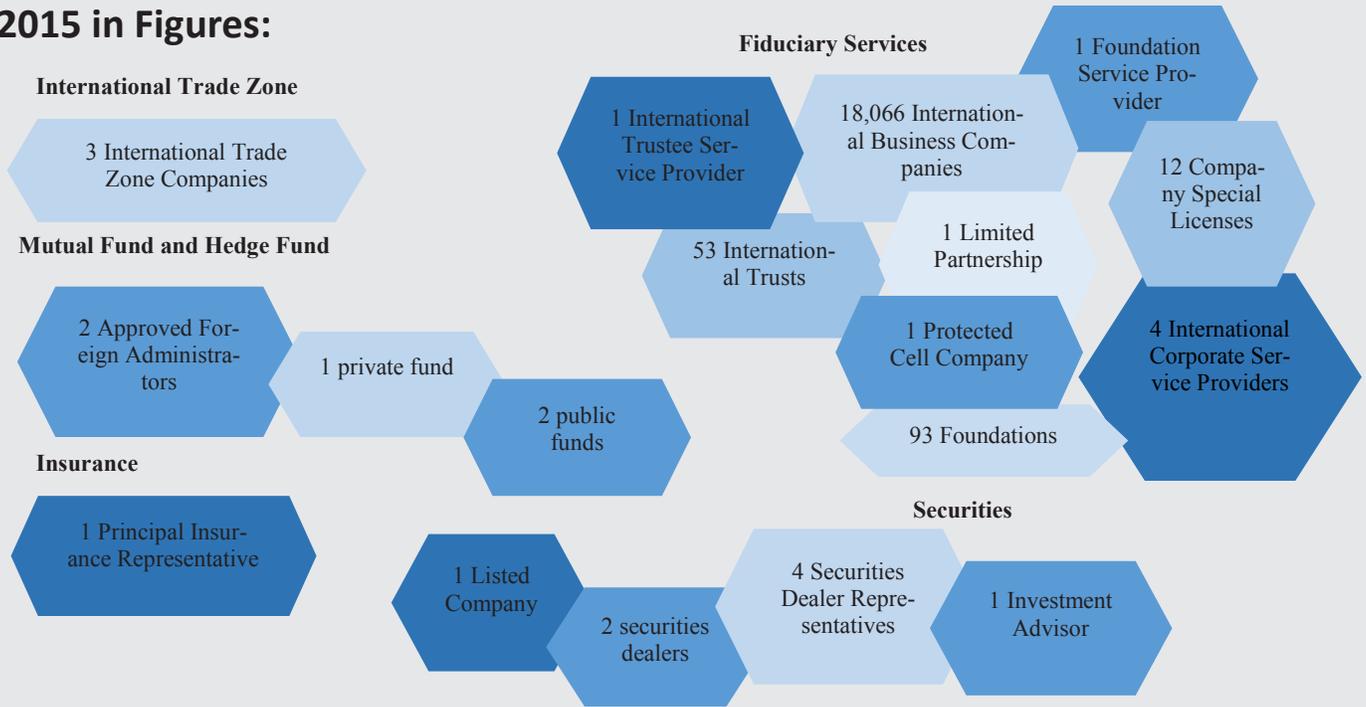
The objective of this consultancy was to assess the existing Mutual Fund and Hedge Fund Act, 2008 as well as the Seychelles funds industry so as to formulate a strategy policy and legal framework that would position the Seychelles as an attractive jurisdiction both for the setting up of collective investment schemes and for the provision of ancillary services.

At the moment, the Seychelles collective investment schemes industry is embryonic. The Financial Services Authority considers the development of this sector to be a key component towards developing the competitiveness of Seychelles as an International Financial Services jurisdiction at the forefront of international best practice. It is hoped that a revamp of the legal framework governing the collective investment scheme will rejuvenate this sector.

Tremendous work has been done in formulating the draft bill within a short timeframe. Mr St Giles conducted stakeholder consultations in the Seychelles from the 1st to the 5th February 2016. He met with representatives of numerous organisations both private and public to ensure that the ideas generated and implemented within this proposed legislation are balanced and representative of the views of key stakeholders. The views derived from these consultations have been incorporated within the legislation.

The Financial Services Authority would like to extend our sincere appreciation to Mr St Giles and to all stakeholders who participated in the workshop and in the consultation process for the draft Collective Investment Schemes Bill.

2015 in Figures:



The FSA seeks consultants for the development of the Seychelles Supervisory Framework

The Financial Services Authority has sought consultants to conduct a Review of the Authorisation and Post-Authorisation Processes & Systems for Capital Markets and for Collective Investment Schemes. The two projects are being funded by the Investment Climate Facility.

The objectives for these consultancies are to review the current authorisation and post authorisation processes and systems of the FSA in relation to capital markets and CIS businesses and to establish new or revised processes and systems, as part of a risk-based supervision framework and in line with international supervisory and regulatory norms and to train the relevant FSA staff accordingly.

The expected deliverables for these assignments include a report identifying the gaps and deficiencies in the current processes and systems in relation to CIS and capital market businesses, a plan or strategy to address these gaps, the design and setting up of processes and systems that will allow for the risk-based supervision and regulation of CIS and capital market businesses, based on international best practices, and the training of relevant FSA staff.

The development of both the Review of the Authorisation and Post-Authorisation Processes & Systems for Capital Markets and Collective Investment Schemes is expected to be undertaken in May 2016.

The Financial Services Authority and the Central Bank of Seychelles conducts Baseline Survey on Financial Literacy

The Financial Services Authority (FSA) and the Central Bank of Seychelles (CBS) is conducting a baseline survey on financial literacy in Seychelles. This project is a component of the country's Financial Sector Development Implementation Plan, and is being funded by a grant from the Investment Climate Facility.

Financial literacy is a combination of awareness, knowledge, skill, attitude and behavior necessary to make sound financial decisions and ultimately achieve individual financial wellbeing. As such, the aim of the survey is to establish an initial measure of the level of financial literacy in the country. As a result, the survey will help identify the needs of the population and will assist the concerned Authorities to focus on important areas to be addressed in terms of financial education. The information from the survey will contribute towards the formulation of a national strategy on financial education which will enhance the ability of the Seychelles' population to make sound financial decisions. Financial literacy of the population will enhance consumer protection, access to financial services and support financial stability.

The fieldwork component of the survey is being conducted as from the 18th of April, 2016 and will cover a sample of 500 households. The FSA would like to extend its sincere appreciation to all households who have participated in the Survey.



“**Problem Gambling**” is an urge to gamble continuously despite harmful negative consequences or a desire to stop.

Whereas, “**Pathological Gambling**” is defined as a chronic and progressive psychological disorder characterized by emotional dependence, loss of control and accompanying negative consequences in the gambler’s school, social or family life.

Do you have a Gambling Problem?

Be honest and ask yourself these Questions:

- * When you win do you have a strong desire to return and win more?
- * Do you feel restless or irritable when attempting to cut down or stop gambling?
- * Have you put at risk important or significant relationships, educational studies, a job or your career because of gambling?
- * Do you chase losses by continuing or quickly returning to gambling when on a losing streak?
- * Do you ever gamble until you have completely run out of money?
- * Have you lied, stolen or borrowed to get money for gambling?
- * Are you reluctant to spend gambling money on anything else?
- * Do you ever gamble for longer than you had planned?
- * Do you ever gamble to escape worries, trouble, disappointment or frustration?
- * Do you feel depressed or suicidal because of your gambling?
- * Are you in debt because of gambling?
- * Have you ever sold your own or your family’s possession to get money to gamble or to pay gambling debts?



The more you answer ‘Yes’ the greater the likelihood of a serious gambling problem. Speak to someone about this.....

First Step to treat Gambling Addiction:

Admit you have a problem

Admitting to the Problem means you’re ready to make an effort to stop.



Break your gambling habits

- * **Be patient and optimistic;** Gambling problems are complex and it can take time and effort to overcome.
- * **Talk about it;** Talk to someone you trust, you may even ask them to handle your money.
- * **Take short break;** Take one day at a time, it can help you see things differently but be prepared for withdrawal symptoms.
- * **Talk to a member of staff;** Request for self-exclusion from the Casino either verbally or in writing.
- * **Set limits;** Set financial limits by limiting the amount of money that can be withdrawn.

The role of the FSA

The FSA recognizes that gambling can lead to a range of problems for the gambler and his family. Although the proportion of individuals in Seychelles with gambling problems is unknown, the FSA encourages casino and slot machine operators to develop a strategy and train their staff to be able to identify and assist problem gamblers. Also, as per the Seychelles Gambling Act, 2014 the operators may require establishing and maintaining a list of persons who are to be excluded or rejected from the licensed premises, or who are to be prohibited from gambling. With new regulations, the Authority will also be able to regulate gambling adverts not to represent gambling as a solution for debts.

REMEMBER: WHEN THE FUN STOPS



KNOW YOUR LIMITS AND GAMBLE RESPONSIBLY