

## Seychelles

Seychelles has met all aspects of the terms of reference (OECD, 2017<sup>[3]</sup>) (ToR) for the calendar year 2018 (year in review) and no recommendations are made.

In the prior year report, Seychelles did not receive any recommendations.

Seychelles can legally issue five types of rulings within the scope of the transparency framework. In practice, Seychelles issued no rulings within the scope of the transparency framework. In the year in review, Seychelles only provided general decisions, which are not binding on the tax administration.

As no exchanges were required to take place, no peer input was received in respect of the exchanges of information on rulings received from Seychelles.

## Introduction

This peer review covers Seychelles' implementation of the BEPS Action 5 transparency framework for the year 2018. The report has four parts, each relating to a key part of the ToR. Each part is discussed in turn. A summary of recommendations is included at the end of this report.

## A. The information gathering process

Seychelles can legally issue the five following types of rulings within the scope of the transparency framework: (i) rulings related to preferential regimes;<sup>1</sup> (ii) cross-border unilateral APAs and any other unilateral tax ruling (such as an advance tax ruling) covering transfer pricing or the application of transfer pricing principles; (iii) rulings providing for unilateral downward adjustments; (iv) permanent establishment rulings; and (v) related party conduit rulings.

### ***Past rulings (ToR I.4.1.1, I.4.1.2, I.4.2.1, I.4.2.2)***

For Seychelles, past rulings are any tax rulings within scope that are issued either: (i) on or after 1 January 2015 but before 1 April 2017; or (ii) on or after 1 January 2012 but before 1 January 2015, provided they were still in effect as at 1 January 2015.

In the prior year peer review report, it was determined that Seychelles' undertakings to identify past rulings were sufficient to meet the minimum standard. Seychelles' implementation in this regard remains unchanged, and therefore continues to meet the minimum standard.

### ***Future rulings (ToR I.4.1.1, I.4.1.2, I.4.2.1)***

For Seychelles, future rulings are any tax rulings within scope that are issued on or after 1 September 2017.

In the prior year peer review report, it was determined that Seychelles' undertakings to identify future rulings and all potential exchange jurisdictions was sufficient to meet the minimum standard. Seychelles' implementation in this regard remains unchanged, and therefore continues to meet the minimum standard. In order to identify potential exchange jurisdictions in the future, the Seychelles Revenue Commission (SRC) is planning to amend the existing form to request a private ruling to capture all the needed information. Until that takes place, Seychelles would continue to use its information gathering powers under the Revenue Administration Act to obtain information on all potential exchange jurisdictions, if needed.

### ***Review and supervision (ToR I.4.3)***

In the prior year peer review report, it was determined that Seychelles' review and supervision mechanism was sufficient to meet the minimum standard. Seychelles' implementation in this regard remains unchanged, and therefore continues to meet the minimum standard.

### ***Conclusion on section A***

Seychelles has met all of the ToR for the information gathering process and no recommendations are made.

## B. The exchange of information

### **Legal basis for spontaneous exchange of information (ToR II.5.1, II.5.2)**

Seychelles has the necessary domestic legal basis to exchange information spontaneously. Seychelles notes that there are no legal or practical impediments that prevent the spontaneous exchange of information on rulings as contemplated in the Action 5 minimum standard.

Seychelles has international agreements permitting spontaneous exchange of information, including being a party to the (i) *Multilateral Convention on Mutual Administrative Assistance in Tax Matters: Amended by the 2010 Protocol* (OECD/Council of Europe, 2011<sup>[4]</sup>) (“the Convention”) and (ii) double tax agreements in force with 28 jurisdictions.<sup>2</sup>

### **Completion and exchange of templates (ToR II.5.3, II.5.4, II.5.5, II.5.6, II.5.7)**

In the prior year peer review report, it was determined that Seychelles’ process for the completion and exchange of templates were sufficient to meet the minimum standard. Seychelles’ implementation in this regard remains unchanged and therefore continues to meet the minimum standard.

As Seychelles did not issue any past or future rulings in scope of Action 5 in the relevant periods, Seychelles did not exchange any information on rulings in the year in review and no data on the timeliness of exchanges can be reported.

### **Conclusion on section B**

Seychelles has the necessary legal basis for spontaneous exchange of information. Seychelles has met all of the ToR for the exchange of information process and no recommendations are made.

## C. Statistics (ToR IV)

As no rulings are issued, no statistics can be reported.

## D. Matters related to intellectual property regimes (ToR I.4.1.3)

Seychelles offered three intellectual property regimes (IP regime)<sup>3</sup> that were abolished from 1 January 2019 and not subject to the transparency requirements under the Action 5 Report (OECD, 2015<sup>[5]</sup>), because:

- **New entrants benefitting from the grandfathered IP regime:** the IP regimes have been abolished without grandfathering for taxpayers entering after the relevant date from which enhanced transparency obligations apply. As such, no enhanced transparency requirements apply.
- **Third category of IP assets:** not applicable as the IP regimes have been abolished.
- **Taxpayers making use of the option to treat the nexus ratio as a rebuttable presumption:** not applicable as the IP regimes have been abolished.

## Summary of recommendations on implementation of the transparency framework

Aspect of implementation of the transparency framework that should be improved	Recommendation for improvement
	No recommendations are made.

## Notes

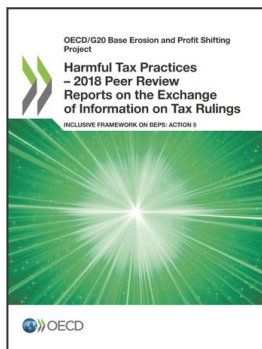
<sup>1</sup> With respect to the following preferential regimes: 1) International business companies, 2) Companies special license, 3) International trade zone licensees, 4) Offshore banking, 5) Non-domestic insurance business, 6) Fund administration business, 7) Securities business under the securities act and 8) Reinsurance business.

<sup>2</sup> Parties to the Convention are available here: [www.oecd.org/tax/exchange-of-tax-information/convention-on-mutual-administrative-assistance-in-tax-matters.htm](http://www.oecd.org/tax/exchange-of-tax-information/convention-on-mutual-administrative-assistance-in-tax-matters.htm). Seychelles also has double tax agreements with Bahrain, Barbados, Belgium, Bermuda, Botswana, China (People's Republic of), Cyprus, Ethiopia, Guernsey, Indonesia, Isle of Man, Jersey, Kenya, Luxembourg, Malaysia, Mauritius, Monaco, Oman, Qatar, San Marino, Singapore, South Africa, Sri Lanka, Swaziland, Thailand, United Arab Emirates, Viet Nam and Zambia.

Note by Turkey: The information in this document with reference to "Cyprus" relates to the southern part of the Island. There is no single authority representing both Turkish and Greek Cypriot people on the Island. Turkey recognises the Turkish Republic of Northern Cyprus (TRNC). Until a lasting and equitable solution is found within the context of the United Nations, Turkey shall preserve its position concerning the "Cyprus issue".

Note by all the European Union Member States of the OECD and the European Union. The Republic of Cyprus is recognised by all members of the United Nations with the exception of Turkey. The information in this document relates to the area under the effective control of the Government of the Republic of Cyprus.

<sup>3</sup> These regimes are: 1) International business companies; 2) Companies special license; and 3) International trade zone.



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