

Seychelles

Overall findings

Overall determination on the legal framework: In Place But Needs Improvement

The Seychelles' legal framework implementing the AEOI Standard is in place but needs improvement in order to be fully consistent with the requirements of the AEOI Terms of Reference. While the Seychelles' international legal framework to exchange the information with all of the Seychelles' Interested Appropriate Partners (CR2) is consistent with the requirements, the Seychelles domestic legislative framework requiring Reporting Financial Institutions to conduct the due diligence and reporting procedures (CR1) has deficiencies significant to the proper functioning of elements of the AEOI Standard. More specifically, deficiencies have been identified in the Seychelles' enforcement framework.

The methodology used for the peer reviews and that therefore underpins this report is outlined in Chapter 2.

Conclusions on the legal framework

General context

The Seychelles commenced exchanges under the AEOI Standard in 2017.

In order to provide for Reporting Financial Institutions to collect and report the information to be exchanged, the Seychelles amended its Revenue Administration Act of 2009 and SI 1 of 2015.

Under this framework Reporting Financial Institutions were required to commence the due diligence procedures in relation to New Accounts from 1 January 2016. With respect to Preexisting Accounts, Reporting Financial Institutions were required to complete the due diligence procedures on High Value Individual Accounts by 31 December 2016 and on Lower Value Individual Accounts and Entity Accounts by 31 December 2017.

Following the initial Global Forum peer review, the Seychelles amended its legislative framework to address issues identified, effective from June 2017.

With respect to the exchange of information under the AEOI Standard, the Seychelles is a Party to the Convention on Mutual Administrative Assistance in Tax Matters and activated the associated CRS Multilateral Competent Authority Agreement in time for exchanges in 2017.

Detailed findings

The detailed findings for the Seychelles are below, organised per Core Requirement (CR) and sub-requirement (SR), as extracted from the AEOI Terms of Reference (www.oecd.org/tax/transparency/documents/aeoi-terms-of-reference.pdf).

CR1 Domestic legal framework: Jurisdictions should have a domestic legislative framework in place that requires all Reporting Financial Institutions to conduct the due diligence and reporting procedures in the CRS, and that provides for the effective implementation of the CRS as set out therein.

Determination: In Place But Needs Improvement

The Seychelles' domestic legislative framework is in place and contains most of the key aspects of the CRS and its Commentary requiring Reporting Financial Institutions to conduct the due diligence and reporting procedures, but it needs improvement in relation to the framework to enforce the requirements (SR 1.4). Most significantly, the Seychelles' legislative framework does not impose sanctions on Account Holders and Controlling Persons for the provision of a false self-certification and does not include strong measures to ensure that valid self-certifications are always obtained for New Accounts.

SR 1.1 Jurisdictions should define the scope of Reporting Financial Institutions consistently with the CRS.

The Seychelles has defined the scope of Reporting Financial Institutions in its domestic legislative framework in accordance with the CRS and its Commentary.

Recommendations:

No Recommendations made.

SR 1.2 Jurisdictions should define the scope of Financial Accounts and Reportable Accounts consistently with the CRS and incorporate the due diligence procedures to identify them.

The Seychelles has defined the scope of the Financial Accounts that are required to be reported in its domestic legislative framework and incorporated the due diligence procedures that must be applied to identify them in accordance with the CRS and its Commentary.

Recommendations:

No Recommendations made.

SR 1.3 Jurisdictions should incorporate the reporting requirements contained in Section I of the CRS into their domestic legislative framework.

The Seychelles has incorporated the reporting requirements in its domestic legislative framework in accordance with the CRS and its Commentary.

Recommendations:

No recommendations made.

SR 1.4 Jurisdictions should have a legislative framework in place that allows for the enforcement of the requirements of the CRS in practice.

The Seychelles has a legislative framework in place to enforce the requirements in a manner that is largely consistent with the CRS and its Commentary. However, deficiencies have been identified. More specifically, the Seychelles' legislative framework:

- does not impose sanctions on Account Holders and Controlling Persons for the provision of a false self-certification; and
- does not permits accounts to be reported as undocumented when self-certifications are not obtained and/or validated in the limited circumstances where they are not obtained on the opening of the account, rather than including measures to ensure that valid self-certifications are always obtained as required.

These are key elements of the required enforcement framework and are therefore material to the proper functioning of the AEOI Standard.

Recommendations:

The Seychelles should amend its domestic legislative framework to include sanctions on Account Holders and Controlling Persons for the provision of a false self-certification.

The Seychelles should amend its domestic legislative framework to include strong measures to ensure that valid self-certifications are always obtained for New Accounts, rather than allowing accounts to be reported as undocumented in the limited circumstances a self-certification is permitted to be obtained after the opening of a New Account.

CR2 International legal framework: Jurisdictions should have exchange relationships in effect with all Interested Appropriate Partners as committed to and that provide for the exchange of information in accordance with the Model CAA.

Determination: In Place

The Seychelles' international legal framework to exchange the information is in place, is consistent with the Model CAA and its Commentary and provides for exchange with all of the Seychelles' Interested Appropriate Partners (i.e. all jurisdictions that are interested in receiving information from the Seychelles and that meet the required standard in relation to confidentiality and data safeguards). (SRs 2.1 – 2.3)

SR 2.1 Jurisdictions should have exchange agreements in effect with all Interested Appropriate Partners that permit the automatic exchange of CRS information.

The Seychelles has exchange agreements that permit the automatic exchange of CRS information in effect with all its Interested Appropriate Partners.

Recommendations:

No recommendations made.

SR 2.2 Such an exchange agreement should be put in place without undue delay, following the receipt of an expression of interest from an Interested Appropriate Partner.

The Seychelles put in place its exchange agreements without undue delay.

Recommendations:

No recommendations made.

SR 2.3 Jurisdictions should ensure that the exchange agreements in effect provide for the exchange of information in accordance with the requirements of the Model CAA.

The Seychelles' exchange agreements provide for the exchange of information in accordance with the requirements of the Model CAA.

Recommendations:

No recommendations made.

Comments by the assessed jurisdiction

General context: The Republic of Seychelles is in the process of amending Schedule 4 and 5 of the Revenue Administration (Common Reporting Standards) Regulation of 2015 to include the list of participating and reportable jurisdictions. We are encountering some delays due to the pandemic Covid-19. The Seychelles is also working on a proposal for amending the law to include very strong sanctions/measures so as to ensure that valid self-certifications are always obtained for New Accounts.

SR 1.4: The Republic of Seychelles have not developed their own guidance but we are using the one issued on the OECD's website.



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