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OUTCOME OF PROCEEDINGS

From: General Secretariat of the Council
To: Delegations
Subject: The EU list of non-cooperative jurisdictions for tax purposes

- Compilation of commitment letters received from jurisdictions

= Seychelles



Republic of Seychelles
Ministry of Finance Trade and Economic Planning

The Minister

General Secretariat,
Council of the European Union,
Chair of the Code of Conduct Group (Business Taxation),
Rue de la Loi 175 – 1048 Brussels,
Belgium.

6th November 2017.

Dear Chair, Code of Conduct Group (Business Taxation),

The Ministry of Finance, Trade and Economic Planning would like to extend its best wishes to the Code of Conduct Group (Business Taxation).

I take this opportunity to reiterate the strong commitment Seychelles have already made through the letter submitted to Forum on Harmful Tax Practices (FHTP) in July 2017 regarding regimes which have been assessed as potentially harmful and which therefore need to be amended in accordance with the standards governing the assessments that were conducted.

At the meetings of FHTP held in March, May and July 2017, Seychelles had some of their tax regimes, including those referred in the Annex I of your letter dated 23rd October 2017, reviewed by the FHTP. These include-

1. International Business Companies
2. Free Zone
3. Offshore banks
4. Offshore insurance
5. Seychelles Special License Companies
6. Securities Business under the Securities Act
7. Fund Administration Business

Seychelles note that the Code of Conduct Group is taking stock of the assessment conducted by the FHTP for the purpose of evaluating the preferential tax regimes of Seychelles in the context of the European Council.

On the basis of such assessment, concerns regarding regimes 1-7 above containing potentially harmful features identified under the FHTP's framework are being acknowledged by Seychelles which offer their assurances that it is their intention for Seychelles' tax regimes to be consistent with the requirement set by FHTP and the Code of Conduct.



In order to correct the deficiencies within the timeframe, we have approached the OECD and IMF to provide the required level of expertise in the form of technical assistance to ensure we successfully identify and implement robust reforms that both support the economy and remove potentially harmful features within our tax regimes. Consultative meetings are being organised with the stakeholders and we expect to find solution within the agreed timeframe to demonstrate the results of our engagement.

For the following regimes, Seychelles is committed to complete the necessary legislative amendments in accordance with the timetable as set out below-

Regimes	Actions	Timeframe	Persons in charge
-IBC	Remove any preferential tax regime	June 2018	Ministry of Finance; Financial Services Authority; Seychelles Revenue Commission; Cabinet of Ministers; National Assembly
-Offshore banks	Remove any preferential tax regime	June 2018	Ministry of Finance; Seychelles Revenue Commission; Central Bank Of Seychelles; Cabinet of Ministers
-Offshore insurance	Remove any preferential tax regime	June 2018	Ministry of Finance; Financial Services Authority; Seychelles Revenue Commission; Cabinet of Ministers; National Assembly
-Fund Administration Business	-amend the law to prescribe substance requirements to be met by licensees under the Mutual and Hedge Fund Act; -the substance requirement will be in accordance with the criteria set by FHTP;	August 2018	Ministry of Finance; Financial Services Authority; Seychelles Revenue Commission; Stakeholders; Cabinet of Ministers; National Assembly



<p>-Securities Business under the Securities Act</p>	<p>-delete the provision relating to the exemption of overseas securities dealers;</p> <p>-amend the law to prescribe substance requirements to be met by licensees under the Securities Act;</p> <p>-the substance requirement to be met will be in accordance with the criteria set by FHTP;</p>	<p>August 2018</p>	<p>Ministry of Finance; Financial Services Authority; Seychelles Revenue Commission; Stakeholders; Cabinet of Ministers; National Assembly</p>
<p>-Free Zone</p>	<p>-not to renew any of the existing export services licenses;</p> <p>-redefine the activities that can be provided from the SITZ and this will not include any geographically mobile activities.</p>	<p>August 2018</p>	<p>Ministry of Finance; Financial Services Authority; Seychelles Revenue Commission; Cabinet of Ministers; National Assembly</p>
<p>-Seychelles Special License Companies</p>	<p>Remove any preferential regime</p>	<p>June 2018</p>	<p>Ministry of Finance; Financial Services Authority; Seychelles Revenue Commission; Cabinet of Ministers; National Assembly</p>

Seychelles will work to implement the changes according to this timeframe.

We wish to state that this action plan is being made under the assumption that the standards basing the assessment of the above mentioned regimes in the FHTP process will remain the same as the Code of Conduct for business taxation.



Any changes in the existing standards by the code of conduct will dramatically affect our capability to meet our commitments within the above mentioned timelines. We, therefore trust that this will be taken into account in any decision made at a level inaccessible to the assessed third countries.

We remain at your disposal should you need any further clarifications.

Yours Sincerely,

Dr. Louis, Rene, Peter LAROSE
Minister of Finance, Trade and Economic Planning

