

**INTERNATIONAL BUSINESS COMPANIES (AMENDMENT)
BILL, 2018**

(Bill No. 16 of 2018)

OBJECTS AND REASONS

The Bill seeks to amend sections 2, 5, 14, 272, 361, 362, 363, 379 and Second Schedule of the International Business Companies Act, 2016 (Act 15 of 2016) in order to implement the measures to prevent Base erosion and profit shifting (BEPS) by which tax avoidance strategies that exploit gaps and mismatches in tax rules to artificially shift profits to low or no-tax locations are undertaken. Seychelles as a member of the Inclusive Framework on BEPS is committed to implement measure to tackle BEPS.

Dated this 17th day of July, 2018.

**FRANK D.R. ALLY
ATTORNEY-GENERAL**

	(Section 301) For printing of Annual Return and the documents to be annexed to the Annual Return
--	--

**INTERNATIONAL BUSINESS COMPANIES
(AMENDMENT) BILL, 2018**

(Bill No. 16 of 2018)



A BILL

OF

AN ACT to amend the International Business Companies Act, 2016.

ENACTED by the President and the National Assembly.

1. This Act may be cited as International Business Companies (Amendment) Act, 2018 and shall come into operation on 1st August, 2018.

Short title and commencement

2. The International Business Companies Act is hereby amended as follows—

- (a) by inserting in section 2, after the definition of “articles’ the following—

““assessable income” means the assessable income as defined in section 2 of the Business Tax Act (Cap 20)”;

- (b) in section 5—

- (i) by repealing in subsection (1), the words “and whose memorandum states that it is subject to the restrictions referred to in subsection (2)”;

- (ii) by repealing in subsection (2), paragraphs (a) to (h) and substituting therefor the following paragraphs—

“(a) carry on banking business as defined in the Financial Institutions Act (Cap 79) in or outside Seychelles;

(b) carry on insurance business as defined in Insurance Act (Cap 98) in or outside Seychelles unless it is licensed or otherwise legally able to do so under the laws of the country in which it carries on such business;

(c) carry on business providing international corporate services, international trustee services or foundation services as defined in

the International Corporate Service Providers Act except—

- (i) to the extent permitted under the International Corporate Service Providers Act; and

(ii) in the case of carrying on such business outside Seychelles, if the company is licensed or otherwise legally able to do so under the laws of each country outside Seychelles in which it carries on such business;

- (d) carry on securities business as defined in the Securities Act (Cap 208) in or outside Seychelles unless it is licensed or otherwise legally able to do so under the laws of the country in which it carries on such business;

(e) carry on business as mutual fund as defined in the Mutual Fund and Hedge Fund Act (Cap 285) unless it is licensed or otherwise legally able to do so under the Mutual Fund and Hedge Fund Act or under the laws of a recognised jurisdiction as defined in the Mutual Fund and Hedge Fund Act; or

(f) carry on gambling business as defined in the Seychelles Gambling Act, 2014 (Act 29 of

2014), including interactive gambling business, in or outside Seychelles unless it is licensed or otherwise legally able to do so under the laws of the country in which it carries on such business.”;

(iii) by repealing subsections (3) and (4);

(c) by repealing in section 14, paragraph (e);

(d) by repealing section 272(1)(a)(ii);

(e) by repealing section 361 and substituting therefor the following —

Assessable
income to be
notified

“361.(1) Notwithstanding any provisions of this Act, where a company incorporated, continued or converted under this Act derives assessable income in Seychelles, it shall —

(a) within one month of deriving the first assessable income, notify the Registrar in writing that it is deriving assessable income and the nature of the activities giving rise to this assessable income; and

(b) within one year of deriving the first assessable income, submit to the Registrar an Annual Return accompanied by the documents to be annexed to this Annual Return as required under

the Companies Act (Cap 40).

(2) The Registrar shall send a copy of the notice in subsection (1) (a) to the Seychelles Revenue Commission.

(3) A company which fails to comply with the requirements set out under subsection (1) shall be liable to a penalty of US\$100 and to an additional penalty of US\$25 for each day or part thereof during which the contravention continues.”;

(f) by repealing in section 362(2), the words “Without prejudice to section 5(2)(b), subsection (1)” and substituting therefor the words “Subsection (1)”;

(g) by repealing section 363;

(h) by repealing section 379(1) and substituting therefor the following —

“(1) The exemption granted under section 362 of this Act shall prevail notwithstanding any inconsistency with provisions of the Stamp Duty Act”;

(i) by inserting in Second Schedule, PART II, the following —

(section 361)	
(pp) For filing of an Annual Return and the documents to be annexed to the Annual Return	US\$50