

2022 ANNUAL REPORT

**SEYCHELLES
FIU**

Table of Contents

Chapter1: General Information

SUBMISSION OF THE ANNUAL REPORT TO THE MINISTER RESPONSIBLE FOR FINANCE	6
DIRECTOR’S FOREWORD.....	7
ABOUT FIU	10
SEYCHELLES TECHNICAL COMPLIANCE RATING – YEAR ENDING 2022.....	16
YEAR IN REVIEW	18
CHAPTER 2: STRATEGIC PLAN 2019-2022	19
CHAPTER 3: Enhancing Efficiency and Effectiveness of FIU.....	20
Human Resources	20
Resignation and staff turnover	22
Information Technology	23
FINANCIAL MANAGEMENT.....	23
CHAPTER 4: INSTILLING A CULTURE OF COMPLIANCE	25
Compliance with preventive measures.....	25
Transparency and beneficial ownership of legal persons and arrangements.....	33
CHAPTER 5: MONITORING AND ANALYSIS	37
Continuous improvement in operational, tactical and strategic analysis	37
Threshold Reporting.....	37
Suspicious Transaction Reports (STRs)	41
Outgoing – Domestic & International Disseminations	44
Freezing of Accounts.....	45
Information Exchange	45
Virtual Assets (“VA”).....	46
CHAPTER 6: COOPERATION, COORDINATION AND COLLABORATION.....	48
MoU Signed	48
National co-operation and coordination	49
International commitments, coordination and collaboration	51
CHAPTER 7: 2022 SUCCESSES, CHALLENGES AND PRIORITIES FOR 2023.....	53
Professional Qualifications.....	65

LIST OF ABBREVIATIONS

ACCS	Anti-Corruption Commission Seychelles
ACO	Alternate Compliance Officer
AGO	Attorney General’s Office
AFI	Alliance for Financial Inclusion
AML/CFT	Anti-Money Laundering and Countering the Financing of Terrorism Act, 2020
AMLA	Anti-Money Laundering Act 2006, as amended
BDC	Bureau de Change
BO	Beneficial Owner
CTTR	Cash Transaction Threshold Report
CBS	Central Bank of Seychelles
CDD	Customer Due Diligence
CFT	Countering the Financing of Terrorism
COMESA	Common Market for Eastern and Southern Africa
AUSTRAC	Australian Transaction Reports and Analysis Centre
CO	Compliance Officer
DNFBPs	Designated Non-Financial Businesses and Professions
ECOFEL	Egmont Centre of FIU Excellence and Leadership
ESA	Eastern and Southern Africa

ESAAMLG	Eastern and Southern Africa Anti- Money Laundering Group
FATF	Financial Action Task Force
FI	Financial Institutions
FIU	Financial Intelligence Unit
FCIU	Financial Crime Investigation Unit
FSA	Financial Services Authority
goAML	goAML Web Application
ICSP	International Corporate Service Provider
IBC	International Business Company
IIC	Information & International Co-operation Division
LEAs	Law Enforcement Agencies
LP	Legal Professionals
ME	Mutual Evaluation
MER	Mutual Evaluation Report
ML	Money Laundering
MOFEPT	Ministry of Finance, Economic Planning and Trade
NRA	National Risk Assessment
MoU	Memorandum of Understanding
MVD	Motor Vehicle Dealer
M&A	Monitoring and Analysis
NAC	National Anti-Money Laundering and Combating the Financing of Terrorism Committee
RBS	Risk Based Supervision
REA	Real Estate Agent
RFI	Request for Information
SMSA	Seychelles Maritime Safety Authority

SLA	Seychelles Licensing Authority
SPF	Seychelles Pension fund
SRC	Seychelles Revenue Commission
STR	Suspicious Transaction Report
TAC	Technical Anti-Money Laundering and Combating the Financing of Terrorism Committee
TC	Technical Compliance
TF	Terrorist Financing
UNODC	United Nations Office on Drugs and Crime
VA/VASP	Virtual Asset/Virtual Asset Service Provider
WTTR	Wire Transfer Threshold Report

SUBMISSION OF THE ANNUAL REPORT TO THE MINISTER
RESPONSIBLE FOR FINANCE



FINANCIAL INTELLIGENCE UNIT
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Our Ref:
Telephone:
Date:

March, 2023

The Honorable Naadir Hassan
Minister of Finance, Economic Planning & Trade
Liberty House
Victoria,
Mahé,
Seychelles

Dear Minister,

In accordance with the provisions of section 24 of the Anti-Money Laundering and Countering the Financing of Terrorism Act, 2020, as amended, I am pleased to present to you the Financial Intelligence Unit's Annual Report for 2022.

The report outlines the activities of the FIU during the course of 2022 in the pursuit of its statutory remit and demonstrates that the FIU remains an integral part of national efforts to counter money laundering and the financing of terrorism and proliferation of weapons of mass destruction in order to safeguard the stability of our country's financial system.

Respectfully yours,

Richard Rampal
Director

DIRECTOR’S FOREWORD

In the year 2022 the Financial Intelligence Unit (“FIU”) has continued to play its role in safeguarding the integrity of the Seychelles’ financial system collaboratively with its key stakeholders and partners. The FIU has focused on restructuring its workforce, strengthening the Strategic Analysis Unit and enhancing the country’s compliance with the Financial Action Task Force’s (“FATF”) international standards on combating money laundering and the financing of terrorism & proliferation. These activities were undertaken whilst consistently delivering on all of FIU’s functions as specified in the Anti-Money Laundering and Countering the Financing of Terrorism Act, 2020 (“AML/CFT Act, 2020”).

It therefore gives me great pleasure to present our Annual Report for the year 2022. The report provides details of activities undertaken for the year under review, highlighting the challenges as well as stipulating the priorities for the year 2023.

In 2022, FIU restructured its workforce. The restructuration established four (4) divisions being; (1) Monitoring and Analysis, (2) Legal and Compliance, (3) Information Technology and Security and (4) Corporate Affairs; appropriately grouping the various functions of the FIU as specified in the AML/CFT Act 2020.

With the assistance of two (2) consultants the FIU championed the reorganization of the monitoring and analysis division’s operations paving the way for the development of quality operational and strategic analysis reports. Eventually, FIU aspires to share strategic insights into emerging financial crime trends and patterns to the benefit of reporting entities (“REs”) and other relevant stakeholders hence improving detection of financial crimes by REs and relevant stakeholders.

The Operational and Tactical Analysis Unit (“OPTAC”) received a total of 212 suspicious transaction reports (“STRs”) from banking institutions, non-bank financial institutions, lawyers, bureau de change, fiduciary services, insurance companies, capital markets and casinos.

Significant efforts have equally been devoted to promoting compliance with the Beneficial Ownership (“BO”) Act and Regulations 2020. Nine (9) awareness sessions have been delivered with several governmental ministries, domestic companies and the non-profit organization (“NPO”) sector. A first compliance review of legal persons to the BO Act was conducted during the last quarter of 2022 where it was observed that legal persons’ records reviewed showed sound understanding of their obligations under the Act. Therefore, it is anticipated that with feedback received from the FIU the legal persons will, in due course be fully compliant with all aspects of the BO Act and Regulations, as amended.

In terms of information technology, FIU has consistently been working to upgrade its analytical system to capture intelligence and streamline business processes. During the year 2022, crucial preliminary works were completed to customize the Seychelles FIU digital goAML platform. It is expected that in 2023 the platform will be adapted to enable real time submissions of reports by reporting entities to the FIU as prescribed under the AML/CFT Act, 2020.

Budget wise, FIU ended the year on a good note as it succeeded to fully utilize its funds delivering on key activities outlined in its operational plan. FIU being a budget dependent entity began the year with an allocated budget of SR 19.2 million and concluded the year with consolidated expenses amounting to a total of SR 18.8 million.

The FIU workforce attended a total of thirty (30) international seminars, workshops or training; both virtual and physical, and seven (7) local ones covering a wide range of subject areas in monitoring and analysis, legal and compliance, IT and support services.

Coincidentally, 2022 marked the last year of the FIU **2019-2022 Strategic Plan**. The strategic plan had five (5) strategic pillars with a total of thirty-one (31) key action points to allow the FIU to reach its desired vision. Overall, FIU managed to implement twenty-two (22) out of the planned activities representing a 70% success rate. The FIU is proud of this achievement. The activities that were not completed will be incorporated in the succeeding Strategic Plan; 2023-2025 presently

being finalized. The target for the upcoming three (3) years is for the institution to achieve an 85% success rate, and the team is looking forward to this challenge.

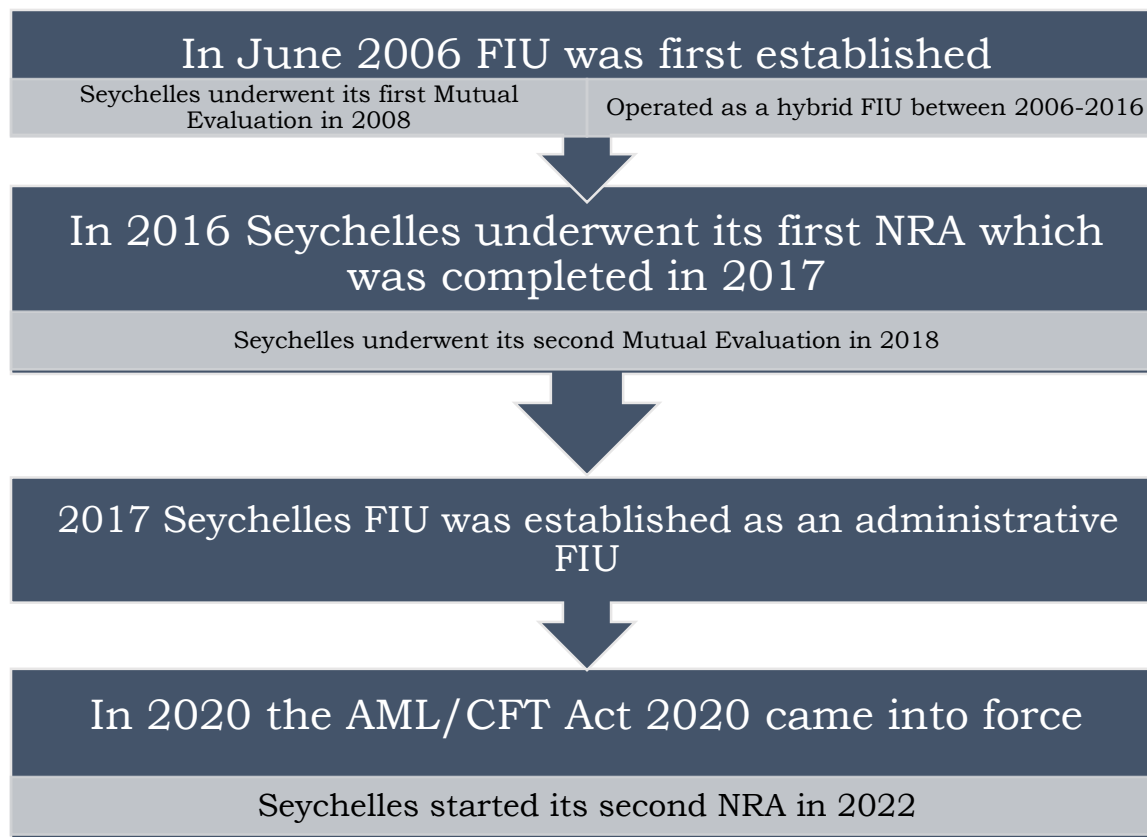
Looking ahead, for the year 2023, the FIU will continue to further the advancement of all its divisions. Additionally, discussions have been initiated to explore the possibility of establishing a suitable public-private partnership framework for improved public-private sector collaboration and information sharing.

Being the Director of such an important organization and reviewing with gratification the progress made by the institution it is impossible to conclude without deep acknowledgement, appreciation and thankfulness to the team that has made yet another year possible. Being part of the fight against money laundering and countering terrorist financing is exciting and satisfying but also require continuous commitment and dedication. The effort of each team member is duly recognized.

To the readers, as you peruse through the pages of this annual report, we take the opportunity to reassure you that we, the Seychelles FIU remain committed to our vision, ***‘Safeguarding our island state from financial crimes’***, until next year.

Richard Rampal
Director of the FIU

ABOUT FIU



An administrative FIU

Recommendation 29 of the FAFT 40 recommendations requires countries to establish an FIU with the responsibility for acting as a national center for receipt and analysis of suspicious transaction reports and other information relevant to money laundering, associated predicate offences and terrorist financing; and for the dissemination of the results of that analysis. The Seychelles FIU operates as an administrative FIU where it receives, analyses and disseminate suspicious transaction and other reports. It does not have investigative or prosecutorial powers and it functions as an interface between the financial sector (and, more generally, entities and professionals subject to reporting obligations) and the law enforcement authorities in charge of financial crime investigations and prosecutions.

In addition to its core monitoring and analysis function, the FIU is also tasked with supervision, compliance and prevention as well as informational cooperation and data exchange. Sections 13 and 27 of the AML/CFT Act 2020 sets out comprehensively the functions of the FIU.

The FIU's functions are to:

- receive and request disclosure of financial information on transactions and other information relevant to suspected money laundering and terrorist financing activities;
- receive reports on threshold reports and declarations of cross-border movements of cash above the prescribed sum;
- collect, analyze and assess the information it receives to substantiate possible existence of money laundering or terrorist financing activities;
- where appropriate, make financial intelligence disseminations to appropriate law enforcement and supervisory authorities which are relevant for the investigation or prosecution of money laundering and terrorist financing offences;
- monitor compliance by DNFBPs (specified in Part C of the First Schedule (except those at serial number 7 and 8) of the AML/CFT Act 2020) with their obligations under the Act and its regulations;
- raise the awareness of the general public and reporting entities about the risks and impact of money laundering and terrorist financing activities related to Seychelles;
- compile and maintain statistics and conduct research into the trends and developments in money laundering and the terrorist financing activities
- undertake due diligence checks and other inquiries on behalf of government departments or authorities.

FIU'S VISION, MISSION AND VALUES

Vision

Safeguarding our island state from financial crimes.

Mission

To deter, detect and disrupt domestic and international money laundering, terrorism financing and proliferation financing and contribute to a resilient financial system through ensuring regulatory compliance, effective supervision, the development of high-quality intelligence reports and the enhancement of domestic and international cooperation in line with international best practices and standards.

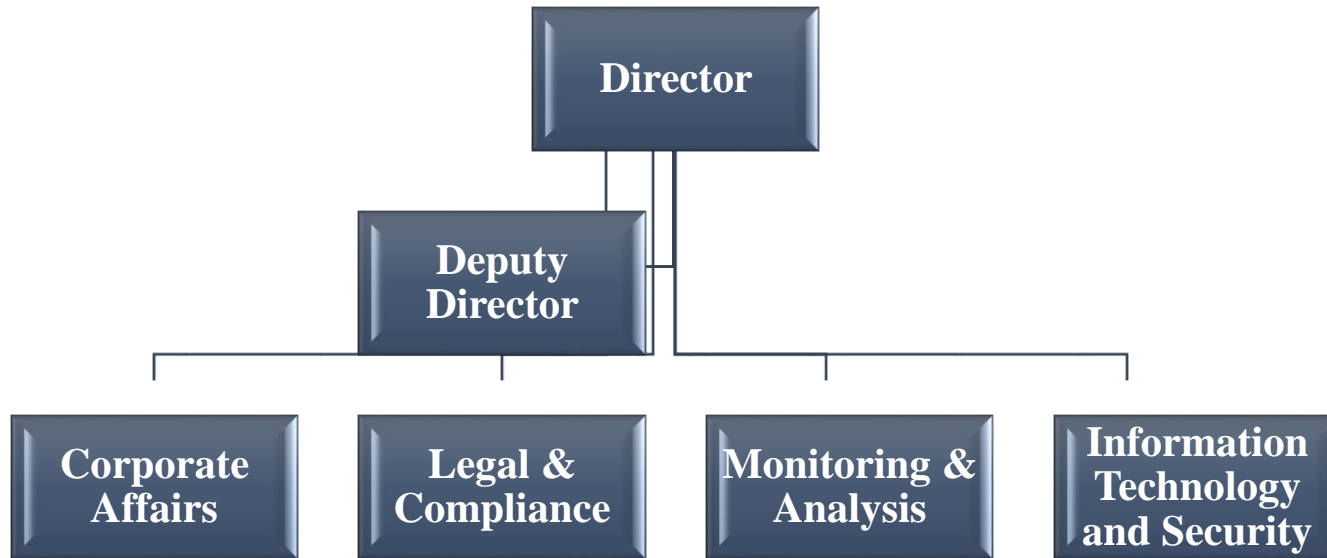
Values

Fairness and Mutual respect in the workplace. Treating everyone fairly promoting mutual respect and common decency.

Integrity and confidentiality. Acting with strong ethics is a priority for everyone representing the organization.

Uncompromising in the pursuit of truth. Being highly committed to unravelling facts, deterring financial crimes is key for our employees.

THE ORGANIZATIONAL STRUCTURE



Corporate Affairs	Legal and Compliance	Monitoring & Analysis	Information Technology and Security
<p>The Corporate Affairs Division provides operational support for the execution of FIU’s work. The primary functions of this Division include office management, financial and administrative management, human resources, staff learning and development, security services and information communication technology.</p>	<p>The Legal and Compliance Division is made up of three (3) units.</p> <p>The Legal Unit is responsible to protect and advance the interests of the FIU by providing legal advice, support and analysis to other divisions. The division is</p>	<p>The Monitoring and Analysis Division is made up of three (3) units. Operational and Tactical Analysis (“OPTAC”) Unit, Strategic Analysis Unit and Information Exchange Unit & Registry Unit.</p> <p>“OPTAC” Unit is responsible for the analysis of STRs which</p>	<p>The Information Technology and Security Unit is responsible for FIU’s information and technology needs, cyber security, as well as maintaining the GoAML platform and the Beneficial Ownership platform.</p>

	<p>also responsible for enforcement actions.</p> <p>The Policy and External Relations Unit is tasked with providing policy advice, research, drafting of policies and reports related to AML/CFT matters and FIU functions. It also manages the relationships with domestic stakeholders, regional bodies and international partners on AML/CFT matters.</p> <p>The Supervision Unit is responsible to monitor and carry out inspections of reporting entities under the supervision of the FIU both through on-site and off-site initiatives. The inspections assess compliance with the AML/ CFT Act and BO Act and inform on outreach and awareness strategies. As a result, the unit is able to provide guidance and feedback to reporting entities.</p>	<p>include producing financial analysis reports and dissemination of Intelligence Reports to domestic LEAs involved in the fight against ML and TF.</p> <p>Strategic Analysis Unit assumes a more strategic view and carries out trend analysis of economic crimes and threshold reporting to assist key decision making.</p> <p>Information & International Co-operation Unit is responsible to handle all domestic and international exchange of information as well as to create a centralized database for the keeping of FIU statistics. It is also currently responsible for maintaining and providing access to the BO database.</p>	
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SEYCHELLES TECHNICAL COMPLIANCE RATING – YEAR ENDING 2022

The Financial Action Task Force (FATF) is an intergovernmental standard setting organization. The 40 recommendations created by the FATF provide counter-measures against money laundering, terrorist and proliferation financing, and other threats to the global financial system. They also set out principles and minimum standards for action.

Seychelles is a member of the ESAAMLG, a FATF-Styled Regional body whose objective is to assist countries in the region to achieve the effective implementation of and compliance with the 40 Recommendations,

Seychelles was last assessed against the 40 Recommendations in 2018 where it was rated Compliant (C) on 10 Recommendations, Largely Compliant (LC) on 10 Recommendations, Partially Compliant (PC) on 16 Recommendations and Non-Compliant (NC) on 4 Recommendations. Since then, Seychelles has taken measures aimed at addressing the technical compliance deficiencies identified and the table below reflect the progress made by Seychelles. It is expected that technical compliance ratings for Recommendations 5, 19, 25, 28 and 34 improve by next year following the re-rating request submitted to ESAAMLG in September 2022.

Recommendations and Corresponding Ratings

1	2	3	4	5	6	7	8	9	10	11	12	13	14
C	LC	LC	PC	PC	PC	PC	NC	C	LC	C	LC	C	C
15	16	17	18	19	20	21	22	23	24	25	26	27	28
NC	LC	LC	C	PC	C	C	LC	LC	LC	PC	LC	LC	PC
29	30	31	32	33	34	35	36	37	38	39	40		
LC	C	C	LC	PC	PC	LC	C	LC	LC	LC	LC		

YEAR IN REVIEW

212 STRs received
334 other disclosures Value:

1 Strategic
Financial
Intelligence Report
produced

2193 Threshold
reports processed

64 Domestic
disseminations
made

18 international
disseminations

9 BO Awareness
Sessions
conducted

10 AML/CFT
Awareness
Sessions
conducted

141 DNFBPs
registered

2 new MoUs signed

3 staff recruited

37 seminars,
workshops,
trainings facilitated

CHAPTER 2: STRATEGIC PLAN 2019-2022

FIU completes its 2019-2022 Strategic Plan

Strategic planning is a process in which an organization's leaders define their vision for the future and identify their organization's goals and objectives. The process includes establishing the sequence in which those goals should be realized so that the organization can reach its stated vision. The 2019-2022 Strategic Plan of FIU aside from providing a strategic overview of the institution considered the Financial Action Task Force's ("FATF") approach for assessing technical compliance with the FAFT Recommendations, and for assessing whether and how the AML/CFT system is effective. This ensured that the strategies adopted by the institution aligns with national strategy leading to conformity to the FAFT Recommendations and ultimately an effective AML/CFT system.

The strategic plan had five (5) strategic pillars with a total of thirty-one (31) key action points and measures to allow the FIU to reach its desired vision. The priority areas were formulated from the analysis of the Seychelles AML/CFT framework established through the NRA and MER.

Overall, the FIU managed to implement 22 out of the 31 planned activities in the strategic plan representing a 70% success rate; refer to *Annexure 1 Strategic Plan review 2019-2022* for details of activities that have been implemented, as well as those that were not able to be implemented during the three (3) years. The activities that were not completed at the end of 2022 will be incorporated in the FIU Strategic Plan 2023-2025.

CHAPTER 3: Enhancing Efficiency and Effectiveness of FIU

Human Resources

Maintaining our commitment to support a high performing workforce

Employees are fundamental to the success of organizations as they offer valuable knowledge, skills and expertise. FIU being an organization that relies heavily on specific technical expertise is committed to recruiting the right people and dedicated to supporting its workforce in becoming high performers.

FIU Staff Complement

Figure 1: FIU Staff Complement

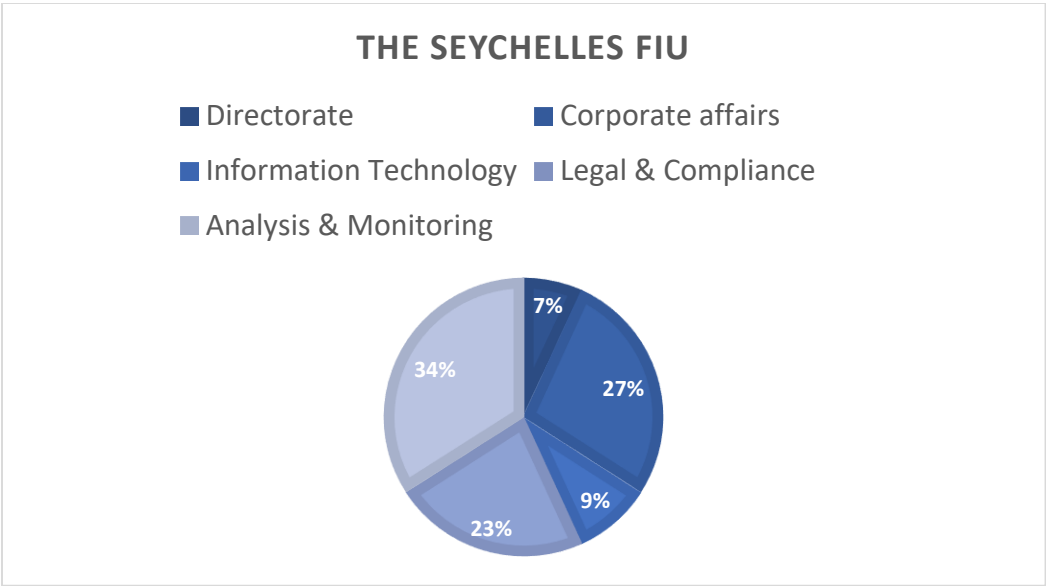
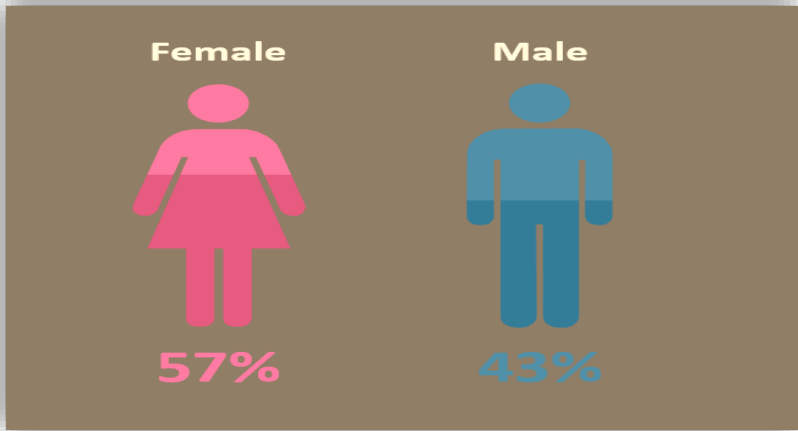


Table 1: The Divisions/Units and Number of Employees

Division	Units	Number of Employee
	Director	1

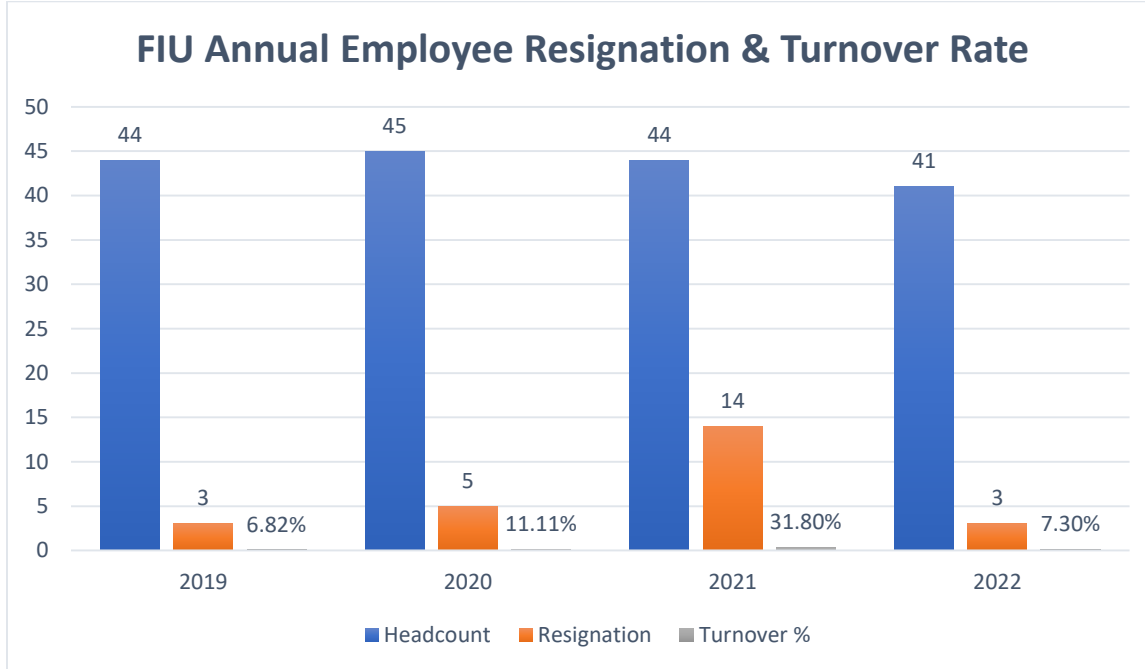
Directorate	Deputy	1
	Secretary	1
Corporate Affairs	Head Operations	1
	Administration	6
	Finance	1
	Human Resources	1
	Security	3
Information Technology		4
Legal & Compliance	Legal	1
	Policy & External Relations	2
	Supervision and Compliance	7
Analysis & Monitoring	Operational & Tactical Analysis	7
	Strategic Analysis	2
	Information Exchange	5
	OSINT & VASP	1
Total		44

Figure 2: Percentage of Female and Male employees



Resignation and staff turnover

Figure 3: Resignation and staff turnover



Staff Promotion

Table 2: Staff promotion 2019-2022

	Number of Promotions	Division/Unit
2019	0	
2020	1	Operational & Tactical
2021	4	Operational & Tactical Unit, Legal & Compliance Division, Information Exchange and Strategic Analysis Unit
2022	4	Operational and Tactical Unit Information Exchange Unit Corporate Affairs Division and Legal & Compliance Division

Staff Training and Capacity Development

The dynamic nature of the financial sector calls for the upskilling of staff as the FIU needs to remain aware and understand the various vehicles that criminals are likely to use or ways of how the financial system may be manipulated for illicit purposes. Therefore, staff development remains paramount.

Staff training on AML/CFT and BO measures, frameworks and systems were conducted throughout the year 2022.

Information Technology

Paving the way for a modernized FIU

In response to the global pandemic in early 2020 and throughout the past year, FIU has focused on ensuring that it has the appropriate tools, technology and systems in place to continue to securely deliver on its critical intelligence and compliance mandates. FIU has also been working to upgrade its analytical system to capture intelligence and streamline business processes and to keep pace with the rapid technological innovation that is taking place in the financial sector and all sectors around the world.

FINANCIAL MANAGEMENT

In accordance with section 21 of the AML/CFT, Act 2020 the funds of the FIU consist of monies appropriated by the National Assembly for the use of the FIU, any Government grants including sums from the Asset Recovery Fund and the designated account, made to it and any donations received with the prior written approval of the Minister. For the year 2022, the FIU was appropriated a total of SR 19.2 million by the National Assembly, within which SR 10.97 million was allocated to programme 1; Governance, Management and Administration and SR 8.23 million to programme 2; the programme that supports the FIU in fulfilling its core technical functions as prescribed under Part V of the AML/CFT Act 2020.

Table 26: 2022 Budget

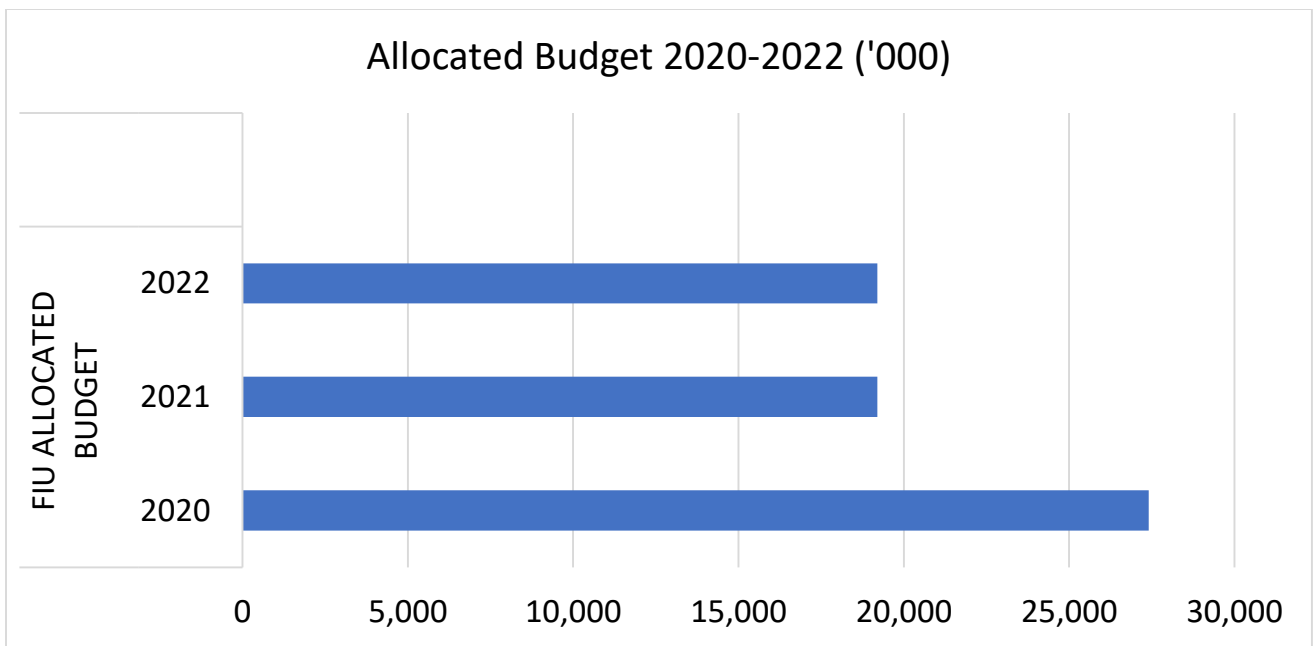
2022 Budget
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Budget for the year 2022	SR 19,199
Programme 1	SR 10,973
Programme 2	SR 8,226

Table 27: 2022 Actual Expenditure

2022 Actual Expenditure	
‘000	
Actual expense for the year 2022	SR 18,771
Programme 1	SR 10,967
Programme 2	SR 7,804

Figure 7: Allocated Budget 2020-2022



The FIU continuously keeps proper accounts and other relevant record of accounts, and prepare in each financial year a statement in such form and manner approved by the Auditor General. The accounts are audited in accordance with Article 158 of the constitution.

CHAPTER 4: INSTILLING A CULTURE OF COMPLIANCE

Compliance with preventive measures

An important consideration underlying the FATF Recommendations is the degree of money laundering or terrorist financing risk for particular types of institutions, businesses, or professions, or for particular customers, products, transactions, or countries. Therefore, the FIU in its capacity as the supervisory authority for Designated Non-Financial Businesses and Professions (“DNFBPs”) recognizes its duty to ensure compliance through conformity with the respective laws and regulations but does so by ensuring that it takes due consideration to identify the degree of risk of its obliged entities. Further, FIU ensures compliance with preventive measures including registration of reporting entities, monitoring appointment of compliance officers, outreach and awareness programs, inspections etc. of its obliged entities which are detailed below.

AML/CFT Framework: FIU Supervised Sectors

In accordance with the AML/CFT Act 2020, the FIU is responsible to supervise the following reporting entities (“REs”) being lawyers, accountants and auditors, real estate agents, high value dealers, dealers in precious metals and stones and the Seychelles Pension Fund which are categorised as DNFBPs.

Table 3: FIU Supervised Sectors

DNFBPs	Number
Accountant and Auditors	68
Lawyers and Notaries	30
Real Estate Agents	10
High Value Dealers – Motor Vehicle Dealers	21
Dealers in Precious metals and stones	11

Pension Fund	1
Total numbers of DNFBs	141

Registration of reporting entities with the FIU

In accordance with the requirements of section 31 of the AML/CFT Act and Regulation 7 of the AML/CFT Regulations, all reporting entities specified under the First Schedule of the AML/CFT Act have an obligation to register with the FIU. As such, for the purpose of fulfilling this obligation, all specified reporting entities are required to register on the goAML platform a reporting system that has been developed by UNODC for the use of FIUs. Refer to table 4x below for the breakdown of percentage registration on the platform as at December 31st 2022, per respective sector under the FIU’s regulatory purview.

Table 4: Breakdown of percentage registration - FIU

Reporting Sectors	Total No. of Reporting Entities	Total No. of Registered Entities	% Registration
Accountant/Auditors	68	61	90%
Dealers in Precious Metals & Stones	11	11	100%
Lawyers & Notaries	30	29	97%
Motor Vehicle Dealers	21	20	95%
Pension Fund	1	1	100%
Real Estate Agents	10	10	100%
Total	141	132	94%

Table 5: Breakdown of percentage registration - CBS

Reporting Sectors	Total No. of Reporting Entities	Total No. of Registered Entities	% Registration
Banking Institutions	8	8	100%
Bureau De Change – Class A	13	12	92%
Bureau De Change – Class B	8	6	75%
Credit Union	1	1	100%
Non-Bank Credit Institutions	2	2	100%
Payment Service Provider	1	1	100%
Total	33	30	91%

Table 6: Breakdown of percentage registration: FSA

Reporting Sectors	Total No. of Reporting Entities	Total No. of Registered Entities	% Registration
International Corporate Service Providers	104	97	93%
Funds Administrator	7	5	71%
Gambling	11	9	82%
Insurance	41	28	68%
Securities	115	78	68%
Total	278	217	78%

Table 7: The table below reflects the registration of **REs under the respective Supervisory Authority.:**

Supervisors	Total No. of Reporting Entities	Total No. of Registered Entities	% Completed
FIU	141	132	94%

CBS	33	30	91%
FSA	278	217	78%
Total	452	379	84%

Non-compliance to the obligation to register with the FIU being contrary to the provisions of the AML/CFT Act, the FIU has continued to monitor compliance with this obligation in order to communicate to the respective supervisory authorities for appropriate actions,

Appointment of CO and ACO by Reporting Entities

In line with Section 34 (1) of the AML/CFT Act, all REs shall appoint a Compliance Officer (“CO”) and an Alternate Compliance Officer (“ACO”) respectively. However, as per Regulations 8 (2) of the AML/CFT Regulations, an RE with less than five (5) staff members is exempted from appointing an ACO with the necessary approval of the Supervisory Authority. As of December 31st, 2022, the FIU has approved a total number of 135 COs, 27 ACOs and approved the exemption of 102 ACOs with respect to the entities under its supervision, as per the table 9x below.

Table 8: Appointment of CO and ACO by REs

SECTOR	Total No. of RE	No. of Approved CO	No. of Approved ACO	No. of Approved Exemptions for ACO
Motor Vehicle Dealers	21	20	9	11
Real Estate Agents	10	10	0	9
Accountant/Auditors	68	65	11	51

Lawyers & Notaries	30	29	3	23
Pension Fund	1	0	1	0
Dealers in Precious Metal & Stones	11	11	3	8
Total	141	135	27	102

Risk Assessment of Reporting Entities: Mechanism introduced to identify risks.

In line with the Risk Based Assessment (“RBA”) framework in place, the FIU has implemented mechanisms to assess the money laundering and terrorist financing (“ML/TF”) risks for the reporting entities under its purview. The said framework is flexible, allowing for the timely and effective response to significant events such as changes in management or in business activities. The FIU uses different types of supervisory tools to assess compliance of the REs which include but not limited to statistical questionnaire, desk-based monitoring mechanism and on-site examination audit tools to assess the adequacy of the REs’ systems and processes. The result obtained from the RBA is further used to determine the frequency, intensity and scope of the AML/CFT supervision to be performed by the FIU. Further, during the year 2022 focus groups were held with the supervised REs, where FIU had the opportunity to have an insight on their perceived risks, concerns, challenges etc. Based on the RBA framework currently in place and information gathered, the FIU conducted both on-site and off-site supervision on selected REs as outlined below.

On-site Supervision

Pursuant to section 57 (1) (b) of the AML/CFT Act, the FIU is empowered to assess the premises at which an RE under its supervision carries out its business to conduct an examination. As such, five (5) onsite examinations were conducted in the year 2022 whereby two (2) reporting sectors were targeted namely the Real Estate Agents and the Motor Vehicle Dealers. The scope of the onsite examinations was specific to the below obligations.

- Obligation to apply customer due diligence;

- Obligation to submit Cash Transaction Threshold Report and Suspicious Transactions Report to the FIU; and
- Monitoring of transactions and activities.

Table 9: On-site supervision

Sector	No. of examinations
Real Estate Agents	2
Motor Vehicle Dealers	3

The main findings were as follows:

- Lack of / inadequate customer due diligence measures
- Lack of / inadequate monitoring of transactions
- Non and late submission of Cash Threshold Transaction Reports

Off-site Supervision: Revision of the AML/CFT Compliance Policies

In line with section 33 (1) of the AML/CFT Act, an RE is obligated to establish and maintain internal control systems and procedures. As such, all high-risk and medium-risk REs were directed to submit their respective AML/CFT compliance manual for review. A total number of forty-seven (47) REs were requested to submit their manuals and out of the 47, twenty-eight (28) manuals were received and reviewed respectively. Refer to the table 10 below.

With respect to the guide provided on how to write an AML/CFT compliance manual, the manual should cover all obligations of a reporting entity and should also clearly outline the procedures/processes in place with regards to same. From the review it has been noted that most deficiencies were in respect to omitting to outline certain obligations such as;

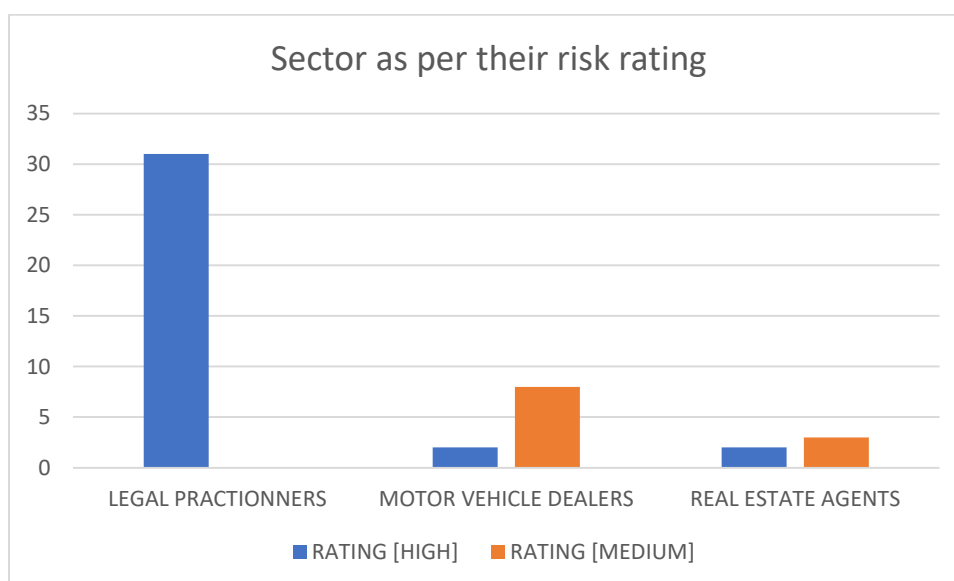
1. Registration with FIU (36% non-compliant)

2. Obligation to cease transaction (39% non-compliant)
3. Monitoring of transaction (46% non-compliant)

Table 10: Revision of the AML/CFT Compliance Policies

Sector	No. of manuals requested	No. of manual received and reviewed
Lawyers	31	20
Motor Vehicle Dealers	10	4
Real Estate Agent	5	3
Pension Fund	1	1
Total	47	28

High-risk and medium risk REs directed to submit their respective AML/CFT manuals



Awareness

One of FIU’s primary obligation as a supervisory authority, consistent with the standard for guidance and feedback established by the FATF in Recommendation 34, is to provide awareness to its supervised entities on their AML/CFT obligations in such a way as to help them understand the mandatory nature of these obligations and help them to build and enhance their compliance systems To this end, outreach to its supervised entities remain at the forefront of FIU’s AML/CFT efforts and it continued with its awareness initiatives in this reporting period.

In the year 2022, the FIU provided several awareness and guidance in line with the obligations of a reporting entity stipulated in the AML/CFT Act. The awareness and guidance sessions were conducted both physically and via telephone. The sessions covered different AML/CFT obligations including appointment of compliance and alternate compliance officer, AML/CFT compliance manual, suspicious transaction report and registration with the FIU.

Table 11: Awareness sessions

Sector	No. of awareness
Lawyers	4
Real Estate Agents	2
Accountant/Auditor	1
Motor Vehicle Dealers	3

Apart from the formal sessions, the FIU engages regularly with its supervised entities by phone and email in order to respond and provide appropriate guidance on a broad spectrum of queries relating to their obligations under the AML/CFT Act.

FIU’s outreach activities in 2022 also included engaging in focus group discussions with the different supervised sectors within the framework of the National Risk Assessment. The sessions allowed the reporting entities to ask questions and express concerns.

The outreach and awareness initiatives have also provided valuable feedback from the supervised entities to the FIU which will be considered as it continues the implementation of its risk-based supervision programme,

At the end of 2022, the effectiveness of FIU’s outreach and awareness programme was analyzed and a strategy has been devised to enhance this programme in 2023.

Transparency and beneficial ownership of legal persons and arrangements

One of the seven (7) distinct areas of the FAFT forty (40) recommendations is transparency and beneficial ownership of legal persons and arrangements, an area which the FIU has placed tremendous efforts in ensuring conformity with the standard. The BO Act was enacted in 2020, and the BO Database was formally launched in July 2021. Population of the BO database was undertaken in two phases – with the deadline of December 27th, 2021 for the non-domestic sector and January 31st, 2022 for the domestic sector. The data presented in table 13x below is as of August 31st 2022.

An elementary assessment of the BO database was conducted to understand how users are populating the data and to make sense of what the data is showing.

Table 12: Population of the BO Database by non-domestic entities as at December 31st 2022

		IBCs	TRUSTS	FOUNDATIONS	CSLs
Total Entities in good standing	Active (those in good standing)	59115	572	294	90
Total Population		54541	250	287	73
Total Compliance	Non-	457	322	7	17
Percentage Population		92.3%	43.7%	97.6%	81.1%

Percentage Non-Compliance	7.7 %	56.3%	2.4%	18.9%
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Population of Database by Non-Domestic Entities as at December 31st 2022

Table 13: Population of the BO database by domestic legal entities as at December 31st 2022.

	Companies	Associations
Cumulative Registered Entities	8973	790
Total Active Entities	7781	790
Total Population	2270	80
Percentage Population	29.2%	10.10%
Total Non-Compliance	5511	710
Percentage Non-Compliance	70.80%	89.90%

Population of Database by Domestic Legal Entities as at 31st December 2022

BO Awareness Sessions

All domestic entities under FIU’s supervision which includes domestic incorporated/registered companies, partnerships under the civil code and associations had until the 31st January 2022 to comply with the provisions of the Beneficial Ownership Act 2020.

A review of the statistics of domestic legal entities that had populated the database revealed that compliance with the obligation to populate the Seychelles BO database remains low on the

domestic side. Therefore, in the reporting period, from a risk-based perspective, it was decided to re-prioritize and focus time and resources in providing guidance to the domestic sector in order to secure improved compliance with the Beneficial Ownership Act, 2020 where compliance by the domestic sector lags behind. This was done through various physical and virtual interactions with different sectors. In the year 2022, FIU conducted nine (9) awareness sessions. (Refer to Annexure 3) The FIU continues to monitor the compliance data and in collaboration with other stakeholders such as the Registrar of Companies/Associations and our technical assistance partners is revamping its BO Awareness strategy to ensure we maximize the impact of our efforts.

BO Compliance Review

In October-November 2022, the FIU as the Competent Authority, under the BO Act, 2020, for companies incorporated or registered under the Companies Ordinance, 1972 conducted a series of onsite inspections to test the level of compliance of these legal persons to the following obligations:

1. Maintaining of the BO register at the principal place of business of the resident agent; and
2. Maintaining of duly completed BO declaration forms at the principal place of business of the resident agent;

Out of 7781 companies incorporated or registered under the Companies Act, a sample of fifty (50) companies were selected for the purpose of compliance testing, which were conducted through the support of their respective Resident Agents. Sampling was based on the following;

- i. Companies compliant with certain statutory filing obligations under the Companies Ordinance, 1972;
- ii. Companies having populated the BO Database;
- iii. Companies having submitted their annual return to the company registrar;
- iv. Companies holding a bank account with a domestic commercial bank;
- v. Companies registered with the Seychelles Revenue Commission;
- vi. The top 50 companies having the highest annual turnover, based on the Seychelles Revenue Commission database; and
- vii. Companies whose resident agent is a corporate body.

In order to validate the accuracy of information provided on the Register of Beneficial Owner from the sample of 50 companies, the FIU utilized a multi-pronged verification approach which involved the verification of beneficial ownership information/ evidence;

- a) obtained from the company registry;
- b) obtained from the central BO database;
- c) kept on the register of beneficial ownership, at the office of the Resident Agent;
- d) held by the legal person;
- e) maintained by the banks on the relevant legal person; and
- f) kept by the auditors of these companies

Following the onsite inspection companies and their respective Resident Agent were notified by letter, of the findings of the inspections. In instances where there were issues with the maintenance of the above listed documents, companies and its respective Resident Agent were instructed to rectify same within twenty-one (21) days of receipt of the letter. Below are the main findings of which required remedial action by the legal persons;

1. Incomplete BO register (missing information such as date, name of BO, address of BO, nationality of BO); (Total number of BO register with discrepancies -13)
2. BO declaration forms not being maintained;(Total number of beneficial ownership declarations being maintained at the principal place of business of the Resident Agent -41) and
3. BO declaration forms signed by third parties instead of the BO themselves. (Total number of BO declarations with discrepancies -12)

CHAPTER 5: MONITORING AND ANALYSIS

Continuous improvement in operational, tactical and strategic analysis

To ensure continuous improvement in monitoring and analysis, certain structural elements are required to be in place that cuts across several FAFT recommendations including inter alia technologies, wire transfers, reporting of suspicious transactions, tipping off and confidentiality and international cooperation. During the year, 2022 FIU has worked towards maintaining the necessitated standards with key achievements in Virtual Assets (“VA”) and Virtual Assets Service Providers (“VASPs”).

Threshold Reporting

The Third Schedule of the AML/CFT Act stipulate the reporting threshold for cash transactions, wire transfers, gambling sector and Bureau de Change. This is produced table 15x below.

Table 14: Reporting Threshold

Reporting threshold for cash transactions.	Every reporting entity shall report each transaction that is carried out by or through it involving cash transactions of SCR 50,000 or more or the equivalent money in the currency of other countries.
Reporting threshold applicable to wire transfers.	Every reporting entity shall report each wire transfer that is executed of SCR50,000 or more or the equivalent money in the currency of other countries.
Reporting threshold applicable to gambling sector.	All licenses within the gambling sector shall report all transactions of its customers involving SCR 20,000 or more.
Reporting threshold applicable to Bureau de Change.	Every Bureau de Change shall report all transactions of its customers involving SCR

5,000 or more or the equivalent money in the currency of other countries.

Pursuant to section 5 of the AML/CFT Act, all reporting entities have the obligation to submit a report to the FIU, for transactions that meet or exceed the prescribed threshold. The FIU received a total of 2193 threshold reports in 2022. This represented a near 15% increase in number of submitted reports compared to 2021. The threshold data is used in relevant strategic analysis works and enhances the operational analysis conducted by the FIU.

Bank and Non-bank financial institutions

The bank and non-bank financial institutions submit two (2) report types to the FIU, that is the Cash Transaction Threshold Report (“CTTR”) and the Wire Transfer Threshold Report (“WTTR”). For 2022, the FIU received 476 CTTRs and 372 WTTRs

Table 15: Cash Transaction Threshold Report (“CTTR”) and the Wire Transfer Threshold Report (“WTTR”).

	CTTR		WTTR	
	No. of reports	No. of transactions	No. of reports	No. of transactions
2021	473	75,580	343	90,655
2022	476	79,074	372	127,055

Bureau De Change

The FIU received 841 threshold reports from the Class A Bureau de Change (“BDC”) which is a 15% increase compared to the 2021 figures. It is to be noted that FIU was receiving reports from 12 class A BDCs in 2021, whereas in 2022 with a new entrant, 13 Class A BDCs were reporting.

Table 16: Bureau De Change threshold reporting

	No. of reports	No. of transactions

BDC Class A	2021	732	130,162
	2022	841	163,482
BDC Class B	2021	240	5,959
	2022	300	11,727

Motor Vehicle Dealers

For the reporting year, 12 cash threshold reports were received from 3 motor vehicle dealers.

Table 17: Motor Vehicle Dealers threshold reporting

	No. of reports	No. of transactions
2021	9	5
2022	12	10

Precious Metals and stones

The precious metal and stone sector started submitting cash threshold reports from the second half of 2021. For 2022, the FIU received 27 reports.

Table 18: Precious metals and stones threshold reporting

	No. of reports	No. of transactions
2021	6	19
2022	27	54

Gambling

The gambling sector submitted 165 reports in 2022, representing a 53% increase. However, it is to be noted that for the year under review, operations of the entities under this sector were not restricted compared to the previous two (2) years where activities were restricted due to the pandemic.

Table 19: Gambling Threshold reporting

	No. of reports	No. of transactions
2021	108	3,274
2022	165	7,496

Strategic Analysis

The FIU receives intelligence through its reporting regime and subsequently through its analysis can formulate reports of trends and patterns as it relates to money laundering and terrorist financing. The FIU obtained the assistance of a technical expert, who has been assisting in regards to the development and implementation of a capacity building programme to mentor the staff within FIU. The aim is to acquire the necessary analytical capacity and ultimately produce quality reports of money laundering and terrorist financing typologies and trends.

In accordance with its function under section 28 (5) (b) of AML/CFT Act, which relates to FIU's analysis function, the FIU conducted an elementary assessment of the data being captured on the BO database. The aim of the assessment was to gain a basic insight in respect to gaps and/or discrepancies in the information being populated onto the BO database. The assessment analysed the BO information in terms of its adequacy and relevance. It also entailed a comparison of the BO information against other data sets maintained by the FIU. The findings allowed the FIU and the relevant partners to better assess the benefits of having a central BO database. The findings were shared with the supervisory authorities and the National AML/CFT committee.

Suspicious Transaction Reports (STRs)

The Seychelles FIU is the national agency responsible for receiving, requesting, analyzing and disseminating financial intelligence as it relates to money laundering and the financing of terrorism. Suspicious Transaction Reports (“STRs”) and other disclosures are submitted to the FIU, either electronically or through physical means. For the year 2022, the FIU received a total of 212 STRs from the reporting entities.

Cases are prioritized on a risk-based approach. This allows the FIU to efficiently utilize its resources and at the same time deliver quality intelligence. Cases that are designated as high risk are allocated for further analysis, whereas cases which are rated as being low risk are kept in a centralized database and serve as a source of intelligence for future cases, request for information or strategic analysis.

Table 20: STRs

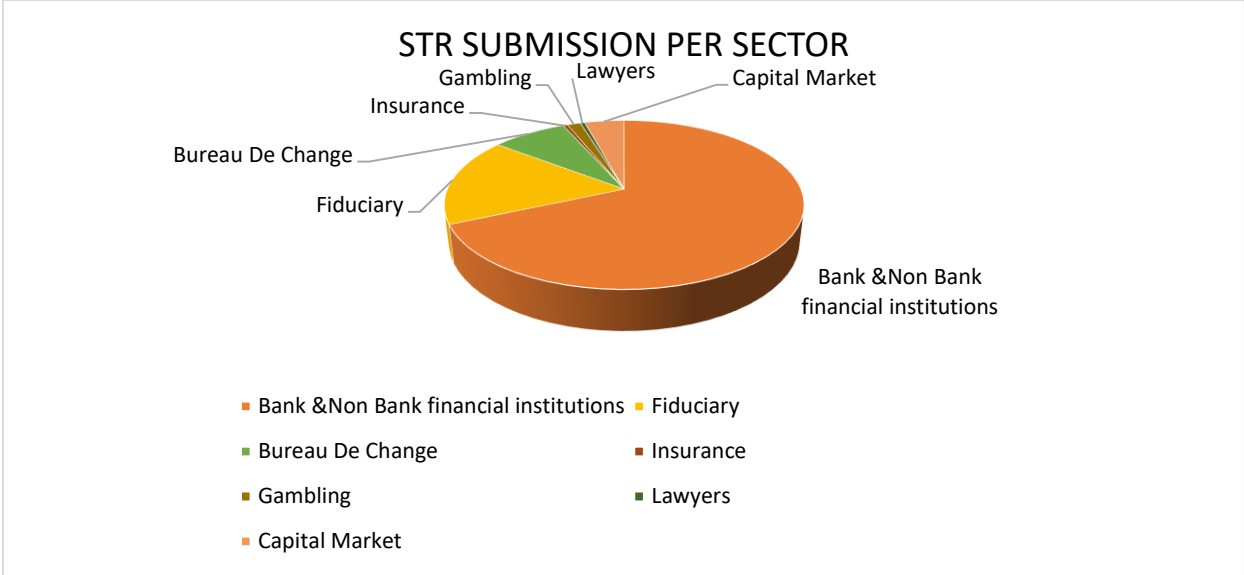
For review year, the FIU has seen a decrease from 275 STRs which were submitted in 2021 to 212 STRs in 2022.

STRs	2020	2021	2022
STRs Received	263	275	212
Other disclosures received	32	361	334

A total of 334 voluntary disclosures were received from international and domestic private entities and other government agencies. 83% of the disclosures received were international disclosures received in relation to virtual assets.

Number of STRs received per sector for the year 2022.

Figure 4: STR submission per sector



Similar to 2021 the main reporting sectors remains to be the bank and non-bank financial institutions and the fiduciary sector.

The FIU remains engaged with other supervisory and competent authorities to drive awareness and sensitization to improve the effectiveness of their monitoring framework as gatekeepers leading to improved reporting from other sectors.

Table 21: STR submission per sector

Sectors	Total
Banking Institution and non-bank financial institutions	145
Fiduciary	36
BDCs	17
Capital Markets	9
Casino	3
Lawyers	1
Insurance	1
Total	212

Reason for suspicion

Reporting entities are obligated to submit an STR to the FIU if they have reason to believe that a transaction or activity is related to a money laundering or terrorist financing or even any other criminal offences. It is therefore imperative that REs know their customers and ensure that they have adequate measures in place to detect such suspicious transactions or activities.

For 2022, 26% of STRs received were submitted on the basis of unusual cash deposits. These reports involved suspicions on the source of funds of multiple cash deposits or one-off large transactions to an account.

Money Laundering has been observed as the second most common reason for reporting. STRs in this category have been seen to involve multiple offences, hence why the REs term it as money laundering.

In the adverse media category, the majority of the STRs were submitted by ICSPs and were in relation to an adverse information found online, involving either the director, shareholder, beneficial owner of an entity or the entity itself.

As for the fraud cases, these included mostly internet frauds and financial scams.

Table 22: STRs: Reason for reporting

Reason for reporting	Total STRs
Unusual cash deposit	55
Money Laundering	37
Unusual account activity	26
Adverse Media	20
Fraud	17
Corruption	14
Failure to adhere to KYC requirements	10
Tax Evasion	9
Sanctioned Entity/Individual	5
Unusual exchange of cash	6
Drug trafficking	6

Avoiding reporting threshold	3
Known to LEA	2
Regulatory breach	2
Total	212

Outgoing – Domestic & International Disseminations

Following the analysis of the intelligence received through the various report forms, the FIU disseminates its findings to the various stakeholders. Pursuant to section 27 (1) (c) of the AML/CFT Act, the FIU disseminated 82 intelligence reports. This included 18 disseminations made to international counterparts and 64 to domestic counterparts. 24 cases where the analysis was completed since 2022 are yet to be disseminated.

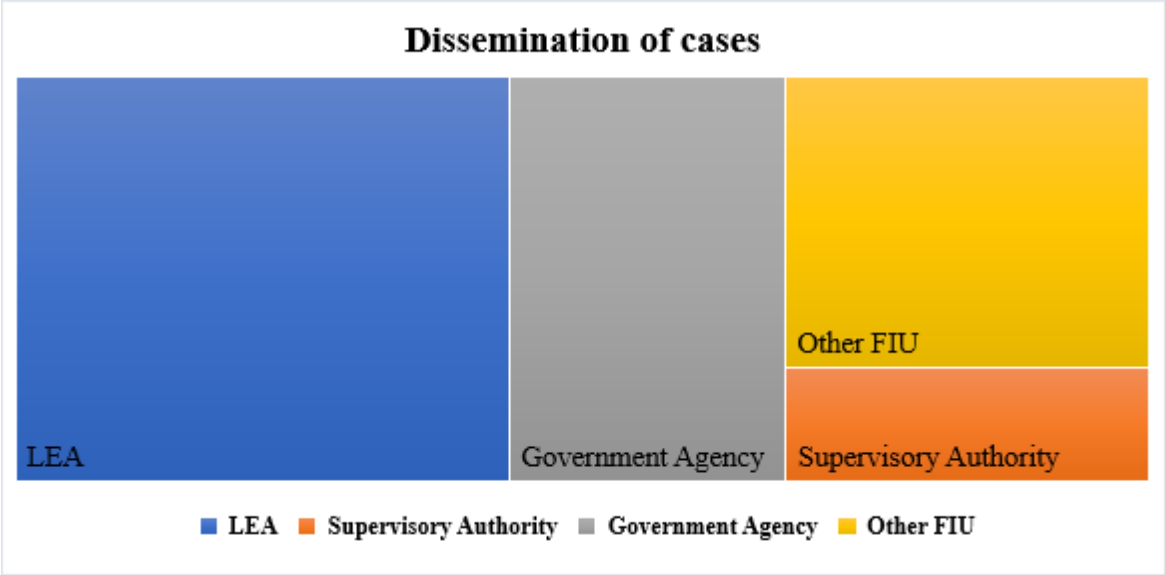
Table 23: Outgoing Domestic & International Disseminations

	2021	2022
Domestic disseminations	137	64
International disseminations	21	18

The disseminations were made to the following authorities:

- Local law enforcement agencies
- Supervisory authorities
- Government agencies
- Other FIUs

Figure 5: Dissemination of cases



Freezing of Accounts

The FIU exercised its powers under section 27 (d) and (e) on 19 accounts in 2022. The total value of the assets held by the related bank accounts can be seen in table 25x below:

Table 24: Freezing of accounts: Total value of the assets held by the related bank accounts

Number Bank Accounts	Currency	Total Value of Funds
7	EUR	126,003.47
2	GBP	499.25
1	SCR	50,809.34
9	USD	1,642,201.94

Information Exchange

As part of its function, the FIU exchanges information with its partners domestically and internationally. Information is shared either spontaneously or upon request. The FIU strives to provide quality information in a timely manner in order to assist in investigations for the prevention of ML/ TF. In 2022, the FIU received 200 domestic requests and 466 request for customer due diligence.

The FIU conducted sessions with the relevant partners in the last quarter of 2022 where it was conveyed how the FIU can provide assistance through request for information received from LEAs

and other competent authorities. Further emphasis was put on the quality of information that needs to be provided in a request for information in order to enable the FIU to better assist.

The FIU received 288 requests for information from international counterparts in 2022. These included requests from Egmont group members¹, FIUs which are not Egmont members and other international bodies.

In order to fulfill its mandate of analysis and dissemination the FIU also makes request for information to both domestic and international partners. For the review year the FIU made 5388 local requests and 42 international requests for information.

Table 25: Information Exchange

	2021	2022
Domestic request received	181	200
International requests received	130	288
Due diligence checks and enquiries request received		446
International dissemination received	42	18
Domestic Request sent	4174	5388
International requests sent	10	42

Virtual Assets (“VA”)

The FIU was part of the national risk assessment that was carried out in 2022 on Virtual Asset /Virtual Asset Service Provider (“VA/VASP”). The NRA was conducted with the aim to assess the money laundering and terrorist financing risk associated with having a virtual asset or virtual asset service provider sector in Seychelles. As per FATF Recommendation 15 countries should:

- a) identify and assess the money laundering and terrorist financing risks emerging from virtual asset activities and the activities or operations of VASPs;

¹ The Egmont Group is a united body of 166 Financial Intelligence Units (FIUs): FIUs are uniquely positioned to support national and international efforts to counter-terrorist financing. FIUs are also trusted gateways for sharing financial information domestically and internationally per global anti-money laundering and counter-financing of terrorism (AML/CFT) standards. The Egmont Group provides FIUs with a platform to securely exchange expertise and financial intelligence to combat money laundering, terrorist financing (ML/TF), and associated predicate offences.

- b) based on their understanding of their risks, apply a risk-based approach to ensure that measures to prevent or mitigate money laundering and terrorist financing are commensurate with the risks identified; and
- c) require VASPs to take appropriate steps to identify, assess, manage and mitigate their money laundering and terrorist financing risks, as required.

The result of the NRA rated the VA/VASP as being high risk. This result will be used to formulate the necessary policies and strategies regarding VA/VASP.

The FIU recorded a total of 276 voluntary disclosures which directly involved a virtual asset.

Figure 6: VA: Top 3 reasons for reporting



CHAPTER 6: COOPERATION, COORDINATION AND COLLABORATION

Building relationships to achieve our shared vision

The FIU has participated actively in national and international cooperation, coordination and collaboration initiatives with the aim of building strategic relationships. Such relationships are key in creating the necessary network to achieve the shared vision of protecting the global financial system against financial crimes.

MoU Signed

In 2022 FIU signed three (3) Memorandum of Understanding (“MoU”), two (2) international MoU with the Participants of the International Anti-Corruption Coordination Centre Associate (IACCC) and the Financial Intelligence Unit of the Republic of Mozambique; and one (1) domestic MoU with the Department of Environment, within the Ministry of Agriculture, Climate Change and Environment.

MoU with participants of the International Anti-Corruption Coordination Centre Associate (IACCC)

Pursuant to the international MoU, the FIU is now an associate member of the IACCC. This status will facilitate the ability of the FIU to securely communicate and exchange intelligence to assist with the development of grand corruption cases and in so doing, support the work of our domestic and international partners.

MoU with Financial Intelligence Unit of the Republic of Mozambique

The MoU with the Republic of Mozambique FIU establishes a basis for the development of an effective collaboration mechanism between the Authorities in the exchange of information and to improve the coordination and efficiency of cooperation efforts between the Authorities.

MoU with the Seychelles Ministry of Agriculture, Climate Change and Environment.

The local MoU with the Department of Environment came in response to the global call to action to increase our vigilance and response to the financial threats posed by the illegal wildlife trade. Broadly speaking, the MOU allows for cooperation and collaboration between the FIU and the Department in order to discharge their respective statutory mandates as well as international obligations.

National co-operation and coordination

FAFT Recommendation 2 requires countries to designate an authority or have a co-ordination or other mechanism that is responsible for national AML/CFT policies. Mechanisms should be in place to enable policy makers, the FIU, law enforcement authorities, supervisors and other competent authorities to co-operate, and where appropriate, co-ordinate and exchange information domestically with each other concerning the development and implementation of AML/CFT policies and activities. Such mechanisms should apply at both policymaking and operational levels. This has led Seychelles to establish the National Anti-Money Laundering and Countering the Financing of Terrorism Committee (“NAC”), supported by the Technical Anti-Money Laundering and Countering the Financing of Terrorism Committee (“TAC”), where FIU is an active participant on both platforms.

National Anti-Money Laundering and Countering the Financing of Terrorism Committee (“NAC”)

“NAC” as established in the AML/CFT Act, 2020 chaired by the Secretary of State for Finance constituted for seven (7) sittings in the year 2022. They discussed subjects including but not limited to;

- Seychelles technical compliance status to FAFT recommendations
- The National Risk Assessment (“NRA”)

- The AML/CFT Appeals Board
- Asset Management Unit

As prescribed by the AML/CFT Act, 2020 other members of the committee are;

- a) The Governor of Central Bank of Seychelles
- b) The Attorney-General
- c) The Commissioner of the Seychelles Police Force;
- d) The Registrar General;
- e) The Commissioner General of the Seychelles Revenue Commission;
- f) The Chief Executive Officer of the Financial Services Authority;
- g) The Chief Executive Officer of the Anti-Corruption Commission of Seychelles;
- h) The Director of the FIU and;
- i) The Director General for the Seychelles Intelligence Services.

Technical Anti-Money Laundering and Countering the Financing of Terrorism Committee (“TAC”)

The Technical Committee comprises of technical experts from the Central Bank of Seychelles, the Financial Intelligence Unit, the Financial Services Authority, the Office of the Attorney General, the Anti-Corruption Commission of Seychelles, the Office of the Registrar General, the Seychelles Intelligence Service, the Seychelles Police, the Seychelles Revenue Commission, the Ministry responsible for Finance, the Ministry responsible for Foreign Affairs, the Ministry responsible for Internal Affairs and the Seychelles Licensing Authority. TAC is chaired by the Deputy Director of the FIU and its primary objective is to supports NAC and its mandate. During the year 2022, the committee has provided technical support on the following;

- Preparation for the National Risk Assessment
- Review of the Beneficial Ownership Act and Regulations
- Seychelles re-rating application to the ESAAMLG which was submitted in September 2022
- NPO Risk Assessment
- VA/VASP Risk Assessment
- OECD Report

International commitments, coordination and collaboration

Seychelles application for re-rating report to ESAAMLG – September 2022

The AML/ CFT framework of Seychelles was assessed against the FATF 2013 Methodology and the 2012 FATF Recommendations in the Second Round of Mutual Evaluations conducted by ESAAMLG. The onsite component of the assessment took place between 20th November to 5th December, 2017. The Report (“MER”) was adopted by the ESAAMLG Council of Ministers in September, 2018.

Informed by the findings of the MER, and following Seychelles’ first National Risk Assessment (“NRA”) in 2018, all relevant stakeholders have been actively engaged to undertake reforms to the legal and regulatory framework and remediating the technical deficiencies and limitations identified in Seychelles’ AML/ CFT framework.

The FIU has been instrumental in coordinating Seychelles’ efforts towards improving its technical compliance with the FAFT recommendations and communicating these to the Eastern and Southern Africa Anti-Money Laundering Group (“ESAAMLG”). For yet another year, the country’s reporting obligations have been met with the latest re-rating report submitted in September 2022. The Seychelles is optimistic that in 2023, it will record improvement in its technical compliance ratings for Recommendations 5, 19, 25, 28 and 34.

Since the MER Seychelles has made significant progress in addressing the technical compliance deficiencies identified and the FIU is set to support Seychelles in becoming fully compliant with the FATF forty (40) technical recommendations. It is the national aspiration that in due course the country will become fully technically compliant and will therefore be able to progress to concentrating on compliance to the FAFT immediate outcomes (“IOs”) which are the benchmark against which the effectiveness of the country’s AML/CFT system is judged.

Seychelles’ second round review: Exchange of Information for tax purposes

FIU participated in Seychelles' second round review on the exchange of information for tax purposes, where FIU contributed in providing information on the availability of beneficial ownership and identity information with the aim of improving Seychelles' status from being partially compliant to compliant. FIU provided information on the administration of the BO Act and Regulations, 2020 and the BO Database and also made a presentation during the on-site visit which was held in December 2022. Seychelles will receive feedback on the Seychelles' status in 2023.

Collaboration with other agencies: OPTAC

Analysts from the FIU were seconded to an LEA for a period of six (6) months in the effort to enhance cooperation and exchange of information. Further, analysts have participated in various working groups with law enforcement and supervisory authorities, where the FIU has been able to provide its support through its analytical function and its network of international counterparts.

CHAPTER 7: 2022 SUCCESSES, CHALLENGES AND PRIORITIES FOR 2023

Major Achievements for 2022

Launched the beneficial ownership database for the domestic sector.

Designed the electronic platform for use by core function for recording feedback from stakeholder pertaining to intelligence report disseminated.

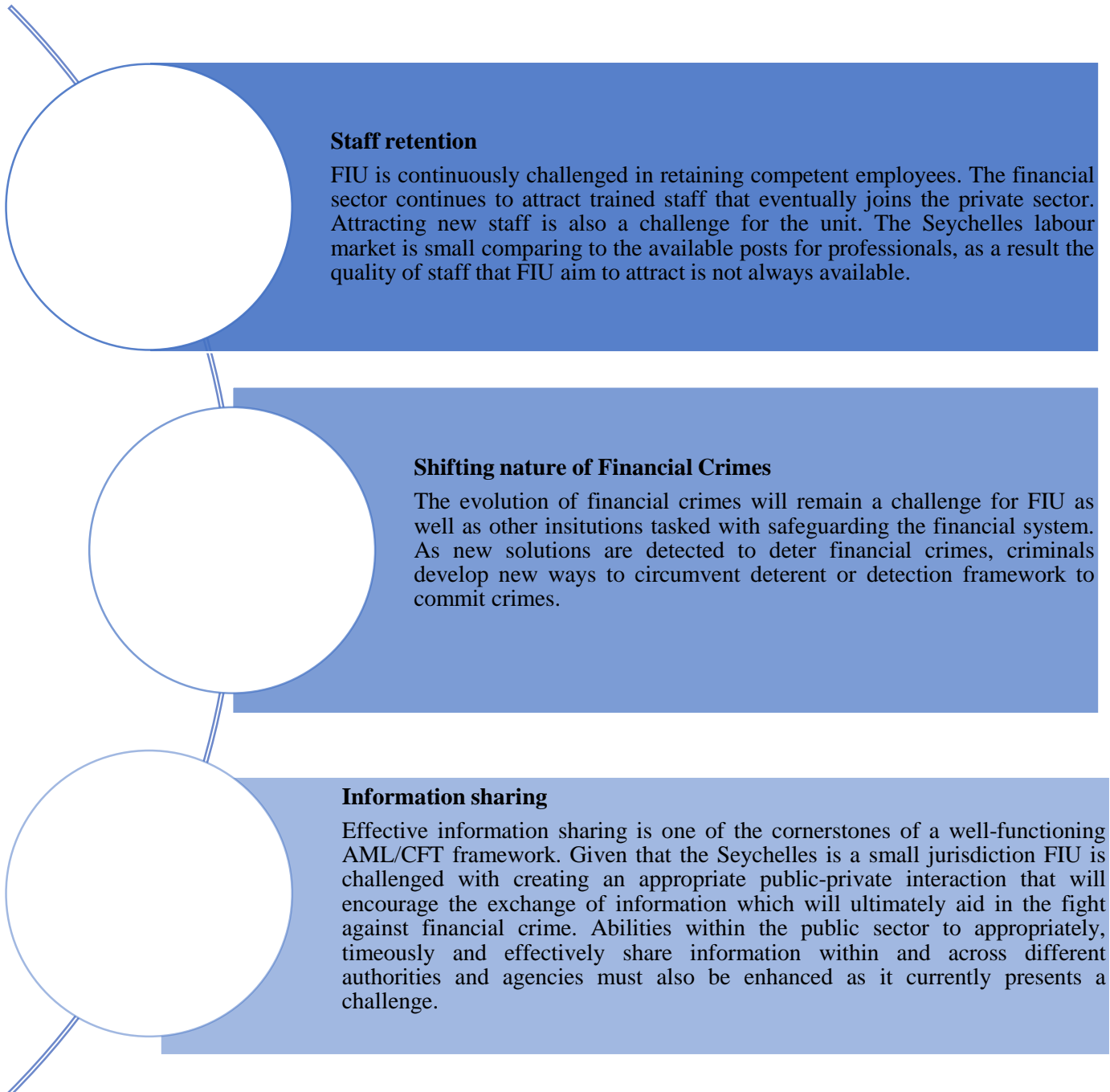
Reinitiated remote session with the UNODC consultant for configuration of the goAML platform for reporting.

Initiated the disaster recovery plan and continued with infrastructure upgrades to ensure that FIU is at par with the information security requirements set by the Egmont group.

Embarked on a technical assistance programme with the EU Global facility for AML/CFT to design and implement a new beneficial ownership database with all registry functions.

Participated in the ESA Regional grouping to finalize implementation of a secure platform for information exchange within the region.

2022 Challenges

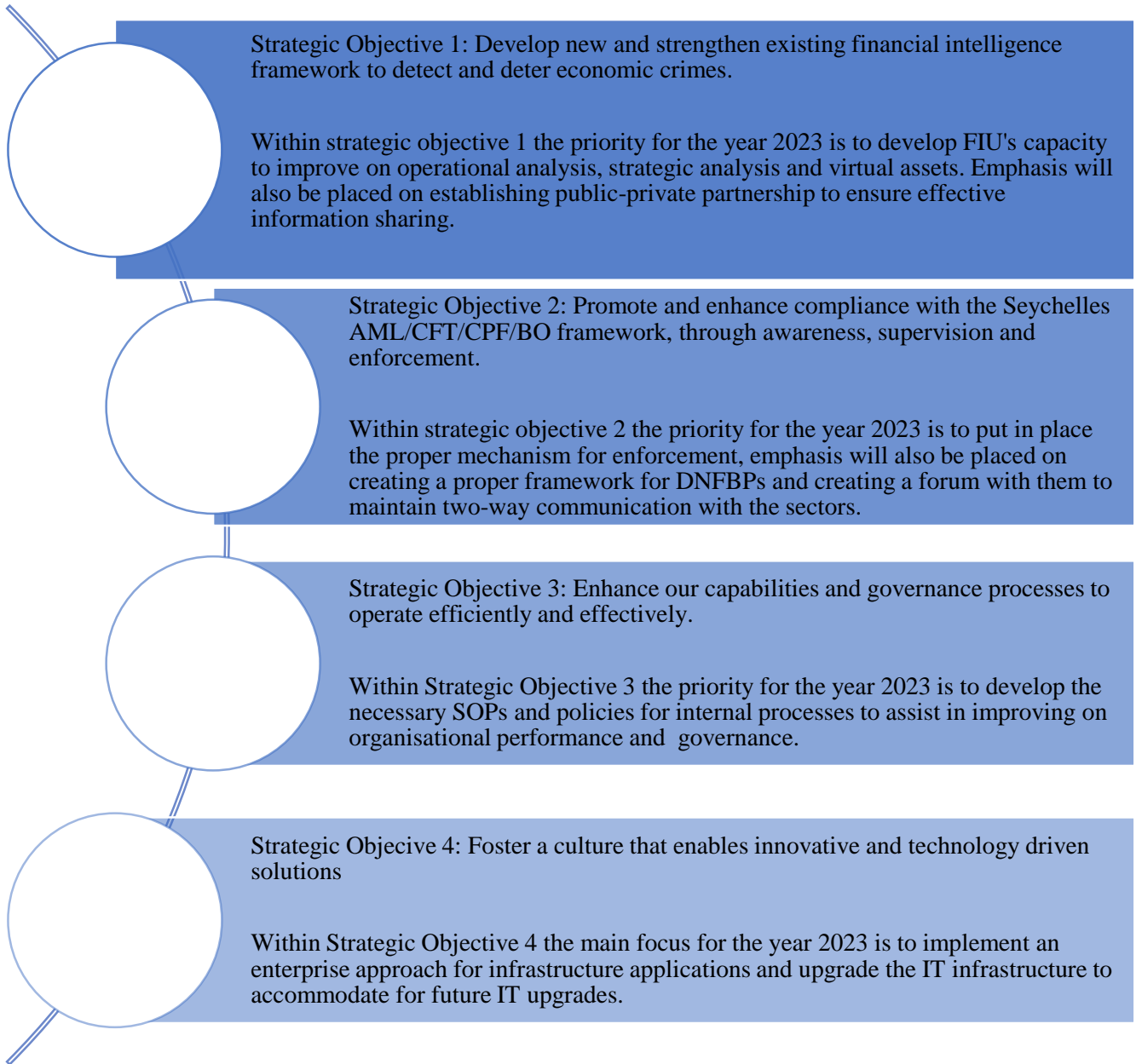


Priorities for the year 2023

In the year 2023 budget will be allocated to;

- producing timely and accurate financial intelligence reports to assist domestic partners in the national fight against illicit activities through enhanced detection and investigation of suspected offences.
- enhancing supervisory activities;
- developing strategies to attain suitable public-private partnership and high public-public coordination
- maintaining regional and international networking and;
- improving effectiveness and efficiency through modernization and innovation of our processes.

Strategic Priorities



ANNEXURE 1: Strategic Plan Review- 2019-2022

STRATEGIC PLAN REVIEW – 2019-2022		
Strategic pillar (s)	Planned Activities	Status
1. Robust system to detect and deter financial crime	1. A training programme for Financial Analysts to improve the level of tactical, operational and strategic analysis on information received to better identify possible indicators of financial crime.	Implemented.
	2. Partner with Foreign FIU's from mature jurisdictions to organize exchange programmes for FIU staff.	Implemented.
	3. Seek Technical Assistance (“TA”) from foreign counterparts to support the FIU with resident financial specialists to mentor staff and prepare training programmes for the transference of knowledge and skills.	Implemented.
	4. Develop protocols and interface to reinforce communications with LEAs and supervisory authorities and international partners to maximize appropriate dissemination and use of FIU's analytical products to detect AML/CFT activity, investigate financial crimes (including tax evasion), disrupt criminal activity, secure prosecutions and confiscate proceeds of crime.	Implemented.
	5. Engage with REs in a meaningful partnership, particularly in regards to improving the quality of STRs reporting, ML and TF typologies and emerging threats.	Implemented. Implemented.

	<ol style="list-style-type: none"> 6. Strengthen information exchanges and participation of the FIU in initiatives to meet national and international obligations. 7. Develop a coordinating mechanism for all the sectoral supervisors to coordinate domestically and effectively exchange information with other supervisors on supervisory approaches, supervisory expectations and supervisory actions, and other competent authorities where necessary, to continuously update the national understanding of ML/ TF and PF risk. 	Implemented.
2. Compliance and system culture	<ol style="list-style-type: none"> 1. Develop and implement a supervisory program providing for the application of risk-based supervision of relevant reporting sectors under the FIU’s purview. 2. Conduct risk-based independent or joint supervision both on the DNFBP and NPO sector. 3. Enforce timely and appropriate sanctions in cases of non-compliance in terms of the AMLA. 4. Design and deliver independent or joint outreach and awareness raising seminars on AML/CFT/CPF for all RE under the FIU’s regulatory purview. 	<p>Implemented.</p> <p>Implemented.</p> <p>Implemented.</p> <p>Implemented.</p>
3. Information communication Technology	<ol style="list-style-type: none"> 1. Secure financial resources to improve the FIU’s technology infrastructure to support its workforce and improve the quality of the material it receives and produces. 2. Introduce new analysis and monitoring tools to support proactive 	<p>Outstanding.</p> <p>Outstanding.</p>

	<p>identification of trends and patterns from information/ data received and disseminated.</p> <ol style="list-style-type: none"> 3. Install and implement a case management system to support operations. 4. Work with relevant LEAs to obtain access to key extrinsic data sources to support and enhance FIU's analytical functions. 5. Build capacity and skills of IT personnel to support the institution on critical applications or systems. 6. Employ technology to standardize system for electronic filling of reports, to improve the quality and speed of feedback and process for analysis and generating of statistical data to support the regulatory compliance process as well as management. 	<p>Outstanding.</p> <p>Outstanding.</p> <p>Implemented.</p> <p>Outstanding.</p>
<p>4. Strategic positioning</p>	<ol style="list-style-type: none"> 1. Review the AMLA through stakeholder engagement, to harmonize the new legislation for increased effectiveness and to improve reporting entities understanding of their AML obligation and compliance level within the jurisdiction. 2. Increase the visibility and presence of the FIU in Global fora such as Egmont group and ESAAMLG. 3. Engage with domestic stakeholders to deliver sensitization programme on AML related issue to create a culture of compliance within the jurisdiction. 	<p>Implemented.</p> <p>Implemented.</p> <p>Implemented.</p>

	<ol style="list-style-type: none"> 4. Reinvigorate the FIU to amplify domestic acuity by promoting effectiveness, institutional integrity, increasing cooperation and the quality of the FIU’s operational outputs. 5. Reshape and strengthen reporting entities relation with the FIU, through effective outreach, monitoring and supervision; and take timely and equitable enforcement action to redress cases of non-compliance. 6. Promoting the FIU through the use of information technology infrastructure to support its workforce. 	<p>Implemented.</p> <p>Outstanding.</p> <p>Outstanding.</p>
<p>5. An innovate, high-performing and diverse workforce</p>	<ol style="list-style-type: none"> 1. Review and revise the FIU’s operational structure to reflect its new vision, mission and strategic direction as the lead AML/CFT regulator in the country; 2. Develop a training and talent development strategy for FIU, through the conduct of an institutional capability and talent gap analysis; 3. Develop and implement a training and development programme to ensure that employees have the skills needed to achieve FIU’s mandate and mission; and to advance within the Divisions. 4. Promote innovative thinking at all staff levels to address evolution within the financial sector and methods to deter potential abuse. 5. Identify and address barriers to recruiting and retaining a diverse and 	<p>Implemented.</p> <p>Outstanding.</p> <p>Implemented.</p> <p>Implemented.</p> <p>Implemented.</p>

	<p>high performing workforce through the development of scheme of service for FIU staff.</p> <p>6. Strengthen the FIU’s internal communications, collaboration and ethical conduct across and within organizational functions and programs through the conduct of specialized training sessions.</p> <p>7. Set up performance management development system to clearly define and communicate performance expectations and formally evaluate employee performance.</p> <p>8. Set up relevant policies to promote and support sound operational and environmental practices.</p>	<p>Implemented.</p> <p>Implemented.</p> <p>Outstanding.</p>
Success rate	<i>22 Activities implemented out of 31 activities planned, the 9 activities that are outstanding are included in the 2023-2025 Strategic Plan.</i>	

ANNEXURE 2:

International Seminars, Workshops and Trainings - 2022

International Meetings	Initiative	Participants	Details
Trafficking in Human Beings and Smuggling of Immigrants (THB/SOM) Intelligence Sources		1	AML/THB Project (Virtual)
Cash at the border		4	HMRC (Mr. John Osborne and Mr. Tim Hooper) in Collaboration with Seychelles Revenue Commission (Physical)

Presentation of HMRC approach to Asset Recovery and Money Laundering investigations using a HMRC case study	4	HMRC (Mr. John Osborne and Mr. Tim Hooper) in Collaboration with Seychelles Revenue Commission (Physical)
Asset forfeiture and Money Laundering	1	ILEA in Gaborone, Botswana (Virtual)
Good governance in a digital and open trading environment” and Tax Transparency and Corruption	2	United Nations Office on Drugs and Crime, World Bank and African Tax Institute project (Virtual)
Criminal Intelligence Analysis & Mapping of THB/SOM Criminal Networks	3	European Union project (referred hereafter as AML/THB project) (Virtual)
Onsite Visit Technical Assistance and Mentoring on Anti-Money Laundering and Countering the Financing of Terrorism (“AML/CFT”) National Risk Assessment (“NRA”) of Virtual Assets (“VA”) and virtual Assets Service Providers (“VASP”)	2	Financial Services Authority (Physical)
Multi-stakeholder Meeting on Strategies to Prevent and Combat Organized Crime in Eastern and Southern Africa	2	United Nations Office on Drugs and Crime (UNODC) (Virtual)
Regional Workshop on Compliance with International and EU requirements Concerning the FAFT Recommendation 8	2	ESAAMLG Secretariat (Physical)
Workshop On Beneficial Ownership	2	EU AML/CFT Global Facility in collaboration with the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) and Financial Intelligence Centre (FIC), South Africa (Physical)
Trade-Based ML in the Ghoa: Analysis and Investigation-Meeting II	1	European Union project referred as AML/THB project (Virtual)
Cybercrimes investigation course	3	USA - ILEA in Gaborone, Botswana (Virtual)

Expert Working group- Formal and Informal cooperation between Anti-corruption LEA's	2	INTERPOL- Financial Crime and Anti-Corruption Centre-UK (Physical)
Anti-corruption LEA's – London, United Kingdom	1	United Nations Office on Drugs and Crime (Physical)
Disrupting criminal trafficking and smuggling networks through increased Anti-Money Laundering and financial investigation capacity in the Greater Horn of Africa	1	European Union project referred as AML/THB project (Physical)
USA Training-Asset Forfeiture and Money Laundering Course	1	USA - ILEA in Gaborone, Botswana (Physical)
Understanding of Terrorist Financing Risk in the Non-Profit Organisations (NPO) sector	2	UNOCT-UNCCT and ESAAMLG (Physical)
Systems Analysis of Drug Trafficking Networks along the Southern Route	2	UNODC ROEA jointly with the Afghan Opiates Trade Project (AOTP) and the Global Programme against Money Laundering, Proceeds of Crime and the Financing of Terrorism (GPML) (Physical)
Workshop on Introduction to Financial Investigations	4	UNODC in collaboration with German cooperation Mr. Hannes Jansen van Vuren (Physical)
Identification and Handling of Suspicious cash	7	UNODC Mr. Hannes Jansen van Vuren
Regional workshop on Beneficial Ownership	2	Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG), in collaboration with the European Union Anti-Money Laundering and Terrorism Financing Global Facility (EU Global Facility) and the South African Financial Intelligence Centre (FIC) (Physical)
International AML/CFT Standards/FATF Standards Course	9	World Bank Training (Physical)

Trusts Origin and Development	7	Michael Darwin (Physical)
FATF Training (STC 18)	2	FATF & ESSAMLG Secretariat (Physical)
Beneficial Ownership Course	1	Commonwealth Africa Anti-Corruption Centre (CAACC), Botswana (Physical)
Financial Investigations & Asset recovery for LEAs	1	COMESA (Physical)
Workshop on Best Practices and Mechanisms of Producing Quality Financial Intelligence	2	ESAAMLG Secretariat, in collaboration with Financial Reporting centre Kenya and GIZ (Physical)
i2 Analyst's Notebook I: Link and Case Charting and i2 Analyst's Notebook 2: Importing & Data Analysis	4	Intelligence Directorate, National Crime Agency, British High Commission, Addis Ababa, Ethiopia (Physical)
Strategic Approach & Risk Base Supervision (Gambling, Legal Professional & Accountants)	7	EU/GF

Domestic Seminars, workshops and training

Domestic Workshops and Trainings	Participants	Details
Use of Government Vehicles	1	Ministry of Finance (Physical)
Result Based Management (RBM) Phase 1	10	Guy Morel Institute in Partnership with PSB and Ministry of Finance
Result Based Management (RBM) Phase 2	8	Guy Morel Institute in Partnership with PSB and Ministry of Finance
Result Based Management (RBM) Phase 3	8	Guy Morel Institute in Partnership with PSB and Ministry of Finance
Result Based Management (RBM) Phase 4	2	Guy Morel Institute in Partnership with PSB and Ministry of Finance
Performance management	1	PSB in collaboration with Guy Morel institute

International Meetings

International Initiative Meetings	Participants	Details
Meeting of Egmont IT Professionals	4	Egmont Working & Regional Groups Meetings (Virtual)
Information Exchange Working Group	8	Egmont Working & Regional Groups Meetings (Virtual)
Technical Assistance and Training Working Group	8	Egmont Working & Regional Groups Meetings (Virtual)
Membership, Support and Compliance Working Group	2	Egmont Working & Regional Groups Meetings (Virtual)
Policy and Procedures Working Group	1	Egmont Working & Regional Groups Meetings (Virtual)
Technical assistance financed under the 11 th EDF TCF		FCG Germany and Project Director Ms. Milica Simin, alongside FIU's experts Mr. Marc-Andrew Alix and Ms. Stella Attakpah.
Facilitators Call - Public Private and Public- Public Partnerships Webinar	1	AGA Africa (Virtual)

Professional Qualifications

Qualifications	Participants	Details
International Diploma in Money Laundering	2	International Compliance Association (ICA) UK

ANNEXURE 3: BO Awareness Sessions

Date	Audience	Topic	Ownership	Mode
24/01/2022	Ministry of Investment, Entrepreneurship & Industry Includes all the top management of the Ministry and the Minister	Beneficial Act	Ownership	Virtual
09/02/2022	Ministry of Investment, Entrepreneurship & Industry Includes all the line staff of the different units of the ministry ESA, IEA, Secretariat and Policy Unit, SLA, SIB, SBS, Division of Science, Technology and Innovation	Beneficial Act	Ownership	Virtual
30/03/2022	CEPS including its members	Beneficial Act	Ownership	Face-to-Face
11/05/2022	National Arts and Crafts Council (NACC) All associations affiliated with NACC	Beneficial Act	Ownership	Face-to-face
20/05/2022	National Sports Council (NAC) All associations affiliated with NAC)	Beneficial Act	Ownership	Face-to-face
26/09/2022	Fisheries & Agriculture Associations	Beneficial Act	Ownership	Face-to-face
11/10/2022	Environmental NPOs	Beneficial Act	Ownership	Face-to-face
17/11/2022	Domestic Companies	Beneficial Act	Ownership	Face-to-face

ANNEXURE 4: List of MoU**NUMBER OF COOPERATION ARRANGEMENTS - FOREIGN AND LOCAL**

#	DESCRIPTION	NUMBER OF MOU														TOTAL
		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	
1	FOREIGN AUTHORITIES/ORGANISATIONS	0	0	0	2	5	5	1	1	2	4	1	2	2	2	26
2	LOCAL AUTHORITIES/ORGANISATIONS	1	0	0	0	0	0	1	0	0	0	0	4	2	1	9
		1	0	0	2	5	5	2	1	2	4	1	6	4	2	35

NUMBER OF COOPERATION ARRANGEMENTS WITH LOCAL AUTHORITIES

S. NO	NAME OF THE ORGANISATION	DATE OF MOU
1	Seychelles Revenue Commission	04-Jan-09
2	Financial Services Authority and Central Bank (Joint MOU)	6-Oct-2015 & 14-Oct-2015
3	Seychelles Licensing Authority	29-Dec-20
4	Anti- Corruption Commission of Seychelles	14-Aug-20
5	Seychelles Intelligence Service	17-Jul-20
6	AML/ CFT Supervisors	09-Feb-20
7	Seychelles Licensing Authority	5-Mar-21
8	Seychelles Maritime Safety Authority	29-Dec-21
9	Department of Environment	22-Dec-22

NUMBER OF COOPERATION ARRANGEMENTS WITH ORGANISATION IN OTHER COUNTRIES

S. NO	NAME OF THE ORGANISATION	COUNTRY	DATE OF MOU
1	Service de Renseignements Financiers de Madagascar	Madagascar	11-Feb-12
2	Financial Intelligence Centre Republic of South Africa	South Africa	14-May-12 & 23-May-12
3	Financial Reporting Centre of the Republic of Kenya	Kenya	9-Mar-13
4	Financial Intelligence Centre of the Republic of Namibia	Namibia	9-Jul-13
5	Financial Intelligence Unit, Mauritius	Mauritius	9-Mar-13
6	Financial Intelligence Unit of the Republic of the Republic Angola	Angola	9-Mar-13
7	Japan Financial Intelligence Center of the National Public Safety Commission of Japan	Japan	27-Jun-13 & 03-Jul-13
8	Federal Financial Monitoring Service (Russian Federation)	Russia	6-Apr-14
9	Australian Federal Police Force	Australia	23-May-14 & 31-May-14
10	Financial Intelligence Unit of the Republic of Zimbabwe	Zimbabwe	9-Apr-14
11	Financial Intelligence Centre of the Republic of Zambia	Zambia	9-Apr-14
12	Republic of Panama	Panama	14-Nov-14
13	Financial Intelligence Authority of the Republic of Uganda	Uganda	25-May-15
14	Belgian Financial Intelligence Processing Unit CTIF	Belgium	26-Sep-16
15	Commercial Affairs Department of the Singapore Police force	Singapore	20-Jul-17
16	Financial Transactions and Reports Analysis Centre of Canada	Canada	17-Oct-17 & 18-Dec-17
17	Financial Intelligence Unit of the Kingdom of Swaziland	Swaziland	4-Sep-18
18	Australian Transaction Reports and Analysis Centre	Australia	26-Sep-18
19	Financial Intelligence Unit of Eswatini	Eswatini	9-Apr-18
20	Financial Intelligence Agency Republic of Botswana	Botswana	9-Mar-18
21	Financial Monitoring Unit of Pakistan	Pakistan	23-Dec-19
22	Financial Intelligence Service of Republic of Djibouti	Djibouti	15-Jan-20
23	Bangladesh Financial Intelligence Unit	Bangladesh	29-Jan-20
24	Financial Intelligence Unit of the United Republic of Tanzania	Tanzania	23-Apr-2021 & 29-Apr-2021
25	GIZ (German international cooperation) with ESAAMLG FIUs	Germany	22-Nov-21
26	The International Anti-Corruption Centre Associate Membership Scheme	UNODC	22- Feb- 2022
27	The Financial Intelligence Unit of the Republic of Mozambique	Mozambique	27

