

Seychelles Introduces New IBC Act

October 2016

In August 2016 the Seychelles enacted a new International Business Companies (IBC) Act to replace the IBC Act of 1994. The new Act was passed in order to align the Seychelles with current international standards.

The new Act is effective from 1 December 2016. From this date all new Seychelles IBCs must comply with the provisions of the legislation. Companies formed prior to 1 December will have a grace period of one year to comply with the new Act.

The key changes introduced by the legislation are summarised below. Of particular note are the new requirements for Registers of Directors and of Beneficial Owners to be kept by Registered Agents and the amended requirements for the filing of Annual Returns.

Key Changes

New Reporting and Record-Keeping Requirements

- Introduction of a Register of Beneficial Owners (BO Register) to be kept at the Registered Office of the company in Seychelles. This information is not accessible to the public but may be accessed by the Seychelles regulator.
- Requirement to keep the original (not a copy) Register of Directors at the company's Registered Office and to file a copy of the Register of Directors with the Seychelles Registrar. The requirement to file copies of the Register of Directors with the Registrar does not become active until 1 December 2017. The Registrar's Register of Directors will become available to the public from 1 December 2018.
- Optional registration of the company's Register of Members and Register of Beneficial Owners with the Registrar.
- Provisions to allow for the optional filing of annual financial statements with the Registrar.
- The new Act requires a company to keep a Register of Charges at its Registered Office and provides for optional registration of charges with the Registrar.
- The content of Annual Declarations for IBCs has been amended to specify that declarations must be provided only in relation to records that are not required to be kept in Seychelles (i.e., accounting records, minutes and resolutions). Declarations in relation to records that are kept in the Seychelles (e.g., Register of Directors) are not required.
- A company that fails to furnish its Annual Return will be liable to a fixed penalty fee of \$500. If a company provides a false or misleading return, it may be fined up to US\$5,000.

Amendments to Scope of Activities

- Extension of the list of prohibited IBC activities to cover securities, mutual funds and gambling, unless such IBCs are licenced under specific Acts or in a jurisdiction outside of Seychelles.
- IBCs are now allowed to be Protected Cell Companies (PCCs).

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Other Administrative Changes

- No requirement to specify the objects of the company in the Memorandum.
- More comprehensive provisions have been introduced relating to shares, including (among others) detailed provisions relating to: (i) issue of shares, (ii) no par value shares, (iii) optional pre-emptive rights, (iv) transfer of shares, (v) distributions, (vi) redemptions and company purchase of own shares, and (vii) forfeiture of shares.
- Requirement for the first director(s) to be appointed within nine months of the date of the company's incorporation.
- Reduction in the time it takes to strike off a defaulting company from 180 days to 90 days.
- Provisions to enable an application to the Court for an order for the restoration of dissolved companies within five years of dissolution.
- Permitted IBC name suffixes denoting limited liability have been reduced to only: "Limited", "Corporation" or "Incorporated" or the abbreviations "Ltd", "Corp", "Inc" (or PCC for protected cell companies).

For more information on the new Act, please contact [Bernard Domingue](#) in our Seychelles office or your usual Trident Trust representative.

Our Key Facts on Seychelles IBCs and CSLs are available on the Seychelles page of the Trident Trust website.

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