

# Seychelles

Rank: #49

Seychelles is responsible for 0.37% of the world's corporate tax abuse risks.

CTHI Value: 166

Haven Score: 68.5



How much scope for corporate tax abuse the jurisdictions's tax and financial systems allow. 0 means no scope, 100 means unrestrained scope.

Global Scale Weight: 0.014%



How much of the financial activity conducted by multinational corporations around the world is hosted by the jurisdiction.

The jurisdiction's CTHI value (Corporate Tax Haven Index value) is a measure of how intensely the jurisdiction enables multinational corporations to abuse corporate tax. The jurisdiction is ranked on the index by its CTHI value.

A jurisdiction's CTHI Value is calculated by first grading its tax and financial systems with a Haven Score out of 100 where a zero means the jurisdiction's laws allow no scope for corporate tax abuse and a 100 means they allow unrestrained scope. The jurisdiction's Haven Score is then combined with its Global Scale Weight, ie the volume of financial activity conducted in the country by multinational corporations, to calculate how much corporate financial activity the jurisdiction puts at risk of corporate tax abuse.

A higher CTHI value does not mean a jurisdiction has more aggressive tax laws, but rather that the jurisdiction's laws and its position in the global economy combine to create a greater risk of corporate tax abuse by multinational corporations.

## Haven Score breakdown



68.5

### LOWEST AVAILABLE CORPORATE INCOME TAX

Haven Indicator 1: LACIT ▲



100

This indicator identifies the lowest available corporate income tax rate (LACIT) for any large for-profit company that is tax resident in a country. It takes the statutory corporate income tax rate only as a starting point to analyse legal gaps and loopholes that result in lower accessible rates. The scoring of Haven Indicator 1 is computed by scaling that LACIT rate against the spillover risk reference rate of 35% (the highest available corporate income tax rate in a democracy).

ID 505 — Statutory corporate income tax rate ▲

**Question:** Statutory-CIT-Rate: What is the statutory CIT rate reported by the OECD (or alternatively by IBFD or KPMG)?

**Answer:** 30 %

**Notes:**

- The general income tax rate for companies in Seychelles is 25% on the first SCR 1,000,000 (approximately USD 48,460), and 30% on the income above SCR 1,000,000 (IBFD 2020d). Given that for this indicator we focus on the largest businesses, we consider the highest amount of income and thus the higher rate as the one applied for this indicator.

**Sources:**

- IBFD 2020d [↗](#)
- [https://stats.oecd.org/Index.aspx?DataSetCode=CTS\\_CIT](https://stats.oecd.org/Index.aspx?DataSetCode=CTS_CIT)
- OECD Stats 2020a [↗](#)

ID 506 — Corporate income tax rate: Correction for size of company ▲

**Question:** CIT-Rate-Correction-Size: What is the deviating CIT rate, if any, applicable to the largest companies in the jurisdiction?

**Answer:** Not applicable

**Notes:**

- The general income tax rate for companies in Seychelles is 25% on the first SCR 1,000,000 (approximately USD 48,460), and 30% on the income above SCR 1,000,000 (IBFD 2020d). Given that for this indicator we focus on the largest businesses, we consider the highest amount of income and thus the higher rate as the one applied for this indicator.

**Sources:**

- IBFD 2020d [↗](#)
- [https://stats.oecd.org/Index.aspx?DataSetCode=CTS\\_CIT](https://stats.oecd.org/Index.aspx?DataSetCode=CTS_CIT)
- OECD Stats 2020a [↗](#)

ID 507 — Corporate income tax rate: Correction for sectoral exemptions ▲

**Question:** CIT-Rate-Correction-Sector: What is the lowest deviating CIT rate, if any, applicable to companies in jurisdictions exempting a broad range of sectors (at least four full and/or eight partial exemptions)?

**Answer:** Not applicable

**Notes:**

- In 2019 Seychelles exempted companies engaging in a broad range of sectors, including business services, professional and technical services, banking and insurance, accommodation, food and recreation. Given these exemptions for active economic sectors constituted more than 4 full exemptions, in accordance with the CTHI methodology we applied the lowest deviating CIT rate. However, as of September 2020, three of the full exemptions for active economic sectors were abolished with a grandfathering provision applying until June 2021 (OECD HTP 2019a). Thus,

given that the grandfathering provision ends within the year of the index publication, we consider that these three exemptions are no longer relevant for this indicator (for more details see below in Haven Indicator 5).

**Sources:**

- OECD HTP 2019a [↗](#)

ID 541 — Corporate income tax rate: Correction for subnational regions [▲](#)

**Question:** CIT-Rate-Correction-Regions: What is the lowest deviating CIT rate, if any, applicable in the political subdivision/subnational region with the lowest CIT rate?

**Answer:** Not applicable

ID 542 — Corporate income tax rate: Adjustment for retention or distribution [▲](#)

**Question:** CIT-Rate-Adjustment-Retention: What is the lowest deviating CIT rate, if any, applicable to distributed or retained profits?

**Answer:** Not applicable

ID 543 — Corporate income tax rate: Adjustment for specific type of company [▲](#)

**Question:** CIT-Rate-Adjustment-Type: What is the lowest deviating CIT rate, if any, applicable to specific types of companies?

**Answer:** 25 %

**Notes:**

- The rate for companies listed in the Seychelles securities exchange is 25% (IBFD 2020d) and given this rate does not apply only to specific sectors and it is lower than the statutory rate, we consider this rate to apply in this case.
- International business companies (IBCs) were tax exempt on their income for the first 20 years following incorporation, and usually continued thereafter unless a written law provides otherwise (Sections 361-363 of the IBC Act of 2016; IBFD 2020d, IBFD 2018d). However, the January 2019 update to the Harmful Tax Practices - 2017 Progress Report on Preferential Regimes (OECD HTP 2019a) indicates that this regime has been abolished without providing any grandfathering provision. While the corporate tax rate for Special License Companies (SLCs) on the global taxable income is 1.5% and a grandfathering provision applies until June 2021 (OECD HTP 2019a), this regime applies only to specific sectors (namely the business services, professional and technical services and banking and insurance) and is thus covered under haven indicator 5.

**Sources:**

- OECD HTP 2019a [↗](#)

ID 544 — Corporate income tax rate: Adjustment for territorial tax base [▲](#)

**Question:** CIT-Rate-Adjustment-Territorial: What is the lowest deviating CIT rate, if any, applicable to active business income from foreign sources?

**Answer:** 0 %

**Notes:**

- The income tax system used in Seychelles is based on the territoriality principles, making foreign-source income not subject to tax (IBFD 2020d).

**Sources:**

- IBFD 2020d [↗](#)

ID 545 — Corporate Income Tax Rate: Adjustment for tax rulings [▲](#)

**Question:** CIT-Rate-Adjustment-Rulings: What is the lowest deviating CIT rate, if any, derived from documented cross-border unilateral tax rulings issued by the authorities in the jurisdiction?

**Answer:** Not applicable

ID 587 — Corporate tax residency scope [▲](#)

**Question:** Corporate tax residency scope: Do the domestic rules for corporate tax residency include as tax resident at least all locally incorporated companies?

**Answer:** INC: Yes, at least all locally incorporated companies are considered tax resident.

**Notes:**

- Seychelles deems tax residents those companies that are: i) incorporated or established in Seychelles; or ii) those managed and controlled by Seychelles residents (IBFD 2020d; 1.1.5.).

**Sources:**

- IBFD 2020d [↗](#)

## LOOPHOLES AND GAPS

Haven Indicator 2: Foreign Investment Income [▲](#)

100

This indicator assesses whether a country includes worldwide capital income in its corporate income tax base and if its domestic law grants unilateral tax credits for foreign tax paid on certain foreign capital income.

ID 555 — Double taxation relief, dividends, related parties [▲](#)

**Question:** \*Legal Person, Resident, Related Party: Dividends

**Answer:** Exemption.

**Notes:**

- Seychelles operates a territorial tax system and only taxes domestic source income (IBFD 2020d: 6.1.1).

**Sources:**

- [IBFD 2020d](#)

#### ID 554 — Double taxation relief, royalties ▲

**Question:** Legal Person, Resident: Royalties

**Answer:** Exemption.

**Notes:**

- Seychelles operates a territorial tax system and only taxes domestic source income (IBFD 2020d; 6.1.1., 6.1.4.).

**Sources:**

- [IBFD 2020d](#)

#### ID 553 — Double taxation relief, interest ▲

**Question:** \*Legal Person, Resident: Interest

**Answer:** Exemption.

**Notes:**

- Seychelles operates a territorial tax system and only taxes domestic source income (IBFD 2020d: 6.1.1., 6.1.4.).

**Sources:**

- [IBFD 2020d](#)

#### ID 552 — Double taxation relief, dividends, independent parties ▲

**Question:** \*Legal Person, Resident, Independent Party: Dividends

**Answer:** Exemption.

**Notes:**

- Seychelles operates a territorial tax system and only taxes domestic source income (IBFD 2020d: 6.1.1.).

**Sources:**

- [IBFD 2020d](#)

### Haven Indicator 3: Loss Utilisation ▲

13

This indicator measures whether a jurisdiction provides loss carry backward and/or unrestricted loss carry forward for ordinary and trading losses. Capital losses fall outside the scope of this indicator.

#### ID 509 — Loss carry backward ▲

**Question:** Loss Carry Backward: Does the jurisdiction allow loss carry backward?

**Answer:** No

**Notes:**

- In Seychelles, loss carry-backward is not allowed (IBFD 2020d: 1.5.1.).

**Sources:**

- [IBFD 2020d](#)

#### ID 510 — Loss carry forward ▲

**Question:** Loss Carry Forward: Does the jurisdiction restrict loss carry forward independent of change of ownership?

**Answer:** Yes, loss carry forward is available with a time limit of up to 5 years but there is no annual ceiling.

**Notes:**

- In Seychelles, loss carry forward is available for 5 consecutive fiscal years. There is no annual ceiling (IBFD 2020d: 1.8.1.).

**Sources:**

- [IBFD 2020d](#)
- <https://www.src.gov.sc/resources/Legislations/Business%20Tax%20Act%202009.pdf>

### Haven Indicator 4: Capital Gains Taxation ▲

57

This indicator measures the extent to which a jurisdiction taxes corporate capital gains arising from the disposal of domestic and/or foreign securities (i.e. shares and bonds). As such, it assesses the lowest available tax levied on corporate capital gains, applicable for large for-profit corporations which are tax resident in the jurisdiction, irrespective of whether the capital gains are taxed as part of corporate income tax or as part of another type of tax, such as wealth tax or an independent capital gains tax.

#### ID 513 — Domestic securities capital gains taxation ▲

**Question:** Domestic Securities Capital Gains Taxation: What is the lowest available capital gains tax rate arising from disposal of domestic securities applicable for large "for profit" companies which are tax resident in the jurisdiction?

**Answer:** 30 %

**Notes:**

- There is no separate capital gains tax; income from the disposal of domestic securities is treated as part of business income (IBFD 2020d: 1.4. and 1.6.1.). Because the general CIT rate for companies with income above 500 000 EUR/GBP/USD is at 30% (ibid.: 1.6.1.), we consider that such rate applies for domestic capital gains.
- Special License Companies (SLCs)- which their capital gains -either from domestic or foreign sources were tax exempted- will be abolished once the grandfathering rules that enable these companies to exist until 30 June 2021 (EU Code of Conduct 2018: 10; OECD HTP 2020: 11) will expire. Thus, we no longer consider these companies for this indicator.

**Sources:**

- [IBFD 2020d](#)
- [OECD HTP 2020: 11](#)

## ID 514 — Foreign securities capital gains taxation ▲

**Question:** Foreign Securities Capital Gains Taxation: What is the lowest available capital gains tax rate arising from disposal of foreign securities applicable for large "for profit" companies which are tax resident in the jurisdiction?

**Answer:** 0 %

**Notes:**

- According to IBFD (2020d: 6.1.1.), foreign source capital gains are not subject to tax.

**Sources:**

- [IBFD 2020d](#)

## Haven Indicator 5: Broad Exemptions ▲

81

This indicator measures the availability of broad exemptions from corporate income tax (CIT). It covers exemptions applicable to companies engaged in specific activities or sectors.

## ID 524 — Real estate investment sector tax exemption (passive) ▲

**Question:** Real Estate Investment (passive): Are there any (partial) tax exemptions applicable to collective investment companies investing in real estate?

**Answer:** Full: Yes, there are full tax exemptions.

**Notes:**

- With regards to companies licensed as investment funds under the Mutual Fund and Hedge Fund Act (see note under ID 525), there is no indication whatsoever that the assets of a fund exclude real property. On the contrary, various provisions include "other assets" in addition to securities, with regards to assets held by the licensed fund or licensed fund administrator (Mutual Fund and Hedge Fund Act 10 of 2008, amended 2018: Sections 15, 18 and 22). In addition, licensed funds and licensed fund administrators are exempt from the prohibition for non-Seychellois from leasing immovable property in Seychelles (ibid. Schedules 9 and 10, Column 1.2). Also, licensed funds and fund administrators are exempt from the payment of stamp duty on all transfers of property "except for transfers of or interests in immovable property within Seychelles" (ibid. Schedules 9 and 10, Column 1.4). These provisions clearly indicate that tax-exempt "licensed funds" are allowed to invest in real estate. For this reason, we consider that full CIT exemptions are available in the real estate investment sector.
- According to IBFD (2020d: 1.6.1.), residential rental activities are taxed at 3% of gross income. We consider this a partial exemption in the real estate investment sector.
- [Disregarded] IBFD mentions a lower tax rate (3%) applicable to non-resident companies engaged in residential real estate leasing activities (IBFD 2020d: 6.2.1.). However, in Seychelles, foreign companies managed and controlled by residents (including a resident trustee of a foreign trust) are considered tax residents of Seychelles (IBFD 2020d: 1.2.1.). Thus, because residency requirements have an appropriate scope, and the above-mentioned regime only concerns non-residents, we disregard this (partial) exemption for the purposes of this indicator.

**Sources:**

- [IBFD 2020d](#)
- <https://seylil.org/sc/legislation/act/2008/10>
- <https://seylil.org/sc/ACT%2019%20OF%202018.PDF>
- <https://seylil.org/sc/legislation/si/2018/88/S%201%2088%20OF%202018.PDF>

## ID 525 — Financial investment sector tax exemption (passive) ▲

**Question:** Other Investment (passive): Are there any (partial) tax exemptions applicable to collective investment companies investing in assets other than real estate?

**Answer:** Full: Yes, there are full tax exemptions.

**Notes:**

- Pursuant to the Mutual Fund and Hedge Fund Act (Act 10 of 2008, amended 2018), licensed funds are wholly exempt from the application of the Business Tax Act (ibid. Section 31(1) and Schedule 9). Such exemption is "shall remain in force for a period of twenty years from the date of commencement of this Act and shall continue in force thereafter unless or until expressly repealed or amended by a written law" (ibid. Section 31(2)). Licensed fund administrators are partially exempt from the application of the Business Tax Act, as their tax liability is limited to the payment of mutual fund license and annual renewal fees (ibid. Section 32(1) and Schedule 10). The 2018 amendment of the Mutual Fund and Hedge Fund Act merely modifies section 32(1) and (3), relative to licensed fund administrators, ensuring that the tax concession only applies "if the licensed fund administrator meets the substantial activity requirements" (Mutual Fund and Hedge Fund (Amendment) Act, 2018: Section 2(b)). Both "licensed funds" and "licensed fund administrators" may take the form of "companies incorporated in Seychelles or a recognized jurisdiction" (Mutual Fund and Hedge Fund Act 10 of 2008, amended 2018: Section 3(2) and Section 11). Thus, we consider that full corporate income tax exemptions apply to companies engaged in financial investment.
- [Disregarded] Various types of business activity may be licensed under the Companies (Special License) Act of 2003 (CSLA) and be subject to a 1.5% tax rate on worldwide profits. (IBFD 2019d : 1.6.1.) Among such activities, 'investment companies' can be subject to that lower rate (Schedule 1, CSLA). However, the regime will apply only until June 30, 2021 (IBFD 2020b: 1.6.1.; OECD HTP 2019). Given that the legal change (that abolished the exemption) will be effective before the next edition of the Corporate Tax Haven Index (2023), we consider that this benefit (the partial tax exemption for Special License Companies) has been abolished.

**Sources:**

- [IBFD 2020d](#)
- [https://www.wto.org/english/thewto\\_e/acc\\_e/syc\\_e/WTACCSYC34\\_LEG\\_2.pdf](https://www.wto.org/english/thewto_e/acc_e/syc_e/WTACCSYC34_LEG_2.pdf)
- <https://www.fsaseyelles.sc/wp-content/uploads/2018/12/Mutual-Fund-Hedge-Fund-Act-2008.pdf>
- <https://seylil.org/sc/legislation/act/2008/10>
- <https://seylil.org/sc/ACT%2019%20OF%202018.PDF>
- <https://seylil.org/sc/legislation/si/2018/88/S%201%2088%20OF%202018.PDF>
- <https://sterlingoffshore.com/knowledge-base/offshore-investment/seychelles-mutual-funds-and-hedge-funds-offshore-investment-fund/>

## ID 526 — Extractive sector tax exemption ▲

**Question:** Extractives (active): Are there any (partial) tax exemptions applicable to companies active in the extractives sector (oil, gas, mining)?

**Answer:** None: No, there are no specific exemptions.

**Sources:**

- [IBFD 2020d](#)

#### ID 527 — Agriculture and farming sector tax exemption ▲

**Question:** Agriculture and farming (active): Are there any (partial) tax exemptions applicable to companies active in the agricultural and farming sector?

**Answer:** None: No, there are no specific exemptions.

**Notes:**

- [Disregarded] Although IBFD (2020d: 1.7.1.) mentions tax incentives under the Agriculture and Fisheries (Incentives) Act of 2005 (AFIA), legislation made available through the website of the Seychelles Legal Information Institute clearly indicates that the AFIA has been repealed effective January 1st 2015 ([seylil.org](http://seylil.org)). There is no indication that the 2014-enacted Fisheries Act (Act 20 of 2014) offers any type of corporate income tax exemptions (*ibid.*). Thus, we disregard exemptions under the AFIA for the purposes of this indicator.
- [Disregarded] Agriculture and fishery activities are exempt up to SCR 250 000 (under USD 14 000). We disregard this exemption because it applies to "small companies" (under USD/EUR/GBP 10 M turnover and/or under USD/EUR/GBP 500 000 in annual income).

**Sources:**

- [IBFD 2020d](#)
- <https://seylil.org/sc/sc/legislation/Act%2022%20of%202014%20Agriculture%20and%20Fisheries%20%28Incentives%29%20%28Repeal%29%20Act%20of%202014.pdf>
- <https://seylil.org/sc/sc/legislation/Act%2020%20of%202014%20Fisheries%20Act%2C%202014.pdf>

#### ID 528 — Manufacturing sector tax exemption ▲

**Question:** Manufacturing (active): Are there any (partial) tax exemptions applicable to companies active in the manufacturing sector?

**Answer:** None: No, there are no specific exemptions.

**Sources:**

- [IBFD 2020d](#)

#### ID 529 — Construction sector tax exemption ▲

**Question:** Construction (active): Are there any (partial) tax exemptions applicable to companies active in the construction sector?

**Answer:** None: No, there are no specific exemptions.

**Sources:**

- [IBFD 2020d](#)

#### ID 530 — Infrastructure sector tax exemption ▲

**Question:** Infrastructures (active): Are there any (partial) tax exemptions applicable to companies active in the infrastructures sector?

**Answer:** None: No, there are no specific exemptions.

**Sources:**

- [IBFD 2020d](#)

#### ID 531 — Transportation and storage sector tax exemption ▲

**Question:** Transportation and storage (active): Are there any (partial) tax exemptions applicable to companies active in the transportation and storage sector?

**Answer:** None: No, there are no specific exemptions.

**Notes:**

- [Disregarded] IBFD mentions a lower tax rate (3%) applicable to non-resident companies engaged in shipping or air transport activities (IBFD 2020d: 6.2.1.). However, in Seychelles, foreign companies managed and controlled by residents (including a resident trustee of a foreign trust) are considered tax residents of Seychelles (IBFD 2020d: 1.2.1.). Thus, because residency requirements have minimum safeguards (at least all locally incorporated companies are considered tax residents, see ID 587), and the above-mentioned regime only concerns non-residents, we disregard this (partial) exemption for the purposes of this indicator.

**Sources:**

- [IBFD 2020d](#)

#### ID 532 — Distribution sector tax exemption ▲

**Question:** Distribution (active): Are there any (partial) tax exemptions applicable to companies active in the distribution sector?

**Answer:** Partial: Yes, there are partial tax exemptions.

**Notes:**

- Companies engaged in import/export and operating "exclusive shop outlet", or duty-free shops, are taxed under an alternative regime (IBFD 2020d: 1.6.1.). Such companies are taxed at 12% on the total business turnover (*ibid.*). Thus, we consider that these activities within the "distribution" sector are partially exempt.
- [Disregarded] Although IBFD (2020d: 1.7.1.) mentions tax incentives under the Agriculture and Fisheries (Incentives) Act of 2005 (AFIA), legislation made available through the website of the Seychelles Legal Information Institute clearly indicates that the AFIA has been repealed effective January 1st 2015 ([seylil.org](http://seylil.org)). There is no indication that the 2014-enacted Fisheries Act (Act 20 of 2014) offers any type of corporate income tax exemptions (*ibid.*). Thus, we disregard exemptions under the AFIA for the purposes of this indicator.

**Sources:**

- [IBFD 2020d](#)
- <https://seylil.org/sc/sc/legislation/Act%2022%20of%202014%20Agriculture%20and%20Fisheries%20%28Incentives%29%20%28Repeal%29%20Act%20of%202014.pdf>
- <https://seylil.org/sc/sc/legislation/Act%2020%20of%202014%20Fisheries%20Act%2C%202014.pdf>

#### ID 533 — Accommodation, food and recreation sector tax exemption ▲

**Question:** Accommodation, food and recreation (active): Are there any (partial) tax exemptions applicable to companies active in the accommodation, food and recreation sector?

**Answer:** Full: Yes, there are full tax exemptions.

**Notes:**

- A special rate of 0% is applicable to income derived by casino owners. (IBFD 2020d : 1.6.1.) Furthermore, income derived from selling lottery and game o chance tickets is exempt from tax. (IBFD 2020d : 1.3.2.) These full exemptions are considered to be related to the "accommodation, food and recreation" sector.
- Tourism activities are fully CIT-exempt up to SCR 250 000 (under USD 14 000) (IBFD 2020d: 1.6.1. and 1.7.2.2.). We disregard this exemption because it applies to "small companies" (under USD/EUR/GBP 10 M turnover and/or USD/EUR/GBP 500 000 in annual income). For annual incomes exceeding SCR 250 000, tourism activities are taxed at a concessionary CIT rate of 15% (IBFD 2020d : 1.7.2.2.). We consider the latter regime as a partial exemption within the "accommodation, food and recreation" sector.

**Sources:**

- IBFD 2020d [↗](#)

## ID 534 — Information and telecom sector tax exemption ▲

**Question:** Information and telecom (active): Are there any (partial) tax exemptions applicable to companies active in the information and telecom sector?

**Answer:** None: No, there are no specific exemptions.

**Sources:**

- IBFD 2020d [↗](#)

## ID 535 — IT services sector tax exemption ▲

**Question:** IT services (active): Are there any (partial) tax exemptions applicable to companies active in the IT services sector?

**Answer:** None: No, there are no specific exemptions.

**Sources:**

- IBFD 2020d [↗](#)

## ID 536 — Banking and insurance sector tax exemption ▲

**Question:** Banking and insurance (active): Are there any (partial) tax exemptions applicable to companies active in the banking and insurance sector?

**Answer:** None: No, there are no specific exemptions.

**Notes:**

- [Disregarded] Income from reinsurance and offshore insurance accrued by a registered insurer is exempt from CIT (IBFD 2020b : 1.3.2.). However, the regime will apply only until June 30, 2021 (IBFD 2020b: 1.3.2.; OECD HTP 2019: 14.). Given that the legal change (that abolished the exemption) will be effective before the next edition of the Corporate Tax Haven Index (2023), we consider that this benefit (the tax exemption for insurance income) has been abolished.
- [Disregarded] Various types of business activity may be licensed under the Companies (Special License) Act of 2003 (CSLA) and be subject to a 1.5% tax rate on worldwide profits. (IBFD 2019d : 1.6.1.) Among such activities, 'offshore banking', 'offshore insurance', and 'reinsurance' qualify for the CSL exemption regime. (Schedule 1, CSLA) Thus, under the CSL regime, Seychelles offers a partial exemption in relation to the "banking & insurance" sector. However, the regime will apply only until June 30, 2021 (IBFD 2020b: 1.6.1.; OECD HTP 2019). Given that the legal change (that abolished the exemption) will be effective before the next edition of the Corporate Tax Haven Index (2023), we consider that this benefit (the partial tax exemption for Special License Companies) has been abolished.

**Sources:**

- IBFD 2020d [↗](#)
- OECD HTP 2019 [↗](#)

## ID 537 — Professional and technical services sector tax exemption ▲

**Question:** Professional and technical services (active): Are there any (partial) tax exemptions applicable to companies active in the professional and technical services sector?

**Answer:** Partial: Yes, there are partial tax exemptions.

**Notes:**

- Income derived by companies providing health services is taxed at a reduced 15% CIT rate (IBFD 2020d: 1.6.1.). This amounts to a partial exemption.
- [Disregarded] Various types of business activity may be licensed under the Companies (Special License) Act of 2003 (CSLA) and be subject to a 1.5% tax rate on worldwide profits. (IBFD 2020d : 1.6.1.) Among such activities, 'investment management and advise', and 'marketing' companies, qualify for the CSL exemption regime. (Schedule 1, CSLA) Thus, because such activities can be considered advisory or professional services activities, we consider that the "professional & technical services" sector is partially exempt. Indeed, these activities may be undertaken outside the "business services" sector, providing advisory or consultancy services to individuals, for example. However, the regime will apply only until June 30, 2021 (IBFD 2020b: 1.6.1.; OECD HTP 2019). Given that the legal change (that abolished the exemption) will be effective before the next edition of the Corporate Tax Haven Index (2023), we consider that this benefit (the partial tax exemption for Special License Companies) has been abolished.

**Sources:**

- IBFD 2020d [↗](#)
- OECD HTP 2019 [↗](#)

## ID 538 — Business services sector tax exemption ▲

**Question:** Business services (active): Are there any (partial) tax exemptions applicable to companies active in the business services sector?

**Answer:** Partial: Yes, there are partial tax exemptions.

**Notes:**

- Income of international corporate service providers is subject to an alternative regime, where three different taxes are levied on different income streams (IBFD 2020d: 1.6.1.). Incorporation and registration fees are taxed at 15%, annual license renewals are taxed at 7.5%, and other fees subject to 5% CIT (ibid.). We consider this alternative regime a partial CIT exemption.
- [Disregarded] Various types of business activity may be licensed under the Companies (Special Licenses) Act of 2003 (CSLA) and be subject to a 1.5% tax rate on worldwide profits. (IBFD 2020d : 1.6.1.) Among such activities, marketing companies, IP holding companies, headquarters companies, human resources companies, and franchise companies can be subject to that lower rate. (Schedule 1, CSLA) Thus, because such activities are within the "business services" sector, we consider that a partial exemption applies therein. However, the regime will apply only until June 30, 2021 (IBFD 2020b: 1.6.1.; OECD HTP 2019). Given that the legal change (that abolished the exemption) will be effective before the

next edition of the Corporate Tax Haven Index (2023), we consider that this benefit (the partial tax exemption for Special License Companies) has been abolished.

**Sources:**

- [IBFD 2020d](#)
- [OECD HTP 2019](#)

Haven Indicator 6: Economic Zones and Tax Holidays ▲

25

This indicator measures whether and to what extent time-bound or geographically confined tax incentives are available in a country. It measures if these incentives offer partial or full exemptions from corporate income tax (CIT) and/or capital gains tax (CGT). This includes temporary tax holidays and special tax incentives (temporary or permanent) given to companies located in designated economic zones.

ID 540 — Tax holidays, non-economic zones, full exemption ▲

**Question:** NonEZ-Temporary-Full: How many temporary (tax holidays) and full tax exemptions are offered to companies established anywhere in the jurisdiction (except in economic zones or non-autonomous regions)?

**Answer:** 0

**Sources:**

- [IBFD 2020d](#)

ID 539 — Tax holidays, non-economic zones, partial exemption ▲

**Question:** NonEZ-Temporary-Partial: How many temporary (tax holidays) and partial tax exemptions are offered to companies established anywhere in the jurisdiction (except in economic zones or non-autonomous regions)?

**Answer:** 0

**Sources:**

- [IBFD 2020d](#)

ID 504 — Permanent, economic zones, full exemption ▲

**Question:** EZ-Permanent-Full: How many permanent and full tax exemptions are offered by the jurisdiction to companies established in economic zones or non-autonomous regions?

**Answer:** 1

**Notes:**

- Although the OECD Harmful Tax Practices monitoring report of July 2019 mentions the regime applicable to International Trade Zones as either abolished (with grandfathering according to FHTP timelines) or "out of scope (amended)" (OECD HTP 2019: 10, 16), various sources indicate that the full exemption for ITZ companies remains in effect as of 2020-2022 based on grandfathering provisions. Therefore, the incentives are considered to still be in place, rather than abolished.
- First, some sources suggest that incentives are still available without reference to any abolishment. According to IBFD, under the International Trade Zone Act 1995 and corresponding regulations, companies that are licensed to trade in the international free-trade zone are exempt from business tax on profits, trades tax and withholding taxes (IBFD 2020f : 7.1.). The ITZ guidelines accessed on the official website of the Seychelles Financial Authority also indicate that incentives applicable to ITZ companies include "0% tax on business profits and dividends" ([fsaseychelles.sc/itz/](https://www.fsaseychelles.sc/itz/): accessed 10/2020).
- Second, while it appears that the law has been amended to abolish the incentive, there seem to be grandfathering provisions. The International Trade Zone (Amendment of Schedule) Regulations of 2019 stated that the incentives were repealed. Specifically: paragraphs 2, 4, 5 and 8 of the schedule to the ITZ act were repealed (S.I.80 of 2019: Section 2). Paragraph 2 of said schedule previously offered non-applicability of the Business Tax Act for businesses that hold an ITZ license (effectively granting a full CIT exemption). However, the International Trade Zone (Amendment of Schedule) Regulations of 2019 also provide that "holders of a license under the Act prior to the date of coming into effect of these Regulations [...] continue to enjoy any concession allowed to the holder of the license until 31st December, 2022". Because the full exemption applicable to ITZ companies remains applicable up and until the date of publication of the next edition of the Corporate Tax Haven Index (2023), we consider that the free zone exemption regime remains in effect.

**Sources:**

- [IBFD 2020d](#); [IBFD 2020f](#); [OECD HTP 2019](#)
- <https://www.fsaseychelles.sc/itz/>
- <https://www.fsaseychelles.sc/wp-content/uploads/2018/12/ITZ-Guidelines.pdf>
- <https://www.fsaseychelles.sc/wp-content/uploads/2019/08/Consolidated-International-Trade-Zone-Act-1995-to-20th-December-2018.pdf>
- <https://www.fsaseychelles.sc/wp-content/uploads/2020/03/International-Trade-Zone-Amendment-of-Schedule-Regulations-2019.pdf>
- <https://www.fsaseychelles.sc/wp-content/uploads/2020/03/International-Trade-Zone-Amendment-Act-2019.pdf>

ID 503 — Permanent, economic zones, partial exemption ▲

**Question:** EZ-Permanent-Partial: How many permanent and partial tax exemptions are offered by the jurisdiction to companies established in economic zones or non-autonomous regions?

**Answer:** 0

**Notes:**

- [Disregarded] Various types of business activity may be licensed under the Companies (Special License) Act of 2003 (CSLA) and be subject to a 1.5% tax rate on worldwide profits. (IBFD 2019d : 1.6.1.) Among such activities, 'business under an ITZ [International Trade Zone] license' can qualify for the Special License regime, and be taxed at the 1.5% preferential rate. (Schedule 1, CSLA) According to ITZ Application documents available on the website of the Seychelles Financial Services Authority (accessed 01.04.2019), the following activities are available to qualify for the ITZ license: 'management export services', 'redistribution', 'Light assembly', 'Manufacturing', 'Processing'. Because such activities may be partially exempt pursuant to a single legal provision, we consider that the CSL regime offers one - permanent and partial - tax exemption applicable to companies engaged in business within Seychelles International Trade Zone. However, this regime will apply only until June 30, 2021 (IBFD 2020b: 1.6.1.; OECD HTP 2019). Given that the legal change (that abolished the exemption) will be effective before the next edition of the Corporate Tax Haven Index (2023), we consider that this benefit (the partial tax exemption for Special License Companies operating in ITZ) has been abolished.

**Sources:**

- [IBFD 2020d](#); [IBFD 2020f](#); [OECD HTP 2020](#)
- <https://www.fsaseychelles.sc/itz/>
- <https://www.fsaseychelles.sc/wp-content/uploads/2018/12/ITZ-Guidelines.pdf>
- <https://www.fsaseychelles.sc/wp-content/uploads/2019/08/Consolidated-International-Trade-Zone-Act-1995-to-20th-December-2018.pdf>

- <https://www.fsaseychelles.sc/wp-content/uploads/2020/03/International-Trade-Zone-Amendment-of-Schedule-Regulations-2019.pdf>
- <https://www.fsaseychelles.sc/wp-content/uploads/2020/03/International-Trade-Zone-Amendment-Act-2019.pdf>

#### ID 502 — Tax holidays, economic zones, full exemption ▲

**Question:** EZ-Temporary-Full: How many temporary (tax holidays) and full tax exemptions are offered by the jurisdiction to companies established in economic zones or non-autonomous regions?

**Answer:** 0

**Notes:**

- The jurisdiction provides for full exemption from tax on income derived by companies established in its economic zone(s). (See note above [ID504])

**Sources:**

- IBFD 2020d; IBFD 2020f [↗](#)

#### ID 501 — Tax holidays, economic zones, partial exemption ▲

**Question:** EZ-Temporary-Partial: How many temporary (tax holidays) and partial tax exemptions are offered by the jurisdiction to companies established in economic zones or non-autonomous regions?

**Answer:** 0

**Notes:**

- The jurisdiction provides for full exemption from tax on income derived by companies established in its economic zone(s). (See note above [ID504])

**Sources:**

- IBFD 2020d; IBFD 2020f [↗](#)

#### Haven Indicator 7: Patent Boxes ▲

100

This indicator measures whether a jurisdiction offers preferential tax treatment for income related to intellectual property rights (e.g. patent boxes) and whether the Organisation for Economic Co-operation and Development (OECD) nexus approach constraints are applicable to the patent box.

#### ID 515 — Patent box ▲

**Question:** Patent Box: Does the jurisdiction offer preferential tax treatment for income related to intellectual property?

**Answer:** Yes, an exemption or a lower CIT for IP-income is available without OECD nexus constraints.

**Notes:**

- Even though the OECD or IBFD may consider that the jurisdiction doesn't have an IP tax regime in this country or that the IP tax regime in this country is compliant with nexus approach, the exemption of foreign royalties from the corporate tax base (see Haven Indicator 2, ID 554) is functionally equivalent to a patent box and thus is considered for the purpose of this indicator to amount to a patent box which is non-compliant with the modified nexus approach.
- For contextual purposes, but without any impact on the country's assessment, here is the description of the patent box regime in isolation of Haven Indicator 2: According to the OECD Harmful Tax Practices November 2020 progress report, two of the three IP regimes that were available in the country, namely, the 'companies special license' and the 'international trade zone' were abolished with a grandfathering provision, and the third IP regime- the 'International business companies' regime was abolished without any grandfathering provision (OECD HTP 2020).

**Sources:**

- IBFD 2020d [↗](#)
- OECD HTP 2020 [↗](#)

#### Haven Indicator 8: Fictional Interest Deduction ▲

0

This indicator measures whether a jurisdiction offers fictional interest deduction to lower the corporate income tax. Because the deduction is given even though no actual interest was paid, the interest deduction is referred to as "fictional" or "nominal". Fictional interest deduction allows a company with a capital structure with high equity (i.e. mostly financed by issuing shares instead of borrowing money) to deduct a certain sum of fictitious financial costs from its tax base.

#### ID 516 — Fictional interest deduction ▲

**Question:** Fictional Interest Deduction: Does the jurisdiction offer a scheme that allows deducting from the corporate income tax base a notional return on equity?

**Answer:** No

**Sources:**

- IBFD 2020d [↗](#)
- EU Code of Conduct 2019 [↗](#)

## TRANSPARENCY

#### Haven Indicator 9: Public Company Accounts ▲

100

This indicator considers whether a country requires all available types of company with limited liability (except for small companies) to keep accounts according to the international standard and to file their accounts with a government authority and to make them accessible online for free or at a low cost.

#### ID 188 — Compliance with international standard on keeping accounting records ▲

**Question:** \*Is there an obligation to keep accounting data?

**Answer:** No



**Notes:**

- Although International Business Companies (IBCs) are required to keep accounting records and underlying documentation since 2011 (GF 2012: 22-23), in 2020, the Global Forum reported issues regarding the enforcement of this obligation: "The present review finds that the record-keeping requirements for legal entities and legal arrangements operating in the offshore sector have not been adequately enforced in practice. The supervisory activity over the years 2015-18 has only focused on the requirement imposed on IBCs [International Business Companies] to notify their registered agents of the location of the records and no checks were conducted on whether the accounting records and underlying documentation met the requirements of the standard" (GF 2020: 58; [TJN's note]). Moreover, the Global Forum identified gaps in the legislation regarding IBCs that ceased to exist: "IBCs are required to preserve accounting records for at least seven years from the date of completion of the transactions or operations to which they each relate (s. 175, IBCA). Since only the company itself is subject to the requirement to keep the accounting records and there are no requirements for such records to be kept by another person (e.g. registered agent, liquidators, previous directors or officers), when the company ceases to exist, the current law is not in line with the standard." (Ibid.: 62). Finally, "accounting information and underlying documentation was found not to be available in practice in relation to companies that were struck off. This is very relevant in the context of the Seychelles as 61% of the 207 066 IBCs are currently struck off." (Ibid.: 58).

**Sources:**

- GF 2015: 40, 43; GF 2013: 60; GF 2012: 22-23; GF 2020: 58-63 [↗](#)
- <https://www.companyformationseychelles.com/accounting-requirements-for-companies-in-seychelles>
- <https://www.seychellesoffshore.com/seychelles-ibc-company.php>

ID 189 — Submission of annual accounts to a government authority [▲](#)**Question:** \*Are annual accounts submitted to a public authority?**Answer:** Not applicable**Notes:**

- IBCs are not required to file financial statements with the Registrar (Vista.com; companyformationseychelles.com). Moreover, absent sufficient requirements to keep accounting records, financial statement cannot be prepared and submitted (see note on [ID188]).

**Sources:**

- GF 2015: 40; GF 2020: 58-63 [↗](#)
- <https://www.vistra.com/insights/stricter-seychelles-ibc-accounting-records-requirements>
- <https://www.companyformationseychelles.com/accounting-requirements-for-companies-in-seychelles>

ID 201 — Online availability of annual accounts / financial statements [▲](#)**Question:** \*Are annual accounts available on a public online record (up to 10 €/US\$/GBP)?**Answer:** Not applicable**Notes:**

- Absent sufficient requirements to keep accounting records, financial statement cannot be prepared, submitted or made publicly available (see note on [ID188]).

**Sources:**

- <http://web.archive.org/web/20160528151131/https://eservice.egov.sc/BizRegistration/WebSearchBusiness.aspx> [↗](#)

Haven Indicator 10: Public Country By Country Reporting (CBCR) [▲](#)

100

This indicator measures whether the companies listed on the stock exchanges or involved in certain sectors (eg extractives) or incorporated in a given jurisdiction are required to publish publicly worldwide financial reporting data on a country-by-country reporting basis.

ID 318 — Public country-by-country reporting standard [▲](#)**Question:** \*CBCR: Are companies listed on the national stock exchange or incorporated in the jurisdiction required to comply with a worldwide country-by-country reporting standard?**Answer:** No public country-by-country reporting at all.**Sources:**

- Email communication with PWYP International, 19.02.2019 & 05.08.2019 [↗](#)
- Meinzer & Trautvetter 2018 [↗](#)
- Freymeyer 2019 [↗](#)
- Email communication with Eurodad, 09.09.2020 [↗](#)

Haven Indicator 11: Robust Local Filing of Country By Country Reporting (CBCR) [▲](#)

100

This indicator assesses whether a jurisdiction, going beyond the OECD standard, ensures its own access to the country-by-country reports of any relevant foreign multinational enterprises with domestic operations. Access is ensured if the jurisdiction requires country-by-country reports to be filed locally by the local subsidiary or branch of a foreign multinational enterprise whenever the jurisdiction does not obtain these reports through the automatic exchange of information for whatever reason.

ID 419 — Robust local filing of country-by-country reporting [▲](#)**Question:** \*CBCR: Is there a local filing requirement of a global country-by-country reporting file (according to OECD's BEPS Action 13) by large corporate groups (with a worldwide turnover higher than 750 million Euro) and local subsidiaries of foreign groups?**Answer:** OECD Legislation: Secondary mechanism is subject to restrictions imposed by OECD model legislation; or no secondary mechanism at all (only the domestic ultimate parent entity has to file the CbCR)**Notes:**

- "The Seychelles does not have a local filing requirement" (OECD CBCR 2019: 465). This was confirmed in 2020 (OECD CBCR 2020: 353).

**Sources:**

- OECD CBCR 2019 [↗](#)
- OECD CBCR 2020 [↗](#)

Haven Indicator 12: Unilateral Cross-Border Tax Rulings [▲](#)

100

This indicator measures whether and to what extent a country publishes online unilateral cross-border tax rulings; and for countries with extractive industries, whether extractive industries contracts are published.

ID 363 — Tax rulings availability ▲

**Question:** \*Tax Rulings: Are unilateral cross-border tax rulings (e.g. advance tax rulings, advance tax decisions) available in laws or regulation, or in administrative practice?

**Answer:** Yes

**Notes:**

- Seychelles can issue unilateral cross-border tax rulings. According to the OECD, these include: "(i) rulings related to preferential regimes; (ii) cross-border unilateral APAs and any other unilateral tax ruling (such as an advance tax ruling) covering transfer pricing or the application of transfer pricing principles; (iii) rulings providing for unilateral downward adjustments; (iv) permanent establishment rulings; and (v) related party conduit rulings. (OECD UTR 2019: 380).

**Sources:**

- OECD UTR 2018: 399 [↗](#)
- IBFD 2020d [↗](#)
- <https://www.src.gov.sc/pages/aboutus/taxstandards.aspx>
- OECD UTR 2019: 380 [↗](#)

ID 421 — Tax rulings disclosure ▲

**Question:** \*Tax Rulings: Are all unilateral crossborder tax rulings (e.g. advance tax rulings, advance tax decisions) published online for free, either anonymised or not?

**Answer:** NONE OR SOME: None or only some of the unilateral crossborder tax rulings are published online.

**Notes:**

- According to the website of the Revenue Commission: "Both private rulings and written guidance are published on the Revenue Commission's web site. [...]. However, the Commissioner will publish edited versions which will protect the entity's identity by generalising the ruling and by removing names etc...The Commissioner will provide a copy of the edited version to the entity for comment before publishing the advice." ([www.src.gov.sc](http://www.src.gov.sc)). According to the OECD: "Seychelles can legally publish taxpayer specific rulings in redacted form subject to the consent of the taxpayer" (OECD UTR 2018: 399). Therefore, we conclude that only some unilateral cross-border rulings are published online.

**Sources:**

- OECD UTR 2018: 399 [↗](#)
- <https://www.src.gov.sc/pages/aboutus/taxstandards.aspx>
- <https://www.src.gov.sc/pages/resources/rulingsearch.aspx>
- <https://www.src.gov.sc/pages/generalinfo/privateruling.aspx>
- <https://www.src.gov.sc/pages/resources/rulings.aspx?#privatecruling>
- <https://www.src.gov.sc/resources/Rulings/Edited%20Version%20of%20Private%20Ruling%20-%20PR12.pdf>
- OECD UTR 2019 [↗](#)

ID 561 — Mining contracts disclosure in law ▲

**Question:** \*Mining contracts in law: Are all extractive industries mining contracts required by law to be disclosed?

**Answer:** Not Applicable

**Sources:**

- Contract Disclosure Policy and Practice Tracker, Natural Resource Governance Institute 28.07.2020 [↗](#)
- <https://docs.google.com/spreadsheets/d/1FXEeD43jw6VYHV8yS-8KJ5-rR5I0XtKxVQZBWzr-ohY/edit#gid=4>

ID 562 — Mining contracts disclosure in practice ▲

**Question:** \*Mining contracts in practice: Are all extractive industries mining contracts published online in practice?

**Answer:** Not applicable

**Sources:**

- Contract Disclosure Policy and Practice Tracker, Natural Resource Governance Institute 28.07.2020 [↗](#)
- <https://docs.google.com/spreadsheets/d/1FXEeD43jw6VYHV8yS-8KJ5-rR5I0XtKxVQZBWzr-ohY/edit#gid=41>

ID 563 — Petroleum contracts disclosure in law ▲

**Question:** \*Petroleum contracts in law: Are all extractive industries petroleum contracts required by law to be disclosed?

**Answer:** No

**Notes:**

- According to the Contract Disclosure Policy and Practice Tracker, the Natural Resource Governance Institute states that there is no contract disclosure required by law and there is a "potentially restrictive confidentiality clause" in the Seychelles' Chapter 167 Petroleum Mining Act (1976) (NRGI Policy Tracker 2020).

**Sources:**

- Chapter 167 Petroleum Mining Act (1976) [↗](#)
- <https://seylit.org/sc/legislation/consolidated-act/167>
- Contract Disclosure Policy and Practice Tracker, Natural Resource Governance Institute 28.07.2020 [↗](#)
- <https://docs.google.com/spreadsheets/d/1FXEeD43jw6VYHV8yS-8KJ5-rR5I0XtKxVQZBWzr-ohY/edit#gid=0>

ID 564 — Petroleum contracts disclosure in practice ▲

**Question:** \*Petroleum contracts in practice: Are all extractive industries petroleum contracts published online in practice?

**Answer:** No, contracts are not available online.

**Notes:**

- The Seychelles does not publish any petroleum contracts online (NRGI Policy Tracker 2020).

## Sources:

- Contract Disclosure Policy and Practice Tracker, Natural Resource Governance Institute 28.07.2020 [↗](#)
- <https://docs.google.com/spreadsheets/d/1FXEeD43jw6VYHV8yS-8KJ5-rR5l0XtKxVQZBWzr-ohY/edit#gid=9>

## Haven Indicator 13: Reporting of Tax Avoidance Schemes ▲

100

This indicator assesses two components of mandatory reporting to tackle tax avoidance schemes: (i) the reporting of tax avoidance schemes, in which we assess whether a country requires both taxpayers and tax advisers to report tax avoidance schemes they have used; and (ii) the reporting of uncertain tax positions, in which we assess whether a country requires taxpayers and tax advisers to report uncertain tax positions for which reserves have been created in annual corporate accounts.

### ID 403 — Taxpayers' mandatory reporting of tax avoidance schemes ▲

**Question:** \*Taxpayers reporting schemes: Are taxpayers required to report at least annually on certain tax avoidance schemes they have used?

**Answer:** No.

#### Sources:

- IBFD 2020d [↗](#)

### ID 404 — Tax advisers' mandatory reporting of tax avoidance schemes ▲

**Question:** \*Tax advisers reporting schemes: Are tax advisers (who help companies and individuals to prepare tax returns) required to report at least annually on certain tax avoidance schemes they have sold/marketed (if applicable)?

**Answer:** No.

#### Sources:

- IBFD 2020d [↗](#)

### ID 405 — Taxpayers' mandatory reporting of uncertain tax positions ▲

**Question:** \*Taxpayers reporting uncertain tax positions: Are taxpayers required to report at least annually on details of uncertain tax positions for which reserves have been created in the annual accounts?

**Answer:** No.

#### Sources:

- IBFD 2020d [↗](#)

### ID 406 — Tax advisers' mandatory reporting of uncertain tax positions ▲

**Question:** \*Tax advisers reporting uncertain tax positions: Are tax advisers required to report at least annually on details of uncertain tax positions for which reserves have been created in the annual accounts of the companies they advised?

**Answer:** No.

#### Sources:

- IBFD 2020d [↗](#)

## Haven Indicator 14: Tax Court Transparency ▲

100

This indicator assesses the openness of a jurisdiction's judicial system in tax matters by analysing the public online availability of verdicts, judgements, and sentences.

### ID 409 — Criminal tax courts' publication of decisions ▲

**Question:** \*Is the full text of judgements / verdicts issued by criminal tax courts published online for free, or for a cost of up to 10 €/US\$/GBP??

**Answer:** No, full text of verdicts is not always online (up to 10€/US\$/GBP)?

#### Notes:

- The Seychelles Legal Information Institute (SeyLII), which is a non-profit institute, provides free online access to judgments of the superior courts of Seychelles (the Supreme Court and Court of Appeal). However, judgement/verdicts issued by lower courts are not published online.

#### Sources:

- <https://www.seyllii.org/content/about-seyllii>

### ID 410 — Civil tax courts' publication of decisions ▲

**Question:** \*Is the full text of judgements / verdicts issued by civil tax courts published online for free, or for a cost of up to 10 €/US\$/GBP?

**Answer:** No, full text of verdicts is not always online (up to 10€/US\$/GBP)?

#### Notes:

- The Seychelles Legal Information Institute (SeyLII), which is a non-profit institute, provides free online access to judgments of the superior courts of Seychelles (the Supreme Court and Court of Appeal). However, judgement/verdicts issued by lower courts are not published online.

#### Sources:

- <https://www.seyllii.org/content/about-seyllii>

## ANTI-AVOIDANCE

### Haven Indicator 15: Deduction Limitation of Interest Payments ▲

100

This indicator assesses a country's limitations on the deduction of interest expenses from the corporate income tax base. It focuses on limits placed on interest paid to non-resident group affiliates ("intra-group interest payments"), including by means of a fixed ratio rule.

#### ID 517 — Outbound intra-group interest deduction limitation ▲

**Question:** Outbound intra-group interest deduction limitation: Does the jurisdiction restrict or disallow deducting from the corporate income tax base interest paid to non-resident group affiliates?

**Answer:** NO: No deduction limitation for intra-group interest payments.

**Notes:**

- In Seychelles, intra-group interest payments are deductible unless the taxpayer withheld income tax on the interest payment and paid it to the tax administration. However, there is no EBITDA-based limitation rule or thin capitalisation rule. Nonetheless, the government has announced in the 2020 Budget Speech that it considers to introduce a fixed ratio rule (IBFD 2020d: 7.3). As of 31 October 2020, we haven't identified a national implementation measure in this regard.

**Sources:**

- [IBFD 2020d](#)

#### ID 518 — Group ratio rule (as part of fixed ratio interest deduction limitation) ▲

**Question:** Group ratio rule: Does the jurisdiction apply a group ratio rule opt-in alongside fixed ratio limitations on interest deduction?

**Answer:** Not applicable

**Notes:**

- Since there are no fixed-ratio rules in force in Seychelles (IBFD 2020d: 7.3), a group ratio or a worldwide debt-to-equity ratio carve-out is not applicable.

**Sources:**

- [IBFD 2020d](#)

#### ID 519 — Financial undertaking exclusion (as part of fixed ratio interest deduction limitation) ▲

**Question:** Financial undertaking exclusion: Does the jurisdiction apply a financial undertaking exclusion alongside fixed ratio limitations on interest deduction?

**Answer:** Not applicable

**Notes:**

- Since there are no fixed-ratio rules in force (IBFD 2020d: 7.3), a financial undertaking exclusion is not applicable.

**Sources:**

- [IBFD 2020d](#)

#### Haven Indicator 16: Deduction Limitation of Royalty Payments ▲

50

This indicator measures whether or to what extent a jurisdiction disallows or restricts the deduction of royalties paid to non-resident group affiliates ("intra-group royalty payments") from the corporate income tax base.

#### ID 520 — Outbound intra-group royalty deduction limitation ▲

**Question:** Outbound intra-group royalty deduction limitation: Does the jurisdiction restrict or disallow deducting from the corporate income tax base royalties paid to non-resident group affiliates?

**Answer:** YES, RESTRICTED TIGHT: Deduction limitation/disallowance applies with respect to certain intra-group royalty payments irrespective of countries complying with OECD NEXUS rules.

**Notes:**

- In Seychelles, intra-group royalty and services fees are deductible up to 3% of the annual turnover (IBFD 2020d: 1.3.3.1). Given that such disallowance of intra-group payments is applied irrespective of the OECD nexus rules, we consider the rule as 'restricted tight'.

**Sources:**

- [IBFD 2020d](#)

#### Haven Indicator 17: Deduction Limitation of Service Payments ▲

0

This indicator measures whether or to what extent a jurisdiction restricts or disallows the deduction of intra-group services payments (management fees, technical fees, consulting services fees) paid to non-resident group affiliates from the corporate income tax base.

#### ID 521 — Outbound intra-group services deduction limitation ▲

**Question:** Outbound intra-group services deduction limitation: Does the jurisdiction restrict or disallow deducting from the corporate income tax base payments for management, technical, legal or accounting services paid to non-resident group affiliates?

**Answer:** Yes, there are specific restrictions or deduction limitations on outbound service payments.

**Notes:**

- In Seychelles, intra-group technical and services fees are deductible up to the lower of 3% of the annual turnover or the actual expenditure incurred (IBFD 2020d: 1.3.3.1).

**Sources:**

- [IBFD 2020d](#)

#### Haven Indicator 18: Withholding Taxes on Dividend Payments ▲

100

This indicator measures the extent to which a jurisdiction levies withholding taxes on outbound dividends. It assesses the lowest available unilateral withholding tax rate on outbound dividend payments.

#### ID 508 — Dividend-related party payment ▲

**Question:** Dividend-Related Party Payment: What is the (lowest) applicable unilateral cross-border withholding tax rate for outgoing dividend payments to a related party?

**Answer:** 0 %

**Notes:**

- Seychelles exempts dividend payments by resident exempt entities i.e. international trusts, certain limited partnerships, international free-trade zone companies and foundations to non-resident companies from withholding tax. Otherwise, non-resident companies are subject to 15 per cent dividends withholding tax (IBFD 2020d: 1.2; 6.3).

**Sources:**

- [IBFD 2020d](#)

Haven Indicator 19: Controlled Foreign Company Rules ▲

100

This indicator assesses whether countries apply robust non-transactional controlled foreign company (CFC) rules. CFC rules are a type of specific anti-avoidance rules that target particular taxpayers or transactions. Like other types of specific anti-avoidance rules, CFC rules are more effective than general anti-avoidance rules in capturing the specific type of tax avoidance on which they focus.

ID 522 — Controlled Foreign Company (CFC) rules ▲

**Question:** CFC-Rules: Does the jurisdiction apply robust non-transactional CFC rules?

**Answer:** NONE: No, there are no CFC rules whatsoever.

**Notes:**

- There are no CFC rules in Seychelles (IBFD 2020d: 7.4).

**Sources:**

- [IBFD 2020d](#)

## DOUBLE TAX TREATY AGGRESSIVENESS

Haven Indicator 20: Treaty Aggressiveness ▲

19


This indicator analyses the aggressiveness of a jurisdiction in their double tax agreements with other countries, as revealed by the withholding tax rates that apply to the payment of dividends, interests and royalties.

ID 571 — Aggregate tax treaty aggressiveness ▲

**Question:** Aggregate-Aggressiveness: What is the scaled value of all negative differentials between the assessed jurisdiction's treaty withholding rates on all three payment types (dividend, interest and royalty) and those of its treaty partner jurisdiction.

**Answer:** 18.5654410945636

## Global Scale Weight breakdown

 0.014%

### Inward foreign direct investment (US\$)

\$ 3,427,967,198

### Outward foreign direct investment (US\$)

\$ 9,598,985,233

### Sum of inward and outward foreign direct investment (US\$)

\$ 13,026,952,430

### Global total of sum of inward and outward foreign direct investment (US\$)

\$ 94,690,323,833,261

### Global scale weight (share of jurisdiction's inward and outward foreign direct investment on the global total)

0.0138%