



INTERNATIONAL CORPORATE SERVICE PROVIDERS (AMENDMENT) ACT, 2011

(Act 21 of 2011)

I assent



J. A. Michel
President

22nd December, 2011

AN ACT to amend the International Corporate Service Providers Act, 2003 and for connected matters.

ENACTED by the President and the National Assembly.

1. This Act may be cited as the International Corporate Service Providers (Amendment) Act, 2011.

Short title

Amendment
of Act 10
of 2003

2. The International Corporate Service Providers Act, 2003
is amended as follows—

- (a) in section 2 by adding after the definition “licensee”
the following—

“management agreement” means a contractual
agreement between a managed service provider and a
managing service provider;

“managed service provider” means a licensed
licensee under section 3(5) (a) and (c) and subject to
condition that its business is carried on or managed
by another licensee approved by the Authority;

“managing service provider” means a licensee
approved by the Authority to carry on and manage the
business of a managed service provider;

- (b) in section 3—

- (i) by repealing subsection (1) and substituting
therefor the following—

“(1) (i) A person shall not provide—

- (a) international corporate
services;
- (b) international trustee services; or
- (c) foundation services,

except under and in accordance with a licence
issued under subsection (5).

- (ii) The following persons shall not
require a licence to provide services
under subsection (1) (i)—

- (a) an employee or director of a licensee who is fit and proper acting as a director, nominee shareholder or an officer for a specified entity or councillor;
 - (b) an international business company which is wholly owned and managed by a licensee or managed by a fit and proper person of the licensee acting as a director, nominee shareholder or an officer for a specified entity;
 - (c) an individual appointed as a director of a company holding a special licence under the Companies (Special Licences) Act, unless the Authority informs in writing that the individual serving in that capacity is not approved.”;
- (iii) A person shall not be a managed service provider unless—
- (a) a written management agreement is filed with the Authority; and
 - (b) authorisation has been obtained from the Authority.
- (iv) A person who contravenes this section commits an offence and is liable on conviction to a fine not exceeding SCR300,000.”;

(ii) by inserting between the bracket and figure (4) and the word "The" the bracket and figure "(i)"

(iii) by adding after the renumbered subsection (4)(i) the following—

"(ii) The Authority shall—

(a) notify the licensee or the licence applicant whether or not the proposed director or other members of the managerial staff have been determined by the Authority to be fit and proper persons; and

(b) where the Authority determines that a director or any members of the managerial staff has ceased to be fit and proper, the Authority shall notify the licensee of such determination."

(c) in section 4—

(i) by repealing subsection (1) and substituting therefor the following—

"(1) A licence issued under this Act shall be valid unless suspended or revoked by the Authority.";

(ii) by repealing subsection (2) and substituting therefor the following—

"(2) A licensee shall in January of each year—

(a) pay the annual licence fee set out in Part 2 of Schedule 3; and

provider the annual licence fee of—

(i) an international corporate service licence: US\$7,500;

(ii) a foundation service licence: US\$7,500;

(b) a company referred to in paragraph (1) holding both licences in subparagraph (a) (i) and (ii) shall pay a total annual licence fee of US\$10,000.";

(r) by renumbering Schedule 2, 3, 4 and 5 as 1, 2, 3 and 4 respectively.

I certify that this is a correct copy of the Bill which was passed by the National Assembly on 13th December, 2011.



Veronique Bresson
Clerk to the National Assembly

conducted by at least two individuals who are directors or other members of the managerial staff of the licensee, who shall be resident, and based in the office of the licensee in Seychelles.”;

(iv) by adding after paragraph 22 the following—

“23. A licensee shall, to the satisfaction of the Authority, hold and maintain an insurance for the licensee's business and its employees.

24. A licensee shall deal openly and honestly and co-operate with the Authority.”;

(q) by repealing in Schedule 4 Part 2 and substituting therefor the following—

“1. Except in the case of a managed service provider the annual licence fee of —

(a) an international corporate services licence: US\$2,500;

(b) an international trustee services licence: US\$2,500;

(c) a foundation services licence: US\$2,500;

(d) a company holding licences for services under (a), (b) and (c): US\$6000.

2. (a) in the case of a managed service

(b) lodge with the Authority a compliance form as prescribed by the Authority;”

(iii) by repealing subsections (3) and (4) and substituting therefor the following—

“(3) A licensee who fails to lodge the compliance form together with the payment of the annual licence fee in full on or before the 31st January of any year, is liable to a penalty equivalent to 50% of the annual licence fee for each month or part thereof during which the annual licence fee remains unpaid.”;

(iv) by adding after subsection (5) the following—

“(6) A licensee who makes a false declaration in the compliance form that the licensee knows or should reasonably have known, commits an offence and is liable on conviction to a fine not exceeding SCR 300,000.

(d) in section 7 by repealing in subsection (3) the words “subsection (1) or (2)” and substituting therefor the words “this section” and adding after the word “offence” the words “and is liable on conviction to a fine not exceeding SCR300,000.”;

(e) in section 8 (1)—

(i) by repealing in paragraph (d) the words “international corporate services or international trustee services as the case may be, (excluding any monies paid to the licensee for services rendered, products sold or expenses incurred by the licensee)”

and substituting therefor the word "services under this Act" and by adding after the word "fund" the words "excluding any monies paid to the licensee for services rendered, products sold or expenses incurred by the licensee";

- (f) in section 9 by adding after the subsection (2) the following—

"(3) Licensee who fails to comply with subsection (2) shall be liable to a penalty of SCR500 for each day or part thereof during which the default continues";

- (g) in section 10 by repealing subsection (3) and substituting therefor the following—

"(3) A person who impedes, prevents or obstructs the Authority or any of its employees or authorised agent in the conduct of an inspection commits an offence and is liable on conviction to a fine not exceeding SCR 300,000.";

- (h) by repealing section 13 and substituting therefor the following—

"13.(1) The Authority may, for the purpose of the performance of its functions under this Act—

(a) issue directives, guidelines or codes which shall be binding on the licensee;

(b) request any licensee or a director or member of its managerial staff to furnish the Authority with such information or documents as the Authority may specify.";

(c) the trustee, beneficiary and settlor of each international trust to which the licensee provides international trustee services;

(d) the councillor, beneficiary, founder, protector of each foundation to which the licensee provides foundation services;

(e) the partners of each limited partnership to which the licensee provides international corporate services.";

- (ii) by adding after paragraph 3 (g) the following—

"(h) (i) the completed questionnaire approved by the authority for the assessment of fit and proper status; and

(ii) any further documents or information required by the Authority.";

- (iii) by repealing paragraph 4 and substituting therefor the following—

"4. Except in the case of a managed service provider the services under a licence shall be

renumbering sections 21 and 22 as section 19 and 20 respectively;

(n) by repealing Schedule 1;

(o) in Schedule 2—

(i) paragraph 1 by repealing in column 1 item (b) and its corresponding provision in column 2 and substituting therefor the following—

“(b) Income and Non-Monetary Benefits Tax Act	The provisions of the Act shall not apply in respect to any income derived from services provided by a licensee.”;
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(ii) paragraph 1 item (e) by adding in column 2 after the word “entities” the words “international trusts and foundation”;

(p) in Schedule 3—

(i) by repealing paragraph (1) (a) and (b) and substituting therefor the following—

“1. A licensee shall at all times be able to identify—

(a) its clients;

(b) the directors, members and beneficial owner of each company to which the licensee provides international corporate services;

(2) Any person who fails to comply with this section shall be liable to pay a penalty of SCR 500 for each day or part thereof during which the default continues.”

(i) in section 14 by adding after subsection (4) the following—

“(5) At the expiration of the 30 days following the suspension of a licence, the Authority shall re-instate the licence unless—

(a) the suspension is extended by an order of the Court; or

(b) the licence is immediately revoked by the Authority.”;

(j) in section 15—

(i) by adding after subsection (1) (i) the following—

“(j) the licensee or a director or other member of the managerial staff of the licensee has been convicted of an offence involving fraud, theft or dishonesty or has been convicted under a law relating to money laundering or financing of terrorism;

(k) the licensee has failed to lodge the compliance form and pay its annual licence fee and any penalties due under section 4 of this Act.”;

(ii) by adding after subsection (2) the following—

“(3) Except where a licence is revoked under section 14 (5)(b), the Authority shall before revoking a licence under subsection (1), issue a written notice of its intention to revoke the licence to the licensee.

(4) A notice issued under subsection (3)—

(a) shall specify—

(i) the grounds on which the Authority intends to revoke the licence;

(ii) that the licensee shall within 14 days from the date on which the notice is given to the licensee, make written submissions to the Authority in order to show cause as to why the licence should not be revoked; and

(iii) that the Authority shall make its determination of whether or not the licence is to be revoked within 7 days from the expiry of the 14 day period referred to in paragraph (a)(ii).

(b) The licensee shall not operate where notice is issued under subsection (3)—

(i) for a period of 21 days from the date on which the notice is given to the licensee; or

(ii) until the date on which the Authority notifies the licensee or former licensee of its determination under subsection (4) (a)(iii),

(5) The Authority shall in writing inform the licensee—

(a) of a determination by it under subsection (4) (a) (iii); or

(b) of a revocation under subsection (1).”;

(iii) by renumbering subsection (3) as subsection (7).

(k) in section 16 by repealing subsection (1), (2) and (2a) and substituting therefor the following subsections—

“(1) A person who contravenes a provision of this Act commits an offence, and where no penalty is provided for, the person is liable on conviction to a fine not exceeding SCR300,000.”.

(l) by adding after section 17 the following—

“Further enforcement action

17A. Any enforcement action taken by the Authority under this Part shall be without prejudice to the right to take further or other enforcement action.”.

(m) by repealing sections 19 and 20 and by