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BUSINESS TAX (AMENDMENT) BILL, 2024*(Bill No. 21 of 2024)***EXPLANATORY STATEMENT OF THE OBJECTS AND REASONS
FOR THE BILL**

This Bill seeks to amend sections 14, 15, 17, 54 and the First and Eighth Schedules of the Business Tax Act (*Cap 20*), to —

- (a) allow employers to deduct non-monetary benefit expenses on either the actual cost of the benefits or the taxable value of the benefits;
- (b) include taxes under any revenue law as non-deductible expenses;
- (c) enable taxpayers to self-assess their transfer pricing to be reflected in their business tax return;
- (d) lower the rates for technical services on software development; and
- (e) introduce an accelerated amortisation for software development for a period of three years (2025 to 2029).

Dated this 25th day of November, 2024.

**NAADIR HASSAN
MINISTER OF FINANCE,
NATIONAL PLANNING AND TRADE**

BUSINESS TAX (AMENDMENT) BILL, 2024

(Bill No. 21 of 2024)

ARRANGEMENT OF SECTIONS

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BUSINESS TAX (AMENDMENT) BILL, 2024

(Bill No. 21 of 2024)



A BILL FOR

AN ACT TO AMEND THE BUSINESS TAX ACT, CAP 20.

ENACTED by the President and the National Assembly.

Short title and commencement

1. This Act may be cited as the Business Tax (Amendment) Act, 2024 and shall come into operation on the 1st January, 2025.

Amendment of section 2

2. Section 2 of the Business Tax Act, Cap 20, in this Act referred to as the “principal Act”, is amended by inserting in its proper alphabetical order the following definition —

“ “software” means a program or a collection of programs containing instructions and the computer data that enable an electronic device or computer system to perform specific tasks or functions;”.

Amendment of section 14

3. Section 14 of the principal Act is amended in subsection (3) by repealing paragraph (b) and substituting it with the following paragraph —

“(b) an employer for the non-monetary benefits to an employee shall be based on —

- (i) the actual cost of the non-monetary benefits; or
- (ii) the taxable value pursuant to the Fourth Schedule of the Income and Non-Monetary Benefit Tax Act, 2010, where the actual cost of the benefit cannot be ascertained by the employer.”.

Amendment of section 15

4. Section 15 of the principal Act is amended in subsection (1) by repealing paragraph (g) and substituting it with the following paragraph —

“(g) any tax, including any additional tax or interest payable under any revenue law;”.

Amendment of section 17

5. Section 17 of the principal Act is amended by inserting after subsection (3), the following subsections —

“(3A) The amortisation deduction allowed to a business for a tax year in respect of amortised software, other than software for gaming, is computed by applying the rate specified in the Eighth Schedule against the cost of the asset.

(3B) The amortisation deduction under subsection (3A) shall have a useful life of three years.”.

Amendment of section 54

6. Section 54 of the principal Act is amended by inserting immediately after subsection (1), the following subsection —

“(1A) A person shall assess that person’s transfer pricing and make any necessary adjustments in accordance with the arm’s length principle, so that a measure of taxable income is reported in that person’s business tax return.”.

Amendment of First Schedule

7. The First Schedule of the principal Act is amended in item 3 —

(a) by repealing paragraph (c) and substituting it with the following paragraph —

“(c) in the case of technical fees, other than managerial fees payable to a non-resident by a financial institution operating in Seychelles or fees relating to software development payable to a non-resident, is 15%,”

(b) in paragraph (d), by inserting the word “or” after the semi colon;

(c) by inserting immediately after paragraph (d) the following paragraph —

“(da) in the case of a technical service fee for software development for services acquired during the period 2025 to 2029, is 0%,”.

Amendment of Eighth Schedule

8. The Eighth Schedule of the principal Act is amended by inserting after item 3, the following item —

“4. Accelerated Amortisation

Relevant deductions	Year	Rate %
Software cost	1	50
	2	30
	3	20

SECURITIES (AMENDMENT) BILL, 2024*(Bill No. 24 of 2024)***EXPLANATORY STATEMENT OF THE OBJECTS AND REASONS
FOR THE BILL**

This Bill amends the Securities Act, 2007. The amendments reflect market developments, principally for Securities Dealers (SD) to better conduct securities business in a more controlled and well-regulated manner.

In this Bill, there are amendments that relate to other license categories provisions and legislative gaps. The Bill requires that at all times there are at least two resident fit and proper individuals which can be directors, compliance officers or any key officers to conduct services and must be based in Seychelles on a full-time basis.

Currently under the Act, licenses issued are valid for one year, being renewable annually with payment of annual license fee and lodgment of compliance certificate. The Bill makes provision for the issuance of a perpetual license, however, the license fee remains payable annually.

The Bill amends sections 9, 25 and 43 in order to require the conduct of fit and proper assessment on directors and key officers for securities exchange, clearing agency and securities facility license applications.

Further, provision has been made to require approval for use of all trade names and domains names both at pre-licensing and post-licensing stage from the Financial Services Authority (FSA) and all trade names shall be registered with the Registrar of (Domestic) Companies prior to being used by the licensed entity and subject to the approval of the FSA. All trade names utilized by the licensed entity shall be listed on the license in conjunction with the legal name of the entity and approved trade names shall be listed on FSA's website. Licensees will also be required to display approved trade names as well as domain names on their websites, with the use of each additional domain name and trade name to be subject to additional fees, and same information will be reflected on the website of the FSA.

Dated this 27th day of November, 2024.

**NAADIR HASSAN
MINISTER OF FINANCE,
NATIONAL PLANNING AND TRADE**

SECURITIES (AMENDMENT) BILL, 2024

(Bill No. 24 of 2024)

ARRANGEMENT OF SECTIONS

SECTIONS

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SECURITIES (AMENDMENT) BILL, 2024

(Bill No. 24 of 2024)



A BILL FOR

AN ACT TO AMEND THE SECURITIES ACT CAP 208.

ENACTED by the President and the National Assembly.

Short title and commencement

1. This Act may be cited as the Securities (Amendment) Act, 2024 and shall come into operation on the 1st of January 2025.

Amendment of section 2

2. Section 2 of the Securities Act Cap. 208 (in this Act referred to as “the principal Act”) is amended as follows —

- (a) by repealing the definition of “investment advisor's representative” and substituting it with the following definition —

““investment advisor's representative” means an individual in the employment of (including a director of) an investment advisor whose principal purpose is to oversee the execution of the activities outlined within the meaning of section 48(3), whether he is paid a salary, wages, commission or otherwise;”

- (b) by inserting, after the definition of “representative”, the following definition —

““resident person” means an individual who resides and who is domiciled in Seychelles; or who is present in Seychelles for a period of, or periods amounting in aggregate to, one hundred eighty-three (183) days or more in any twelve (12) month period that commences or ends during the financial year of a licensee;”

- (c) by repealing the definition of “securities dealer's representative” and substituting it with the following definition —

““securities dealer's representative” means an individual in the employment of (including a director of) a securities dealer whose principal purpose is to oversee the execution of the activities outlined within the meaning of section 45 (5), whether he is paid a salary, wages, commission or otherwise;”.

Amendment of section 9

3. Section 9 of the principal Act is amended —

- (a) in subsection (2)(g) by inserting after the word “directors” the words “of whom one shall be a resident person who is employed on a full-time basis”;
- (b) by repealing the full stop at the end of paragraph (2)(g) and substituting it with a semicolon;
- (c) by inserting a new paragraph after paragraph (2)(g) as follows —

“(h) the applicant is fit and proper to be licensed as a securities exchange.”;
- (d) by inserting a new subsection after subsection (3), as follows —

“(4) In considering whether an applicant is fit and proper to be licensed, the Securities Authority —

- (a) shall have regard to, in respect of each of its directors and officers —
 - (i) his financial status;
 - (ii) his educational or other qualifications or experience having regard to the nature of his application;
 - (iii) his ability to perform his proposed function efficiently, honestly and fairly;
 - (iv) his reputation, character, financial integrity and reliability;
- (b) may take into account any matter relating to —

- (i) any person who is or is to be employed by, or associated with, the applicant for the purposes of the business to which the application relates;
- (ii) any person who will be acting as a representative in relation to such business;
- (iii) any substantial shareholder, director or officer of the company, any other company in the same group of companies or to any director or officer of any such company.

Amendment of section 10

4. Section 10 of the principal Act is amended —

- (a) in the section heading, by repealing the word “Renewal” and substituting it with the words “Annual licence fee”;
- (b) in subsection (1) by repealing the words “for a period of one year from the date of issue, subject to it not being revoked by the Securities Authority under the provisions of this Act” and substituting them with the words “unless suspended, revoked or surrendered”;
- (c) in subsection (2) by repealing the words “in respect of the period of one year from the date on which the licence is granted,”
- (d) by repealing subsection (3) and substituting it with the following subsections —

“(2A) If a licence is not first granted in the month of January, February or March, the first annual licence fee

payable under subsection (2) shall be reduced on a quarterly pro-rata basis, calculated having regard to the quarter in which the licence was first granted.

(3) A person granted a securities exchange licence shall in January of each year —

- (a) pay the annual licence fee as prescribed from time to time by the Minister by Regulations; and
- (b) lodge with the Securities Authority a compliance certificate in the prescribed form.”;
- (e) in subsection (6)(g) by repealing the words “anniversary of the day of the grant of its licence” and substituting them with the words “due date in each year”;
- (f) in subsection (7)(f) by repealing the words “anniversary of the day of the grant of its licence” and substituting them with the words “due date in each year”.

Amendment of section 25

5. Section 25 of the principal Act is amended —

- (a) by numbering the existing section as subsection (1);
- (b) by repealing the full stop at the end of paragraph (1)(d) and substituting it with a semicolon and inserting a new paragraph (e) as follows —
 - “(e) the applicant is fit and proper to be licensed as a clearing agency.”;
- (c) by inserting a new subsection (2), after subsection (1), as follows —

“(2) In considering whether an applicant is fit and proper to be licensed, the Securities Authority —

- (a) shall have regard to, in respect of each of its directors and officers —
 - (i) his financial status;
 - (ii) his educational or other qualifications or experience having regard to the nature of his application;
 - (iii) his ability to perform his proposed function efficiently, honestly and fairly; and
 - (iv) his reputation, character, financial integrity and reliability; and
- (b) may take into account any matter relating to —
 - (i) any person who is or is to be employed by, or associated with, the applicant for the purposes of the business to which the application relates;
 - (ii) any person who will be acting as a representative in relation to such business;
 - (iii) any substantial shareholder, director or officer of the company, any other company in the same group of companies or to any director or officer of any such company.”.

Amendment of section 31**6.** Section 31 of the principal Act is amended —

- (a) in subsection (1) by repealing the words “for a period of one year from the date of issue, subject to it not being revoked by the Securities Authority under the provisions of this Act” and substituting them with the words “unless suspended, revoked or surrendered”;
- (b) in subsection (2) by repealing the words “in respect of the period of one year from the date on which the licence is granted”
- (c) by repealing subsection (3) and substituting it with the following subsections —

“(2A) If a licence is not first granted in the month of January, February or March, the first annual licence fee payable under subsection (2) shall be reduced on a quarterly pro-rata basis, calculated having regard to the quarter in which the licence was first granted.

(3) A person granted a securities exchange licence shall in January of each year —

- (a) pay the annual licence fee as prescribed from time to time by the Minister by Regulations; and
- (b) lodge with the Securities Authority a compliance certificate in the prescribed form.”.

Amendment of section 43**7.** Section 43 of the principal Act is amended —

- (a) by numbering the existing section as subsection (1);

- (b) in subsection (1), by inserting after the word “functions” the following words “and is fit and proper to be licensed as a securities facility”;
- (c) by inserting the following new subsections after subsection (1) —

“(2) In considering whether an applicant is fit and proper to be licensed, the Securities Authority —

- (a) shall have regard to, in respect of each of its directors and officers —
 - (i) his financial status;
 - (ii) his educational or other qualifications or experience having regard to the nature of his application;
 - (iii) his ability to perform his proposed function efficiently, honestly and fairly; and
 - (iv) his reputation, character, financial integrity and reliability; and
- (b) may take into account any matter relating to —
 - (i) any person who is or is to be employed by, or associated with, the applicant for the purposes of the business to which the application relates;
 - (ii) any person who will be acting as a representative in relation to such business;

- (iii) any substantial shareholder, director or officer of the company, any other company in the same group of companies or to any director or officer of any such company.

(3) Where a person is granted a securities facility licence there shall be payable to the Securities Authority, an annual licence fee as prescribed from time to time by the Minister by Regulations made under this Act.

(4) If a licence is not first granted in the month of January, February or March, the first annual licence fee payable under subsection (3) shall be reduced on a quarterly pro-rata basis, calculated having regard to the quarter in which the licence was first granted.

(5) A person granted a securities facility licence shall in January of each year —

- (a) pay the annual licence fee as prescribed from time to time by the Minister by Regulations; and
- (b) lodge with the Securities Authority a compliance certificate in the prescribed form.

(6) If an annual licence fee referred to in subsection (3) is not paid on or before the due date in each year, there shall be payable an additional fee equal to one twelfth of that annual licence fee for each month or part thereof during which the annual licence fee and any additional fee imposed by this subsection remains unpaid.

(7) The Securities Authority may, for good cause, waive any additional fee imposed by virtue of subsection (4).”.

Amendment of section 46

8. Section 46 of the principal Act is amended in subsection (4)(b) by inserting after the word “directors” the following words “of whom one shall be a resident person who is employed on a full-time basis”.

Amendment of section 48

9. Section 48 of the principal Act is amended in subsection (4) by repealing paragraph (a) and renumbering the remaining paragraphs.

Amendment of section 55

10. Section 55 of the principal Act is amended —

- (a) in subsection (6) by repealing the words “for a period of one year from the date of issue, subject to it not being revoked by the Securities Authority under the provisions of this Act” and substituting them with the words “unless suspended, revoked or surrendered”;
- (b) in subsection (7) by repealing the words “in respect of the period of one year from the date on which the licence is granted”
- (c) by repealing subsection (8) and substituting it with the following subsections —

“(7A) If a licence is not first granted in the month of January, February or March, the first annual licence fee payable under subsection (7) shall be reduced on a quarterly pro-rata basis, calculated having regard to the quarter in which the licence was first granted.

(8) A person granted a securities exchange licence shall in January of each year —

- (a) pay the annual licence fee as prescribed

from time to time by the Minister by Regulations; and

- (b) lodge with the Securities Authority a compliance certificate in the prescribed form.”.

Amendment of section 56

11. Section 56 of the principal Act is amended in subsection (1)(n) by repealing the words “anniversary of the day of the grant of its licence” and substituting them with the words “due date in each year”.

Amendment of section 58

12. Section 58 of the principal Act is amended by repealing subsections (1) and (2) and substituting them as follows —

“(1) The Securities Authority shall maintain a register of persons holding licences granted under Parts 3, 4 and 5.

(2) For each licensed securities dealer, investment advisor, securities exchange, clearing agency and securities facility, the register maintained under subsection (1) shall record —

- (a) the name and address of the licensee;
- (b) the date on which the licence was granted;
- (c) the trade names and domain names being use by the licensee;
- (d) the type of securities business permitted by the licence;
- (e) any conditions attached to the licence;
- (f) the name and address of every accredited representative (where applicable);

- (g) where the licensee is a company, the name and address of every director, company secretary and shareholder;
- (h) the location of the premises at which the records or other documents of the licensee are kept;
- (i) any disciplinary action against the licensee;
- (j) any order of suspension or revocation, or surrender of the licence; and
- (k) such other particulars as the Securities Authority considers necessary in the interest of the investors or general public.”

Amendment of section 59

13. Section 59 of the principal Act is amended in subsection (1) by repealing paragraph (a) and substituting it as follows —

- “(a) the licensee is a securities dealer, investment advisor, securities exchange, clearing agency or securities facility and ceases to carry on the business to which its licence relates;”;

Amendment of section 60

14. Section 60 of the principal Act is amended by inserting a new subsection (1A), after subsection (1) as follows —

- “(1A) A licensee shall submit an application to the Authority for approval under subsection (1) accompanied by such fees as may be prescribed by the Minister by Regulations.”.

Amendment of section 61

15. Section 61 of the principal Act is amended —

- (a) by numbering the existing section as subsection (1);
- (b) after paragraph (1)(e) by inserting the words “and pay such fees as may be prescribed by the Minister by Regulations” after the word “name”;
- (c) by inserting after subsection (1) the following subsections —

“(2) A licensee shall submit to the Securities Authority the trade names and domain names, to be used by the licensee as part of the application process for a licence under section 46(1), for approval by the Authority.

(3) Notwithstanding subsection (2), a licensee may use trade names and domain names, other than the trade names and domain names approved under subsection (2), subject to the Securities Authority's approval in writing.

(4) A licensee shall submit an application to the Authority for approval under subsection (1), accompanied by such fees as may be prescribed by the Minister by Regulations.

(5) The Securities Authority shall list all approved trade names on the licence of the licensee and on its website.

(6) A licensee shall prominently display all its approved trade names on its website.”.

Amendment of section 64

16. Section 64 of the principal Act is amended —

- (a) by repealing the word “and” at the end of paragraph (l);
- (b) by repealing the full stop at the end of paragraph (m) and substituting it with a semicolon;

- (c) by inserting after paragraph (m), the following paragraphs —
- “(n) ensure that at all times in Seychelles there are at least two resident fit and proper individuals who are either directors, compliance officers or members of the managerial staff of the licensee; and
- (o) ensure that at all times that it has in place standard risk warnings as may be prescribed by the Minister by Regulations.”.

Insertion of Part 13A

17. The principal Act is amended by inserting after section 124 the following Part —

“PART 13A CHANGE IN FIT AND PROPER INDIVIDUALS”

124A. In this Part —

“key position” or “in a significant role” includes but is not limited to, —

- (a) the management and oversight of the day-to-day operations of the employees;
- (b) ensuring the availability of up-to-date and timely information concerning the operations and affairs;
- (c) acting as an intermediary between the board and employees;
- (d) formulating and implementing policies and procedures;
- (e) conducting training for staff and assisting in the identification and evaluation of other

officers and board members as may be appropriate;

- (f) having regulatory knowledge of the industry;
- (g) having knowledge and understanding of the roles and duties for the position occupied or for the position applied to be occupied as applicable;

124B.(1) The provisions of this Part shall apply to —

- (a) licensed Securities Dealers;
- (b) licensed Investment Advisors;
- (c) licensed Securities Exchanges;
- (d) licensed Clearing Agencies;
- (e) licensed Securities Facilities:

Provided that the particular circumstances in which they apply are relevant to fit and proper determination of individuals in a key position or in a significant role.

(2) A determination under subsection (1) shall apply to a change in an approved fit and proper individual's key position or significant role which has been previously approved under section 9(4), 46(5) and 49(4), or thereafter.

(3) A licensee shall submit an application, as may be prescribed by the Securities Authority, for a change referred to in subsection (2), accompanied by any fees as may be prescribed by the Minister by Regulations.

(4) A licensee shall not effect a change referred to under this Part unless the proposed change has been approved by the Securities Authority.

(5) A licensee who fails to comply with subsections (3) and (4) shall be liable to a penalty of USD5000 per day or part thereof during which the contravention continues.

(6) Further to subsection (5), the Authority may take enforcement action as deemed appropriate.

Transitional provision

18.(1) Subject to subsection (2), entities licensed before the coming into force of this Act shall comply with the provisions of this Act within eighteen months of its entry into force.

(2) Subsection (1) shall not apply to the new requirements relating to payment of annual licence fees.

(3) On coming into operation of this Act the Securities Authority shall ensure that, where applicable, licence fees are prorated for existing licensees.

VALUE ADDED TAX (AMENDMENT) BILL, 2024*(Bill No. 22 of 2024)***EXPLANATORY STATEMENT OF THE OBJECTS AND REASONS
FOR THE BILL**

The object of this Bill is to amend the Value Added Tax Act, 2012, *Cap 244*, in order to reform the Act in line with the International Monetary Fund recommendations in order to streamline and enhance VAT compliance with a focus on curtailing specific abusive practices.

Dated this 26th day of November, 2024.

**NAADIR HASSAN
MINISTER OF FINANCE,
NATIONAL PLANNING AND TRADE**

VALUE ADDED TAX (AMENDMENT) BILL, 2024

(Bill No. 22 of 2024)



A BILL FOR

AN ACT TO AMEND VALUE ADDED TAX ACT (CAP 244).

ENACTED by the President and the National Assembly.

Short title

1. This Act may be cited as the Value Added Tax (Amendment) Act, 2024 and shall come into operation on the 1st January, 2025.

Amendment of section 3

2. Section 3 of the Value Added Tax Act in this Act referred to as the principal Act is amended —

- (a) by repealing the word “and” at the end of paragraph (a) and replacing it with “or”.
- (b) in paragraph (b), repealing the words “levies,” after the word “duties” and by inserting after the words “service charges” the words “and levies”.

Amendment of section 7

3. Section 7 of the principal Act is amended by repealing the word “Fifth” in subsection (2) and substituting the word “Fourth”.

Amendment of section 8

4. Section 8 of the principal Act is amended by inserting after subsection (6) the following —

“(7) Notwithstanding this section, the Commissioner General may defer the registration of any person based on the following grounds —

- (a) the person has no bank account;
- (b) the person has previously been registered for VAT and has not been compliant to their obligations under this Act; or
- (c) the person has record of tax related abuse or fraud.”.

Amendment of section 9

5. Section 9 of the principal Act is amended —

- (a) by repealing subsection 2 (a), and substituting with the following new paragraph —

- “(a) where the value of taxable supplies is equal to or greater than the amount specified in the Fourth Schedule, the person has —
- (i) at the beginning of the 6 month period, if there are reasonable grounds to expect that the person will exceed the voluntary registration threshold in that period; or
 - (ii) at the end of any 12 month or lesser period, if in that period the person exceeds the voluntary registration threshold;”;
- (b) by inserting, after subsection (2), the following new subsections —

“(2A) A person exceeds the voluntary registration threshold in a particular period if the total value of taxable supplies made or reasonably expected to be made by the person during the period is equal to or greater than the amount specified in the Fourth Schedule.

(2B) Notwithstanding subsection (1), the Revenue Commissioner may refuse the registration of any person, if —

- (a) the person has not met the threshold or criteria specified under section 9 (1) to (2)(d) of the Act; or
- (b) the person has no bank account; or
- (c) the person has previously been registered for VAT on a voluntary basis but has failed to fulfil the conditions stated under the VAT Act; or
- (d) the Revenue Commissioner has concerns for potential abuse or fraud pursuant to section 8(7)(c).”

Amendment of section 12

6. Section 12 of the principal Act is amended —

- (a) in subsection (4), by repealing the word “twelve” wherever it may appear and substituting with the word “twenty-four”;
- (b) in subsection (4) (b), by repealing the words “or less”;
- (c) by inserting after subsection (4) (b) the following subsection —

“(4A) Notwithstanding subsections (3) and (4), the Revenue Commissioner may refuse to cancel the registration of any person registered under section 9 where the Revenue Commissioner considers it necessary for the protection of the revenue.”;

- (d) by deleting the full stop after subparagraph 5(c) and inserting the following new subparagraph —

“(d) the person no longer meets any of the criteria listed in Part III (REGISTRATION) of the Act.”;

Amendment of section 13

7. Section 13 of the principal Act is amended —

- (a) by substituting the “.” after the word “goods” in subparagraph (1)(b) with “, or”
- (b) by inserting after subparagraph (1)(b) the following —

“(c) for the acquisition of services.”;
- (c) in subsection (2), by substituting the “(a) or (b)” after the word “paragraphs” with “(a), (b) or (c)”.

Amendment of section 23

8. Section 23 of the principal Act is amended by repealing subsection (c) and substituting with the following —

- “(c) the amount of any customs duty, excise, or any fee or other charge paid (excluding levies) in respect of the import.”

Amendment of section 24

9. Section 24 of the principal Act is amended —

- (a) by inserting after subsection 7 the following —

“**8.** (1) Notwithstanding subsection (7), a taxable person shall be required to complete a VAT input tax credit form when the input tax credit amount is equal to or greater than SCR50,000 per transaction.

(2) The VAT input tax credit form shall be furnished upon submission of the VAT returns.”.

REVENUE ADMINISTRATION (AMENDMENT) BILL, 2024*(Bill No. 23 of 2024)***EXPLANATORY STATEMENT OF OBJECTS AND REASONS
FOR THE BILL**

The purpose of this Bill is to amend the Revenue Administration Act, Cap. 308 with the aim of addressing identified shortfalls and enhancing the effectiveness of several key areas of the Act.

These amendments focus on including new provisions for debt recovery, tax clearance certificates, currency translation, illegal phoenix activity, and granting the Minister the authority to prescribe administrative penalties for any offences committed under this Act.

It also includes changes to the provisions governing the Tax and Customs Agents Board and seeks to introduce the offence of tax evasion, to recognise it as a fraudulent practice and a serious tax crime.

Dated this 27th day of November, 2024.

**NAADIR HASSAN
MINISTER OF FINANCE,
NATIONAL PLANNING AND TRADE**

REVENUE ADMINISTRATION (AMENDMENT) BILL, 2024

(Bill No. 23 of 2024)

ARRANGEMENT OF SECTIONS

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REVENUE ADMINISTRATION (AMENDMENT) BILL, 2024

(Bill No. 23 of 2024)



A BILL FOR

AN ACT TO AMEND THE REVENUE ADMINISTRATION ACT CAP. 308.

ENACTED by the President and the National Assembly.

Short title and commencement

1. This Act may be cited as the Revenue Administration Act and shall come into operation on the 1st January, 2025.

Amendment of section 2

2. Section 2 of the Revenue Administration Act (*Cap 308*) which is in this Act referred to as the “principal Act” is amended as follows —

- (a) by inserting the following definitions in the appropriate alphabetical order —

““illegal phoenix activity” means —

- (a) any action taken by individuals or entities to intentionally wind up, liquidate or abandon a company to avoid paying debts, taxes or liabilities; and
- (b) a new company is subsequently established using the same assets, employees or management;

“Principal” means a person who authorises a Tax Agent or a Customs Agent to act on that person's behalf;

“tax clearance certificate” means the certificate issued under section 97A;

“tax evasion” means the unlawful act of deliberately misrepresenting or concealing information to reduce or eliminate tax liability;”

- (b) by repealing paragraph (c) in the definition of the word “reviewable decision” and substituting it with the following new paragraph —

“(c) a decision relating to the registration or cancellation of the registration of a Tax or Customs Agent, or the imposing of a sanction under sections 87 or 87A; or”

Amendment of section 11

3. Section 11 of the principal Act is amended by inserting after subsection 8, the following new subsection —

“(9) A taxpayer shall pay any tax on any amended assessment within thirty days from the date of issue of the notice of assessment served under subsection (4).”

Amendment of section 15

4. Section 15 of the principal Act is amended as follows —

- (a) by repealing subsection (1) and substituting it with the following new subsection —

“(1) Subject to subsection (2), a taxpayer dissatisfied with a revenue decision may, within ninety days after the date of issue of the notice of the decision, serve an objection in writing on the Commissioner General against the decision, stating fully and in detail the grounds for the objection and accompanied by any relevant documents to support those grounds.”

- (b) by repealing subsection (5) and substituting it with the following new subsection —

“(5) The Commissioner General shall issue an objection decision to the taxpayer within one hundred and twenty days after receiving the notice of objection.”

Amendment of section 19

5. Section 19 of the principal Act is amended as follows —

- (a) in subsection (3), by deleting the word “may” and substituting it with the word “shall”;
- (b) by inserting after subsection (3), the following new subsection —

“(4) A taxpayer shall settle any portion of debt due that is not in dispute, and if the full amount is in dispute or cannot easily be quantified, 25% of the debt shall be settled.”

Amendment of section 34

6. Section 34 of the principal Act is amended in subsection (1)(c) as follows —

- (a) by inserting after the word “documents”, the words “including but not limited to source documents for receipts, invoices, contracts and bank statements”;
- (b) by inserting after the words “revenue affairs”, the words “within fourteen days of receipt of the notice”;
- (c) by inserting after subsection (2), the following new subsections —

“(2A) A person who is served a notice pursuant to subsection (1)(c) shall, within fourteen days of receipt of such notice, provide the accounts, documents or records to the Commissioner General.

(2B) A person who is served a notice pursuant to subsection (1)(c) may apply in writing to the Commissioner General for an extension of the time referred to in subsection (2A), and the Commissioner General may, if satisfied that there is reasonable cause, grant the extension, and shall serve a notice of the decision to the person as soon as practicable.”

Amendment of section 40

7. Section 40 of the principal Act is amended as follows —

- (a) in subsection (1), in the definition of the word “arrangement”, by inserting after the word “plan,” the words “course of conduct”;
- (b) in subsection (2), by inserting after the words “under a revenue law,” the words “or the arrangement is part of an illegal phoenix activity,”

Amendment of section 50

8. The principal Act is amended by repealing section 50 and substituting it with the following new section —

“Tax Evasion

50. Any person who willfully and with intent to evade assessment or revenue liabilities, or who assists any other person in evading assessment or revenue liabilities, or the payment thereof by —

- (a) intentionally omitting from a return made under a revenue law any income which should be included;
- (b) making, causing or allowing any false or incorrect statement in any return lodged under a revenue law;
- (c) signing any document or any return lodged under a revenue law having reason to believe the contents of such document or return or any part thereof to be incorrect;
- (d) providing a false answer, whether verbally or in writing, to a question asked or request for information made in pursuance of the Act or any other under a revenue law;
- (e) preparing, maintaining or authorising the preparation or maintenance of false books of account or other false records, or falsifying or authorising the falsification of books of account or other records;
- (f) using any software or any other digital means to suppress sales;

- (g) using another person's credentials to conduct tax related fraudulent activities;
- (h) claiming refunds, deductions or exemptions when not entitled to do so;
- (i) committing, utilising or authorising the use of any form of fraud;
- (j) keeping money in foreign bank accounts with an intent to evade tax obligations;
- (k) using shell companies, associates or other structures with the intention of concealing assets; or
- (l) causing any other circumstance to exist which will have the effect of enabling such person to evade any tax, penalty or interest chargeable or imposable under this Act or any other revenue law or the payment thereof,

commits an offence and is liable on conviction to pay the amount of tax which has been undercharged in consequence of the offence, or which would have been undercharged if the offence had not been detected, and shall be liable to imprisonment for a term of not less than 1 year or to a fine of level 6 on the standard scale or to both such fine and imprisonment.”

Amendment of section 83

9. Section 83 of the principal Act is amended as follows —

- (a) in subsection (1), by deleting the words “and be accompanied by the prescribed fee”;
- (b) by inserting after subsection (9) the following new subsection —

“(10) Payment of the prescribed fee for registration as a Tax Agent shall be made only after the applicant has received approval of the application from the Tax and Customs Agents Board.”

Amendment of section 84

10. Section 84 of the principal Act is amended as follows —

- (a) in subsection (1), by deleting the words “ and be accompanied by the prescribed fee”;
- (b) by inserting after subsection (8), the following new subsection —

“(9) Payment of the prescribed fee for registration as a Customs Agent shall be made only after the applicant has received approval of the application from the Tax and Customs Agents Board.”

Insertion of new section 87A

11. The principal Act is amended by inserting after section 87, the following new section —

“Investigation of misconduct

87A.(1) The Tax and Customs Agents Board shall have the power to investigate allegations of misconduct by a registered Tax Agent or Customs Agent, and if the misconduct is proved, shall apply sanctions in accordance with the Code of Conduct and Sanctions guidelines in section 86.

(2) The Commissioner General or Principal shall refer allegations of a misconduct against registered Tax Agent or Customs Agent to the Board.

(3) The Tax and Customs Agents Board, in investigating any allegation of misconduct, shall conduct inquiries and, in

conducting such inquiries, shall have the same powers as those conferred upon it in section 82(4).

(4) Where any allegation is made against a member of an association registered under the Associations Act, 2022, the Tax and Customs Agent Board may notify the association of the allegations.”

Insertion of new Part

12. The principal Act is amended by inserting after Part XIV, the following new Part —

“Part XIVA - TAX CLEARANCE CERTIFICATE

Tax clearance certificate

97A.(1) A person may request the issuance of a tax clearance certificate by making an application to the Commissioner General.

(2) The Commissioner General shall issue a tax clearance certificate upon being satisfied that the applicant has complied with all the obligations imposed under this Act or any other revenue law in relation to —

- (a) the payment or remittance of the taxes, interest and penalties required to be paid or remitted; or
- (b) lodgement of returns and declarations as required.

(3) The Commissioner General may refuse to issue a tax clearance certificate —

- (a) where the applicant —
 - (i) has failed to comply with the requirements set out in subsection (2);
 - (ii) is involved in an ongoing tax dispute or investigation; or

(iii) has committed serious or repeated tax evasion or fraud;

(b) where the Commissioner General deems it necessary based on any reasonable circumstances.

(4) The Commissioner General shall, within thirty days from the date on which an applicant lodges an application for a tax clearance certificate, issue a notice in writing to the applicant if the application is refused.

(5) A tax clearance certificate issued under subsection (2) shall be valid for the period specified in the certificate.

(6) The Commissioner General may revoke a tax clearance certificate issued under subsection (2) if, upon review, it is determined that the obligations specified in subsection (2) have not been complied with.

(7) Any person dissatisfied with the revenue decision made by the Commissioner General under this section may lodge an objection pursuant to section 15.”

Amendment of section 98A

13. Section 98A of the principal Act is amended by renumbering section 98A as 98B.

Insertion of new Part

14. The principal Act is amended by inserting after Part XV, the following new Part —

“Part XIA-MISCELLANEOUS PROVISIONS

Currency Translation

98A.(1) Any amount payable under this Act shall be paid in Seychelles rupees.

(2) If an amount is in a currency other than the Seychelles rupee, the amount shall be translated into Seychelles rupees —

- (a) at the Central Bank of Seychelles published mid-exchange rate applying between the foreign currency and Seychelles rupee on the date the amount is taken into account; or
- (b) in the case of an import of goods, using the exchange rate applicable under the customs legislation for the purposes of computing the customs duty paid on the import.”

Amendment of section 99

15. Section 99 of the principal Act is amended in subsection (2) by inserting the following new paragraph —

- “(c) prescribe administrative penalties for the contravention of the regulations;”