



Chandrawat  
& Partners

# DOING BUSINESS IN SEYCHELLES

A COMPREHENSIVE GUIDE ON DOING BUSINESS

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# TABLE OF CONTENTS

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<b><u>CONTENTS</u></b>	<b><u>PAGE NO.</u></b>
Overview	2
Economic overview	3
Foreign direct investment	4
Key sector	5
Advantages	6
Types of business	7
Taxation	8
Accounting standards	9
Minimum eligibility criteria	10
How to set a business?	11
Employment and labor laws	12
Employment policies	13
How we can help?	14

# OVERVIEW



Seychelles is a small island nation located in the Indian Ocean, with a population of approximately 98,000 people. The country has a diverse economy, with key sectors including tourism, fishing and financial services. Seychelles has made significant progress in terms of economic development in recent years, with Gross domestic product ("GDP") growth averaging around 4% per year.

Seychelles is an island country spanning an archipelago of 115 islands in the Indian Ocean. It is east of mainland Africa and the most proximate country is Madagascar. The geography consists of narrow coastal strips and central ranges of hills.

The government system is a republic the chief of state and head of government is the president. Seychelles has a service-oriented mixed economy in which some citizens still rely of subsistence farming, but tourism has promoted an economy with a variety of private freedom in combination with centralized government regulation. Seychelles is a member of the Common Market for Eastern and Southern Africa ("COMESA") and the Southern African Development Community ("SADC").



# ECONOMIC OVERVIEW

Seychelles has a relatively open economy, with trade accounting for around 100% of its GDP. The country has a strategic location between Asia and Africa, which has helped to attract foreign investment and facilitate trade. The Seychellois government has implemented several economic reforms in recent years to improve the business environment, including reducing bureaucracy and improving infrastructure.

As of 2023, Seychelles continues to experience steady economic growth, with a projected GDP growth rate of around 3.5%. The country's economy remains heavily reliant on tourism, which is expected to continue to be a key driver of growth. However, the government is also working to diversify the economy and reduce its dependence on tourism.

One area of focus is the development of renewable energy, with plans to increase the share of renewable energy in the country's energy mix to 25% by 2030. The government is also promoting the development of the information technology sector, with initiatives aimed at attracting tech startups and entrepreneurs.

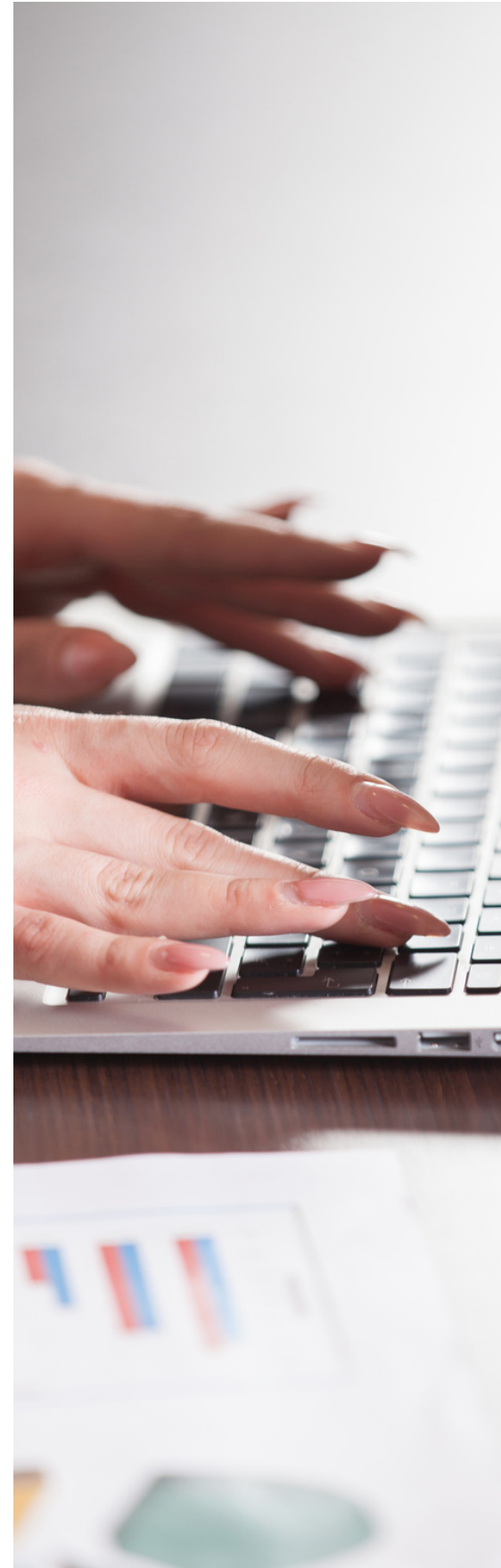
To address these challenges, the government is implementing a range of policies aimed at promoting sustainable economic growth and reducing poverty. These include efforts to improve infrastructure, increase access to education and healthcare, and promote entrepreneurship and innovation. Overall, Seychelles is working to build a more resilient and diversified economy that can weather future challenges and continue to improve the lives of its citizens.

# FOREIGN DIRECT INVESTMENT

Seychelles welcomes foreign investment and has implemented several policies to attract foreign companies to invest in the country. Foreign investors are allowed to own 100% of their businesses in Seychelles, and there are no restrictions on repatriation of profits.

Foreign direct investment ("FDI") in Seychelles is encouraged and welcomed by the government. The country offers several incentives to attract foreign investors, including tax holidays, duty-free imports of capital goods, and repatriation of profits and capital. Seychelles has a liberal investment policy, and foreign investors can own up to 100% of a business in most sectors.

The main sectors that attract FDI in Seychelles are tourism, fisheries, and financial services. The government has also identified renewable energy, information and communication technology, and agriculture as priority sector for investment.



# KEY SECTORS

Seychelles has several key sectors that offer significant opportunities for investment. These include tourism, fishing and financial services. The country is known for its beautiful beaches and natural beauty, which has helped to attract tourists from around the world. In addition, Seychelles is a major producer of tuna and other fish products. The financial services sector is also growing rapidly, with the government investing heavily in infrastructure and promoting the country as a financial hub.

Tourism is the key sector in Seychelles, accounting for a significant portion of the country's GDP and employment. The country's natural beauty, including its beaches, coral reefs, and unique wildlife, attracts tourists from around the world. The government has implemented policies to promote sustainable tourism and protect the environment. Other important sectors in Seychelles include fisheries, financial services, and agriculture. The country is also investing in renewable energy and information and communication technology to diversify its economy and attract more foreign investment.

# ADVANTAGES

Seychelles offers several advantages for companies looking to do business in the country. These include its strategic location, relatively low labor costs, and access to markets in Asia and Africa. In addition, the Seychellois government has implemented a number of policies to improve the business environment, including reducing bureaucracy and improving infrastructure.

**Strategic location:** Seychelles is strategically located in the Indian Ocean, making it an ideal gateway to Africa and Asia.

**Favorable business environment:** Seychelles has a business-friendly environment, with a low tax regime, no exchange controls, and a stable political climate.

**Skilled workforce:** Seychelles has a well-educated and skilled workforce, with a high literacy rate and proficiency in English and French.

**Tourism industry:** Seychelles is known for its tourism industry, which provides a range of business opportunities, from hospitality to transportation.

**Investment incentives:** The Seychelles government offers a range of investment incentives, including tax holidays, duty-free imports, and other benefits.

**Infrastructure:** Seychelles has a well-developed infrastructure, including modern ports, airports, and telecommunications networks.

**Political stability:** Seychelles has a stable political climate, with a democratic government that promotes economic growth and development.

**Free trade agreements:** Seychelles has signed free trade agreements with several countries, providing access to new markets and opportunities for businesses.

# TYPES OF BUSINESS

There are several types of business structures that can be established in Seychelles, including sole proprietorships, partnerships, and limited liability companies. The most common type of business structure is the limited liability company, which requires a minimum of two shareholders and a minimum capital investment of SCR 100,000.

**1. Sole proprietorship:** This is a business owned and operated by one person. The owner is personally liable for all the debts and obligations of the business.

**2. Partnership:** This is a business owned by two or more people who share the profits and losses of the business. There are two types of partnerships in Seychelles: general partnerships and limited partnerships.

**3. Limited liability company ("LLC"):** This is the most common type of business structure in Seychelles. An LLC is a separate legal entity from its owners, which means that the owners have limited liability for the debts and obligations of the business.

**4. Branch office:** A branch office is a foreign company that establishes a presence in Seychelles. The branch office is not a separate legal entity from the parent company, which means that the parent company is liable for the debts and obligations of the branch office.

**5. Representative office:** A representative office is a foreign company that establishes a presence in Seychelles for non-commercial purposes, such as market research or promotion.



# TAXATION

Seychelles has a relatively simple tax system, with a flat corporate tax rate of 25%. In addition, there are no taxes on dividends or capital gains. Companies are also eligible for a range of tax incentives, including tax breaks for investing in certain sectors or regions.

Seychelles has a relatively simple tax system for businesses. The main taxes that businesses are subject to in Seychelles are:

**Corporate tax:** All companies registered in Seychelles are subject to corporate tax on their worldwide income. The current corporate tax rate is 25%.

**Value-added tax ("VAT"):** Seychelles has a VAT system that applies to most goods and services. The standard VAT rate is 15%.

**Payroll tax:** Employers are required to pay payroll tax on the salaries and wages they pay to their employees. The payroll tax rate varies depending on the amount of the salary or wage.

**Business license tax:** All businesses operating in Seychelles are required to obtain a business license and pay an annual fee. The fee varies depending on the type of business and its size.

**Customs duties:** Businesses that import goods into Seychelles are subject to customs duties. The duty rates vary depending on the type of goods being imported.

**Excise duties:** Certain goods, such as alcohol and tobacco, are subject to excise duties in Seychelles.



# ACCOUNTING STANDARDS

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Companies in Seychelles are required to follow International Financial Reporting Standards ("IFRS") for their accounting practices. The Seychellois government has implemented a few policies to improve financial reporting and transparency, including requiring listed companies to publish their financial statements in both English and French.

The accounting standards in Seychelles are generally based on International Financial Reporting Standards ("IFRS"). The Seychelles Institute of Chartered Accountants ("SICA") is responsible for setting and enforcing accounting standards in the country.

All companies in Seychelles are required to prepare financial statements in accordance with the International Accounting Standards ("IAS") and International Financial Reporting Standards ("IFRS"). These standards provide a framework for preparing financial statements that are transparent, accurate, and consistent. In addition to IFRS, Seychelles also has its own set of accounting standards known as the Seychelles Financial Reporting Standards ("SFRS"). These standards are based on IFRS but have been adapted to suit the specific needs of Seychelles.

Overall, businesses in Seychelles should ensure that their accounting practices comply with both IFRS and SFRS to ensure accurate financial reporting and compliance with regulations. It is recommended that businesses consult with a qualified accountant or professional accounting firm to ensure compliance.

# MINIMUM ELIGIBILITY CRITERIA

To register a company in Seychelles, the minimum eligibility criteria are:

- At least one director and one shareholder, who can be the same person.
- A registered office address in Seychelles.
- A company name that is not already registered and does not infringe on any trademarks or intellectual property rights.
- A memorandum and articles of association that outline the company's objectives, share capital, and internal governance structure.
- Payment of registration fees and submission of all required documents to the Registrar of Companies.
- The company must have a minimum capital investment of SCR 100,000.

# HOW TO SET UP A BUSINESS?

To set up a business in Seychelles, the following steps must be taken:

- 1. Choose a business structure:** Decide on the type of business structure that best suits your needs, such as a sole proprietorship, partnership, or limited liability company ("LLC").
- 2. Choose a name:** Choose a unique and available name for your business that complies with Seychelles' naming conventions.
- 3. Register your business:** File the necessary documents with the Registrar of Companies, including the memorandum and articles of association, and pay the registration fees.
- 4. Obtain a business license:** Depending on the type of business you are starting; you may need to obtain a business license from the relevant government agency.
- 5. Obtain necessary permits and certifications:** Depending on your industry, you may need to obtain additional permits or certifications to operate legally.
- 6. Hire employees:** If you plan to hire employees, register with the Seychelles Revenue Commission, and comply with all labor laws and regulations.
- 7. Comply with tax requirements:** Register for taxes with the Seychelles Revenue Commission and comply with all tax laws and regulations.

# EMPLOYMENT AND LABOR LAWS

Seychelles has a comprehensive set of labor laws that govern employment relationships. These laws cover issues such as minimum wage, working hours, and termination of employment. Employers are required to provide employees with written contracts that outline their terms of employment. Employment and labor law in Seychelles is governed by the Employment Act of 1995, which outlines the rights and obligations of employers and employees in the country.

Under the Employment Act, employers are required to provide their employees with a written contract of employment, which must include details such as the job description, salary, working hours, and leave entitlements. Employers must also ensure that their employees are provided with a safe and healthy working environment, and take steps to prevent accidents and injuries in the workplace.

Employees in Seychelles are entitled to a minimum wage, which is set by the government and reviewed periodically. The current minimum wage in Seychelles is SCR 5,050 per month. Employees are also entitled to annual leave, sick leave, and maternity leave, as well as public holidays and rest days.

Employers are prohibited from discriminating against employees on the basis of race, gender, religion, or disability. They are also required to provide equal pay for equal work, regardless of an employee's gender or other personal characteristics.

# EMPLOYMENT POLICIES

**1. National employment policy:** The government has developed a National Employment Policy that aims to promote full employment, improve working conditions, and enhance productivity in the country. The policy focuses on creating jobs in key sectors such as tourism, agriculture, and fisheries, as well as promoting entrepreneurship and skills development.

**2. Skills development policy:** The government has also implemented a Skills Development Policy to enhance the skills and knowledge of the Seychellois workforce. The policy aims to provide training and education opportunities for workers, and encourage lifelong learning.

**3. Foreign workers policy:** The government has established a Foreign Workers Policy to regulate the employment of foreign workers in Seychelles. The policy aims to ensure that foreign workers do not displace local workers, and that they are employed in areas where there is a shortage of skilled labor.

**4. Gender equality policy:** The government has implemented a Gender Equality Policy to promote gender equality in the workplace and society. The policy aims to eliminate discrimination against women, and promote equal opportunities for men and women in all areas of life.

**5. Occupational health and safety policy:** The government has developed an Occupational Health and Safety Policy to ensure that workplaces are safe and healthy for employees. The policy aims to prevent accidents and injuries in the workplace, and promote the physical and mental well-being of workers.

# HOW WE CAN HELP?

Chandrawat and Partners is a professional services firm that specializes in helping companies do business in Seychelles. We offer a range of services, including company registration, tax advisory, and legal support. Our team of experts has extensive experience working with foreign companies in Seychelles and can provide tailored solutions to meet the business needs.

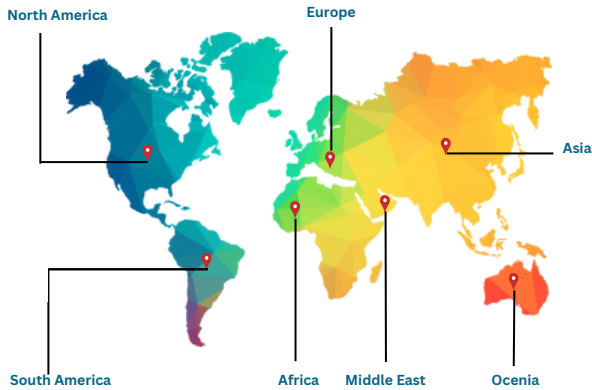
Our team can provide legal advice on the regulatory framework for automotive sectors, and automotive companies to drive efficiencies, unlock new value, improve the customer experience and generate new business models.

Our team ensure that the business complies with all applicable laws and regulations, including consumer protection, labor, product safety, and environmental laws.

Our team can assist with obtaining the necessary licenses and registrations to operate legally in the jurisdiction. Furthermore, product liability insurance can also help businesses with licensing and registration requirements.



## SERVING CLIENTS WORLDWIDE



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