

REGULATIONS

S.I. 1 of 1995

INVESTMENT PROMOTION ACT, 1994

(Act 21 of 1994)

**Investment Promotion (Concessions and Incentives)
Regulations, 1995**

In exercise of the powers conferred by sections 5 and 7 of the Investment Promotion Act, 1994 the Minister of Finance and Communication hereby makes the following Regulations:—

1. These Regulations may be cited as the Investment Promotion (Concessions and Incentives) Regulations, 1995.

2. Upon the grant of certificate of approval to an investor under section 3 of the Act, the concessions and incentives set out in the Schedule shall apply to the Investor in relation to the investment specified in the certificate.

SCHEDULE

All rates below are expressed as a percentage of the rates specified under the Trades Tax Act, 1987

Capital Equipment		Raw Materials & throughputs		Manufactured goods/services
New	Replace-ment	Fuel	Others	

(a) Agricultural and Marine Resources Investment

i.	Export Oriented Units	0%	0%	0%	0%	0%
ii	Special Growth Area	0%	0%	0%	0%	0%
iii	General Category	50%	100%	100%	100%	0%

(b) Industrial and Manufacturing Investment

i.	Export Oriented Units	0%	0%	0%	0%	0%
ii	Special Growth Area	0%	50%	0%	0%	50%
iii	General Category *	0%	100%	100%	0%	100%

(c) *Professional Services Investment*

i.	Export Oriented Units	0%	0%	50%	0%	0%
ii	Special Growth Area	0%	50%	0%	50%	50%
iii	General Category	0%	100%	100%	100%	100%

(d) *Small Scale Industries Investment*

i.	Export Oriented Units	0%	0%	0%	0%	0%
ii	Special Growth Area	0%	0%	0%	0%	50%
iii	General Category	0%	50%	100%	0%	100%

(e) *Tourism Development Investment*

i.	Hotels**	0%	0%	100%	100%	100%
ii	Restaurants**	0%	0%	100%	100%	0%
iii	Casinos	0%	100%	100%	100%	100%
iv	Car-Hire Operators		100%	100%	100%	0%
v	Tour operators /Travel Agents	0%	100%	100%	100%	100%
vi	Dive Centres	0%	0%	100%	100%	0%
vii	Boat hirers/ Charterers	0%	0%	0%	100%	0%
viii	Yachts & Liveaboards	0%	0%	0%	0%	0%
ix	Taxi operators		100%	100%	100%	0%
x	Special Growth Area	0%	0%	0%	50%	0%
xi	General Category	100%	100%	100%	100%	100%

* Where such activity involves construction, the applicable rate for all Raw materials and throughputs shall be 100%

** In addition such establishments will be granted 50 % concession on all and operating equipment limited to 2 % of their Gross Revenue

Immigration Decree, 1979*Gainful Occupation Permit*

Minimum guaranteed number of non-Seychellois employees (rounded to the nearest whole number) allowed as a percentage of total employees.

(a) Agricultural and Marine Resources Investment

- i. Export Oriented Units 25% upon payment of concessional fees
- ii Special Growth Area 25% upon payment of concessional fees

(b) Industrial and Manufacturing Investment

- i. Export Oriented Units 25% upon payment of concessional fees
- ii Special Growth Area 25% upon payment of concessional fees

(c) Professional Services Investment

- i. Export Oriented Units 25% upon payment of concessional fees
25% upon payment of normal fees
- ii Special Growth Area 25% upon payment of concessional fees
25% upon payment of normal fees

(d) Small Scale Industries Investment

- i. Export Oriented Units 25% upon payment of concessional fees
- ii Special Growth Area 25% upon payment of concessional fees

(e) Tourism Development Investment

- i. Hotels 5% upon payment of concessional fees
- ii Restaurants 5% upon payment of concessional fees
- iii Casinos 10% upon payment of normal fees
- v Tour operators
Travel Agents 10% upon payment of normal fees
- vi Dive Centres 25% upon payment of concessional fees
- viii Yachts & Liveaboards 25% upon payment of concessional fees
- x Special Growth Area 25% upon payment of concessional fees

The Gainful Occupation Permit Fees payable for the categories Concessional and Normal shall be R 6,000 and R 18,000 per employee per annum respectively, payable in monthly instalments.

Social Security Act, 1987

All rates below are expressed as a percentage of the rates specified under the Social Security Act, 1987.

Employers contribution where the employee is	
Seychellois	Non-Seychellois

(a) Agricultural and Marine Resource Investment

i.	Export Oriented Units *	0%	0%
ii	Special Growth Area *	50%	0%
iii	General Category	100%	100%

(b) Industrial and Manufacturing Investment

i.	Export Oriented Units *	0%	0%
ii	Special Growth Area *	50%	0%
iii	General Category	100%	100%

(c) Professional Services Investment

i.	Export Oriented Units *	0%	0%
ii	Special Growth Area *	50%	0%
iii	General Category	100%	100%

(d) Small Scale Industries Investment

i.	Export Oriented Units *	0%	0%
ii	Special Growth Area *	50%	0%
iii	General Category	100%	100%

(e) Tourism Development Investment

i.	Hotels	100%	100%
ii	Restaurants	100%	100%
iii	Casinos	100%	100%
iv	Car-hire operators	100%	100%
v	Tour operators/Travel Agents	100%	100%
vi	Dive Centres	100%	100%
vii	Boat hirers/Charterers	100%	100%
viii	Yachts & Liveaboards *	50%	50%
ix	Taxi operators	100%	100%
x	Special Growth Area *	50%	0%
xi	General Category	100%	100%

* In case of a non-Seychellois employee, where the rate specified is 0% of the rates in the Social Security Act, 1987 the employer shall take out an acceptable policy of health insurance in respect of each employee. Where the employer does not take out a health insurance policy, there shall be substituted for that rate a rate equivalent to be 50% of the rates specified in the Social Security Act, 1987.

Business Tax Act, 1987**(1) Rates of Business Tax payable**

Expressed as a percentage of taxable income as defined under the Business Tax Act, 1987 except where otherwise specified.

(a) Agricultural and Marine Resources Investment

- i. Export Oriented Units 15% in excess of R 24,000
- ii. Special Growth Area Rates specified in the Business Tax Act, 1987
- iii. General Category Rates specified in the Business Tax Act, 1987

(b) Industrial and Manufacturing Investment

- i. Export Oriented Units 15% in excess of R 24,000
- ii. Special Growth Area Rates specified in the Business Tax Act, 1987
- iii. General Category Rates specified in the Business Tax Act, 1987

(c) Professional Services Investment

- i. Export Oriented Units 15% in excess of R 24,000
- ii. Special Growth Area Rates specified in the Business Tax Act, 1987
- iii. General Category Rates specified in the Business Tax Act, 1987

(d) Small Scale Industries Investment

- i. Export Oriented Units 15% in excess of R 24,000
- ii. Special Growth Area 15% in excess of R 24,000
- iii. General Category Rates specified in the Business Tax Act, 1987

(e) Tourism Development Industry

- i. Hotels Rates specified in the Business Tax Act, 1987
- ii. Restaurants Rates specified in the Business Tax Act, 1987
- iii. Casinos Rates specified in the Business Tax Act, 1987
- iv. Car-hire operators Rates specified in the Business Tax Act, 1987
- v. Tour operators/
Travel Agents Rates specified in the Business Tax Act, 1987
- vi. Dive Centres Rates specified in the Business Tax Act, 1987
- vii. Boat Hirers/
Charterers Rates specified in the Business Tax Act, 1987

viii.	Yachts & Liveaboards	Rates specified in the Business Tax Act, 1987
ix.	Taxi Operators	Rates specified in the Business Tax Act, 1987
x.	Special Growth Area	15% in excess of R. 24,000
xi.	General Category	Rates specified in the Business Tax Act, 1987

(2) Tax Credits

Secondary concessions for certain businesses if they satisfy certain criteria for the full assessment year unless otherwise specified, in which such criteria are met. This will be deductible at the time of assessment upon production of a certificate from the auditor.

		<i>Rebate on Business Tax payable</i>
i.	Ownership - 51% or more Seychellois owned	5%
ii.	Companies listed on the stock exchange	5%
iii.	Special Growth Area - as specified in schedule	5%
iv.	Where export turnover exceeds 60% of total turnover	5%
v.	Where export turnover exceeds 70% of total turnover	10%
vi.	Where export turnover exceeds 80% of total turnover	15%
vii.	Number of Seychellois full time employees exceeding 90% of the workforce	5%
viii.	Where local raw material is not less than 50% of total raw materials (excluding non-renewable resources)	5%

The rebates specified will be allowable in any assessment year where the assessee fulfills these criteria

(3) Special deductions from taxable income

Research, Marketing, Export Promotion, Travelling and Entertainment Expenses

Amount qualifying for the deduction as % of turnover or actual expenditure whichever is lower.	Allowable deduction as a % of actual or qualifying expenditure
--	--

(a) Agricultural and Marine Resource Investment

i.	Export Oriented Units	2%	200%
ii.	Special Growth Area	2%	200%
iii.	General Category	0.5%	100%

(b) Industrial and Manufacturing Investment

i.	Export Oriented Units	2%	200%
ii	Special Growth Area	2%	200%
iii	General Category	0.5%	100%

(c) Professional Services Investment

i.	Export Oriented Units	2%	200%
ii	Special Growth Area	2%	200%
iii	General Category	0.5%	100%

(d) Small Scale Industries Investment

i.	Export Oriented Units	2%	200%
ii	Special Growth Area	2%	200%
iii	General Category	0.5%	100%

(e) Tourism Development Investment

i.	Hotels	5%	200%
ii	Restaurants	5%	200%
iii	Casinos	5%	100%
iv	Car-hire operators	5%	100%
v	Tour operators/Trvl Agents	5%	200%
vi	Dive Centres	5%	200%
vii	Boat hirers/Charterers	5%	200%
viii	Yachts & Liveaboards	5%	200%
ix	Taxi operators	0%	—
x	Special Growth Area	5%	200%
xi	General Category	5%	100%

(4) Accelerated Depreciation

Rates of depreciation allowable on Capital Investments, other than land and building will be at the following rates.

(a) Agricultural and Marine Resources Investment

Year 1	45%
Year 2	40%
Year 3	20%
Year 4	15%
Year 5	5%

(b) Industrial and Manufacturing Investment

Year 1	45%
Year 2	40%
Year 3	30%
Year 4	25%
Year 5	10%

(c) Professional Services Investment

Year 1	45%
Year 2	40%
Year 3	20%
Year 4	15%
Year 5	5%

(d) Small Scale Industries Investment

Year 1	45%
Year 2	40%
Year 3	30%
Year 4	25%
Year 5	10%

(e) Tourism Development Investment

Year 1	45%
Year 2	40%
Year 3	30%
Year 4	25%
Year 5	10%

Such depreciation will be allowed provided an equivalent amount is invested in Depreciation Bonds or Special Accounts as may be specified under the regulations to this Act.