



LAWS OF SEYCHELLES

SEYCHELLES NATIONAL INVESTMENT CORPORATION DECREE

CHAPTER 219

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CHAPTER 219

**SEYCHELLES NATIONAL INVESTMENT
CORPORATION DECREE**

Dec. 26 of 1979
Act 6 of 1981.

(11th June, 1979)

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PART I - PRELIMINARY

Short title. 1. This Decree may be cited as the Seychelles National Investment Corporation Decree.

Interpretation.
2/6/1981.

2. In this Decree, unless the context otherwise requires —

“Minister” means the person appointed by the President to supervise the Corporation;

“Board” means the Board of Directors constituted under section 7;

“Subsidiary Board” means the board or boards of any or all subsidiaries of the Corporation as the context requires;

“Chairman” means the person for the time being designated Chairman of the Board under section 7;

“the Corporation” means the Seychelles National Investment Corporation established under this Decree;

“subsidiary” means a national enterprise owned by the Corporation or an enterprise in which the Corporation owns more than 50% of the voting power or is entitled to appoint more than 50% of the board of directors;

“enterprise” means an undertaking whether corporate or not of an economic character in any sector of the economy producing or providing goods or services for general sale, hire or reward on a remunerative basis;

“national enterprise” means an enterprise wholly owned by

the Government or by the Corporation on its behalf and so designated by the President, provided however that, if it appears to be in the national interest, the President may approve a minority shareholding therein;

“associated enterprise” means an enterprise in which the Corporation has a minority interest or share in its control;

“private enterprise” means an enterprise entirely in private (non-Government) ownership;

“staff” means and includes all employees of the Corporation and its subsidiaries;

“financial year” means---

- (a) the period beginning on 1st January 1980 and ending on the 31st March 1981 ; and
- (b) thereafter, the period of twelve months ending on the 31st March in any year.

PART II - THE CORPORATION

3.(1) There is hereby established the Seychelles National Investment Corporation which shall be a body corporate with perpetual succession, capable in law of suing and being sued in that name.

Seychelles National Investment Corporation, its objectives and duties.

(2) The objectives and duties of the Corporation shall be to develop the economy of Seychelles by establishing or acquiring and developing on a sound commercial and financial basis national and other enterprises in any sector of the national economy and to assist or participate in subsidiary or associated enterprises, and to provide managerial, training, research and other services to any enterprise when this is desirable for the attainment of the objectives of the Corporation.

4. For the attainment of its objectives the Corporation shall be empowered, subject to this Decree, to do and perform all such acts and things as bodies corporate may lawfully do and perform, including without being limited thereto, to acquire, buy, sell,

Powers of the Corporation.

dispose, rent or hire, exchange, pledge or mortgage any movable or immovable property or interest therein; borrow, lend or invest money or guarantee any financial obligations of any subsidiary or other person or body corporate; import, manufacture, process, distribute and export any product; establish or form and dissolve or voluntarily wind-up any body corporate so established or formed other than itself, partnership or enterprise; and engage, direct the employment of, dismiss and provide appropriate conditions of service for its staff.

Provided that the Corporation shall not dispose of any control over or shareholding in a national enterprise without the approval of the President.

Operation of the Corporation.

5. In discharging its duties and the exercise of its powers under this Decree the Corporation—

- (a) shall be subject to the general supervision and guidance of the Minister as hereinafter provided;
- (b) shall take into account the objects and policies of the National Development Plan;
- (c) may acquire, purchase, carry on, establish and conduct national or subsidiary enterprises either as bodies corporate established under this or any other law or as subdivisions of itself;
- (d) may participate in or assist other enterprise provided however that any subsidiary enterprise which is not a national enterprise and any associated enterprise shall be incorporated under the Companies Act.
- (e) may manage other national or other enterprise owned by the Government; and
- (f) shall ensure that every national or subsidiary enterprise is conducted on a sound commercial and financial basis so that, without prejudice to the generality of that expression, its revenues and receipts are, when taken over a period appropriate to the nature and

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circumstances of the enterprise, sufficient to meet all due and proper charges to expenditure, any provisions required to be set aside by generally accepted accounting principles, and the service of any debt. Except in the special circumstances provided for in section 14 the Corporation shall not take over, establish or participate or invest in any enterprise unless the Board is of the opinion, after due study and consideration, that this requirement can be met.

PART III - THE MINISTER

6.(1) The Minister acting within the provisions of this Decree—

Duties and powers of the Minister.

- (a) may from time to time after consultation with the Corporation, issue to it directives of a general character on the policy to be followed by the Corporation or its subsidiaries and the Corporation shall, as soon as practicable, give effect to all such directives;
- (b) shall approve the acquisition, purchase, carrying on, establishment of, or participation of the Corporation in, any enterprise; prescribe limits for its borrowing and approve its Capital Budget;
- (c) shall appoint and may remove the Chairman, Deputy Chairman and members of the Board and their alternates;
- (d) shall be entitled to be informed by the Corporation of any matter relating to the affairs of the Corporation or any subsidiary which appear to him to be in the public interest and for this purpose may further direct any audit or other enquiry to satisfy himself that the Corporation or subsidiary is being properly conducted and the Corporation and all its enterprises shall cooperate fully in assisting such audit or enquiry;
- (e) shall receive the Annual Report of the Board, the Accounts of the Corporation and the Auditors Report;

- (f) shall approve or otherwise, any recommendation by the Board for the payment for any dividend or distribution of profit.

PART IV - THE BOARD, OFFICERS AND STAFF OF THE CORPORATION AND ITS SUBSIDIARIES

Board of Corporation.

7.(1) The operations of the Corporation shall be managed and controlled by a Board of Directors which, subject to this Decree, may exercise all the powers of the Corporation.

(2) The Board shall consist of not less than five nor more than fifteen members as the Minister may from time to time determine and appoint.

(3) Each member of the Board shall be appointed by the Minister and may have an alternate appointed in like manner who may attend as a member in his absence.

(4) The Minister shall further appoint from among the members of the Board a Chairman and a first and second Deputy Chairman. In the absence of the Chairman, the first or in his absence the second Deputy Chairman shall perform the functions of the Chairman. If no Deputy Chairman is available, the members attending shall appoint a temporary Chairman from among their own members for that meeting.

Tenure of office of members of Board.

8.(1) Members of the Board shall be appointed individually for periods not exceeding four years, and may be reappointed by like manner to their appointment.

(2) Members of the Board may receive such emoluments as the Minister may approve;

Provided that they shall be indemnified for all expenses properly incurred in attending to the affairs or business of the Corporation.

(3) A member of any Board may be requested by the Minister to resign on grounds of misconduct, mental or physical incapacity, final departure from Seychelles or failure to attend two out of

any three consecutive Board meetings, provided however that the Minister may waive such request if he is satisfied that such departure or non-attendance was due to temporary ill-health, other factors beyond the members's control or to his temporary absence from Seychelles on leave or other approved purposes. A member who fails to resign when so requested by the Minister shall be deemed to have vacated his appointment on the date of such request.

(4) All appointments, resignations and vacation of Board membership shall be notified by the Secretary of the Corporation in the *Gazette*.

9.(1) The Board shall meet at such intervals as the members may decide, but not less than four times a year, provided however, that—

Meetings of the Board and procedure.

(a) the Chairman may at any time convene a meeting if this appears to him to be necessary;

(b) any two members may at any time request the Chairman to call a meeting of the Board for the purposes set out in their request and on receipt of such request the Chairman shall call such meeting without delay.

(2) Meetings of the Board shall, except for meetings convened by the Chairman under subsection (1) (a), be called on not less than three and not more than thirty working days notice.

(3) The quorum shall consist of the Chairman and two other members, or any four members;

Provided that not more than one alternate member may be counted in the quorum.

(4) Decisions of the Board shall be in accordance with the vote of the majority of the members present and voting thereon, but in the event of an equality of votes the Chairman or the person performing the functions of Chairman at the meeting concerned shall have a casting vote in addition to his deliberative vote.

General
Manager.

10.(1) There shall be a General Manager of the Corporation who shall be appointed by the Board after consultation with the Minister

(2) The General Manager shall be appointed on such terms and for such period not exceeding five years, as the Board may approve, and shall be eligible for reappointment.

(3) The Board shall appoint a secretary of the Corporation who, in addition to any other duties conferred upon him, shall be responsible for the convening of all meetings of the Board and any of its committees, the proper recording of their decisions and their communication to those who are required to act on them.

Staff.

11. The Board shall provide for the recruitment, training, career development and discipline of the staff necessary for the efficient conduct of its affairs.

Directives by
Board.

12. Notwithstanding the provisions of this or any other law, the Board--

(a) shall transmit to any subsidiary any directive received from the Minister which is, in its opinion, applicable to that subsidiary or which the Minister has so directed;

(b) may issue to any subsidiary any directive, regulations or standing orders regarding the policy, or manner in which the affairs of, that subsidiary shall be determined or conducted including, without being limited thereto, the implementation of any provisions of this Decree,

and the Board and staff of that subsidiary shall give effect to such directives as soon as practicable.

PART V-CAPITAL, ASSETS, FINANCES AND MANAGEMENT OF THE CORPORATION

Vesting of
Government
assets in the
Corporation.

13.(1) The President may authorize the vesting in the Corporation of the whole or part of any Government right, title and interest in any project, enterprise or property to operate and develop under this Decree.

(2) The objectives and manner of such vesting and of the intended operation of such enterprise shall be determined by an agreement between the Minister and the Corporation consistent with this Decree. The Minister shall thereafter take any further necessary action to vest in the Corporation all titles to lands, other assets, licences, contracts and other interests pertaining thereto in accordance with the terms of the said agreement.

14.(1) If it appears to the Corporation, either at the time of any proposed vesting or agreement relating to an enterprise under section 13, or at any other time, that its ability to comply with the requirements of section 5(f) of this Decree in respect of any enterprise is threatened or impaired either by the lack of financial viability arising from external factors or from the nature or circumstances of the enterprise, or by the need for compliance with any Government policy directive or law then it shall report thereon to the Minister.

Compliance with section 5(f).

(2) If after such discussions it appears impracticable to establish a position in which the Corporation can comply with the requirements of section 5(f) aforesaid then either—

- (a) the Minister may, with the consent of the Minister for Finance provide any subsidy which is shown to be necessary to meet this requirement; or
- (b) the enterprise shall be retained in or transferred to Government ownership, but may, if the Minister so desires, be placed under the management of the Corporation in accordance with the terms of a management agreement.

15.(1) The amount of the equity share capital of the Corporation shall be determined by the Minister in consultation with the Corporation and, unless otherwise approved by the President, shall be vested wholly and exclusively in the Government.

Share capital and finances of the Corporation.

(2) The Government, in the person of the Minister for Finance, may make such investments in grants or loans to or grant any guarantees in favour of the Corporation as may appear necessary for the attainment of its objectives.

(3) The amount of the equity share capital of any subsidiary shall be determined by the Board; in the case of a national enterprise such capital shall, unless otherwise approved by the President, be vested in the Corporation or its nominee or nominees and in the case of other subsidiaries a majority of the equity share capital shall be vested in the Corporation or its nominee or nominees.

(4) (a) The Corporation may on its own behalf or that of any its subsidiaries or associated enterprises borrow moneys required for the attainment of its objectives or the objectives of such subsidiary or associated enterprise.

(b) The amount and the terms and conditions of any such borrowing shall be subject to the approval of the Minister and of the Minister for Finance.

(c) The Minister for Finance shall in considering a request for approval of such borrowing have regard to the purposes for which such borrowing is to be applied and to the ability of the Corporation and its subsidiary or associated enterprise to repay the borrowing in principal and interest.

(5) The Corporation may lend to or borrow money from any subsidiary or other associated enterprise on such terms and conditions as good financial management may require.

Estimates and
accounts.

16.(1) The Board shall for each financial year—

(a) prepare, in advance thereof, estimates of the revenue and expenditure of the Corporation including its capital budget, and related receipts for the year and transmit the same to the Minister for approval;

(b) maintain proper accounts and records of all financial and related operations;

(c) arrange for effective internal auditing of all activities and enterprises for which it is responsible;

- (d) prepare and transmit to the Auditors, within two months of the end of the year, a Statement of Accounts of the Corporation;
- (e) prepare an Annual Report on its operations and financial results, publish and transmit the same to the Minister together with its Statement of Accounts and the Audit Report thereon within six months of the end of the financial year:

Provided that the Minister may grant an extension of time for the compliance with any of the requirements of this section if he is satisfied that it is reasonable and necessary.

(2) All estimates, accounts and reports prepared and maintained under subsection (1) shall conform with generally accepted accounting principles and be presented in such a way as to show both the position and results of the Corporation as a whole and that each of its subsidiaries.

(3) The Annual Report of the Board may include a recommendation to the Minister for the payment out of the profits available for distribution of any dividend or distribution thereof to the Government or other shareholder of the Corporation or any subsidiary.

17.(1) The Auditors shall audit the financial and related activities of the Corporation and all its subsidiaries and may, where so agreed, audit also any associated enterprise.

Audit.

(2) To this end they shall—

- (a) have access to all books, accounts and records of the Corporation and enterprises subject to their audit;
- (b) audit, and without delay report on the annual Statement of Accounts prepared under section 16.

(3) The President shall appoint and may remove Auditors.

(4) Any Auditor appointed shall be qualified in accordance with section 157 of the Companies Act.

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- Taxation.** **18.** The Corporation and its enterprise shall be subject to taxation in the same manner as other corporations and enterprises of like character and purpose, provided however that —
- (a) no tax shall be levied on any interest or discount paid or received to or from the Corporation, any subsidiary or associated enterprise, to or from the Corporation; any subsidiary or associated enterprise and to the Government;
 - (b) the Minister for Finance may, on representation by the Minister, if he so considers desirable in the national interest, or for the more effective attainment of any of the objectives of the Corporation to subsidiaries or associated enterprise including the more economical provision of essential supplies and services to remote, undeveloped sectors of the community or the national economy, remit or exempt in whole or in part any specified liability to tax on the Corporation or any of its subsidiary or associated enterprises.
- Banking.** **19.** The Corporation and its subsidiaries shall deposit all moneys received by and the balances required for current cash commitments in one or more banking accounts approved by the Board and opened in banks licensed under the Financial Institutions Act, provided however that —
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- (a) current surplus funds may with the approval of the Board be invested in any securities issued by the Government of Seychelles on approval of the Minister for Finance;
 - (b) with the approval of the Minister for Finance, bank accounts may be kept outside Seychelles if this is necessary to handle foreign financial transactions.
- Winding-up.** **20.** The Corporation shall not be wound up except by or under the authority of a Decree or other legislative act.

21. The Minister may make regulations for the better carrying out of the provisions of this Decree.

NO SUBSIDIARY LEGISLATION



LAWS OF SEYCHELLES

SEYCHELLES PENSIONS SCHEME ACT

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