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

<table>
<thead>
<tr>
<th>Capital Equipment</th>
<th>Raw Materials &amp; throughputs</th>
<th>Manufactured goods/services</th>
</tr>
</thead>
<tbody>
<tr>
<td>New</td>
<td>Replace-ment</td>
<td>Fuel</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(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**

<table>
<thead>
<tr>
<th>Category</th>
<th>0%</th>
<th>0%</th>
<th>50%</th>
<th>0%</th>
<th>0%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Export Oriented Units</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Special Growth Area</td>
<td>0%</td>
<td>50%</td>
<td>0%</td>
<td>50%</td>
<td>50%</td>
</tr>
<tr>
<td>General Category</td>
<td>0%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

(d) **Small Scale Industries Investment**

<table>
<thead>
<tr>
<th>Category</th>
<th>0%</th>
<th>0%</th>
<th>0%</th>
<th>0%</th>
<th>50%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Export Oriented Units</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Special Growth Area</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>50%</td>
</tr>
<tr>
<td>General Category</td>
<td>0%</td>
<td>50%</td>
<td>100%</td>
<td>0%</td>
<td>100%</td>
</tr>
</tbody>
</table>

(e) **Tourism Development Investment**

<table>
<thead>
<tr>
<th>Category</th>
<th>0%</th>
<th>0%</th>
<th>100%</th>
<th>100%</th>
<th>100%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hotels**</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restaurants**</td>
<td>0%</td>
<td>0%</td>
<td>100%</td>
<td>100%</td>
<td>0%</td>
</tr>
<tr>
<td>Casinos</td>
<td>0%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Car-Hire Operators</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>Tour operators /Travel Agents</td>
<td>0%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Dive Centres</td>
<td>0%</td>
<td>0%</td>
<td>100%</td>
<td>100%</td>
<td>0%</td>
</tr>
<tr>
<td>Boat hirers/Charterers</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>100%</td>
<td>0%</td>
</tr>
<tr>
<td>Yachts &amp; Liveaboards</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Taxi operators</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>Special Growth Area</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>50%</td>
<td>0%</td>
</tr>
<tr>
<td>General Category</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

* 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.

<table>
<thead>
<tr>
<th>Employers contribution where the employee is</th>
<th>Seychellois</th>
<th>Non-Seychellois</th>
</tr>
</thead>
</table>

(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

(b) Industrial and Manufacturing Investment
   i. Export Oriented Units  15% in excess of R 24,000

(c) Professional Services Investment
   i. Export Oriented Units  15% in excess of R 24,000

(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

(e) Tourism Development Industry
      Travel Agents         
      Charterers            

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x. Special Growth Area  15% in excess of R. 24,000

(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.

| Rebate on Business Tax payable |
|------------------------------|-----------------|
| Ownership - 51% or more Seychellois owned | 5% |
| Companies listed on the stock exchange | 5% |
| Special Growth Area - as specified in schedule | 5% |
| Where export turnover exceeds 60% of total turnover | 5% |
| Where export turnover exceeds 70% of total turnover | 10% |
| Where export turnover exceeds 80% of total turnover | 15% |
| Number of Seychellois full time employees exceeding 90% of the workforce | 5% |
| 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

<table>
<thead>
<tr>
<th>Amount qualifying for the deduction as % of turnover or actual expenditure whichever is lower.</th>
<th>Allowable deduction as a % of actual or qualifying expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Agricultural and Marine Resource Investment</td>
<td></td>
</tr>
<tr>
<td>i. Export Oriented Units</td>
<td>2%</td>
</tr>
<tr>
<td>ii. Special Growth Area</td>
<td>2%</td>
</tr>
<tr>
<td>iii. General Category</td>
<td>0.5%</td>
</tr>
</tbody>
</table>

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(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%
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(c) **Professional Services Investment**

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 1</td>
<td>45%</td>
</tr>
<tr>
<td>Year 2</td>
<td>40%</td>
</tr>
<tr>
<td>Year 3</td>
<td>20%</td>
</tr>
<tr>
<td>Year 4</td>
<td>15%</td>
</tr>
<tr>
<td>Year 5</td>
<td>5%</td>
</tr>
</tbody>
</table>

(d) **Small Scale Industries Investment**

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 1</td>
<td>45%</td>
</tr>
<tr>
<td>Year 2</td>
<td>40%</td>
</tr>
<tr>
<td>Year 3</td>
<td>30%</td>
</tr>
<tr>
<td>Year 4</td>
<td>25%</td>
</tr>
<tr>
<td>Year 5</td>
<td>10%</td>
</tr>
</tbody>
</table>

(e) **Tourism Development Investment**

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 1</td>
<td>45%</td>
</tr>
<tr>
<td>Year 2</td>
<td>40%</td>
</tr>
<tr>
<td>Year 3</td>
<td>30%</td>
</tr>
<tr>
<td>Year 4</td>
<td>25%</td>
</tr>
<tr>
<td>Year 5</td>
<td>10%</td>
</tr>
</tbody>
</table>

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.