



**Ministry of Finance, Trade,
Investment and Economic Planning**

Seychelles Investment Policy

Launched July 2018

“... Aside from measuring our progress in terms of GDP per capita, or the average salary of our population, we also measure our progress by the success of our people. By the jobs they can find and the quality of life those jobs offer. By the prospects of a small business owner who dreams of turning a good idea into a thriving enterprise. By the knowledge that if we are ready to work hard, there is nothing that we cannot achieve....”

**His Excellency Mr Danny Faure
President of the Republic Of Seychelles
State of the Nation Address 2018
6th March 2018**

“Despite Seychelles’ size, I strongly believe that we have the potential to be even more successful with the right environment and being friendlier towards private initiative. Improved communications between ourselves as regulators and the private sector as operators should help us better understand one another. Understand the aims, the responsibilities, the constraints and the realities of one another. Improved communications will foster a more positive, conducive and co-operative environment. An environment where we do not pick winners, but an environment where winners can prosper.....”

**His Excellency Mr Danny Faure
President of the Republic of Seychelles
Seychelles’ first Business Summit
2nd July 2018**

FOREWORD

Seychelles stands at a crossroads, having only recently graduated to a High Income country, the first on the African continent and a status to be proud of for a country the size of ours.

A lot of the achievements may not have been possible, at least not with the speed at which this has been achieved, without the greatly appreciated assistance and support of our many regional, multilateral and bilateral partners. I graciously take this opportunity to reiterate our gratitude to all partners, on behalf of the Seychellois people.

Having achieved such status, Seychelles is gradually being expected to stand on its own with diminishing preferential treatment from the international community. This simply means that we need to innovate to sustain and further enhance our progress.

In this light, Seychelles has also produced other firsts with the Debt Swap, Blue Bond financing mechanisms and the Blue Economy Concept, hall marks of the ingenuity that exists amongst our people. Through such mechanisms, not only funding is becoming available for more environment conservation, but also development of new and environmentally friendly economic activities. Furthermore, new frontiers are opening up for new economic activities within our vast ocean space.

As we progress along this path, it is critical that the ability to take on the existing and emerging opportunities is not constrained by a quandary of policies, procedures, standards and requirements which are inconsistent and overly burdensome resulting in actually becoming deterrents to engaging in business.

Seychelles is also a very active member of many regional and international groupings which open up even greater opportunities for further economic development, the Continental Free Trade Area, Indian Ocean Commission, the World Trade Organization, just to mention a few.

However, the Seychellois people have to be geared up to take these challenges and opportunities. We have to provide the platform on which our private sector operators may take off, and become prosperous.

Availing of such opportunities would require that the base from which any business is to start and flourish to be as obstacle free as realistically possible. The building of such an environment requires a collaborative approach amongst the many arms of Government, the private sector and the civil society.

The objective of this Policy Statement is thus to provide the foundations on which to build this collaboration and align ourselves. This statement also serves to provide guidance for the development of the related, sector policies, regulations and requirements so that they may be consistent and compatible towards this same objective whilst ensuring sustainability through respect for the health, safety and security of the person, environment and property.

As we promote investment and business development opportunities to both local and foreign direct investment, it is just as critical that we do provide assurance of legal protection against political and regulatory risks, such as expropriation of property and lack of transparency in dealing with public agencies.

This policy Statement therefore provides the basis to which related policies and regulations dealing with investment, business startup and operation, health, safety and security are to be aligned to provide greater, consistency, predictability, stability and very importantly investor confidence in the Seychelles economy.

It is therefore my pleasure to present the Seychelles Investment Policy which provides the basis for predictability to the investor and guidance to the related regulatory bodies.

Ambassador Maurice Loustau-Lalanne

Minister of Finance, Trade, Investment & Economic Planning



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1. PREAMBLE



Seychelles, although limited in terms of size and natural resources, has potential for important economic and social development. As the country has evolved, the setting is appropriate, that further socio-economic development be driven by private sector initiatives and development with the minimal guidance and intervention by the state.

It is therefore the intention of the Government to create the appropriate environment that will allow for the fostering of private investment to in turn foster economic growth for the benefit of the investor and the people of Seychelles.

This Investment Policy Statement therefore, accentuates the commitment of Government to development of private initiatives and the critical role of investment towards this objective and sets out the key principles that will guide Seychelles' Investment Framework for the future.

Above all, the primary objective of this policy is to improve the wellbeing of every Seychellois by providing the setting for any individual to prosper by either engaging in business, obtaining decent employment created by such businesses or, for the unable, being supported by Government revenue generated by a vibrant private sector.

This policy therefore aims to create an environment that is predictable, stable and allows easy entry for both domestic and foreign investment, recognizing the potential of the latter not only to bring in capital but also modern technology and knowledge thus improving the efficiency and productivity of the local economy.

Recognizing the importance of private investment to the more efficient use of resources and the enhanced development of the local economy, the Government of Seychelles wishes, through this Investment Policy Statement, to assure all investors of its commitment to base the national economy on the principles of a liberalized economy and the appropriate legal framework that fosters private initiatives, builds a competitive environment which enhances wealth and job creation, protects private investment and enterprises and supports sustainable long term growth.

Consequently, the Government of Seychelles is committed to consistent and transparent policies in the spirit of the drive of The President of the Republic's motto of Transparency, Accountability and Good Governance.

The principles driving the investment policy are:

- 1. Creation of a conducive and transparent environment to attract investment and operate businesses**
- 2. Modernization of the legal framework for investment**
- 3. Application of international best practices and standards for investment**
- 4. Respect for the environment and sociocultural fabric of the country**

The size of the country presents its own challenges such as shortage of labour, limited natural resources and high costs of operation, to name a few, which constrain the ability of local businesses to operate efficiently and grow. Government is nonetheless convinced that through a concerted drive it is possible for Seychelles to develop a performing and sustainable economy.

This Investment Policy Statement is aimed at contributing towards such a vision by laying the scene for the beginning of a much more prosperous Seychelles and Seychellois people.

Seychelles is thus proud to announce that it is open for business and welcomes all legitimate and healthy investment initiatives that align to its socio-economic development objectives.

2.1. Promotion of sustainable growth and employment

“Government shall promote inclusive and responsible (including social) investment for sustainable growth that creates wealth, decent and quality jobs and improves the standard of living and wellbeing of the Seychellois people/Residents of Seychelles.”

2.2. Integration of science, technology and innovation

“Government shall embrace and promote the use of science, technology and innovation.”

2.3. Fair and equitable treatment of investors

“In accordance with relevant legislations, government commits to fair and equitable treatment for all investors and businesses.”

2.4. Effective protection of investment

“Government commits to the guarantee of protection of all investments and property from expropriation, or from measures taken that will have a similar effect subject to necessary due diligence. Exception to this guarantee may only be made for acquisition done in public interest purposes in accordance with and as provided for in the relevant legislation.”

“Research and development as well as indigenous knowledge are important features of sustainable development. Hence the framework for protection of Intellectual Property will be strengthened.”

2.5. Promotion of free and fair competition through free entry in business

“Promote an environment conducive for free and fair competition.”

2.6. Diversification, Export and Import Substitution

“Being a member of various trade configuration including the World Trade Organization (WTO) and especially the Continental Free Trade Area (CFTA), Seychelles should seek greater benefit from opportunities, raw material and services as well as markets, these affiliations present. Government shall thus encourage domestic production and diversification for local production and export. Such increased local production and diversification may also in turn, reduce dependence on foreign imports.”

2.7. Outward Investment

“Membership in the trading blocs also provides outward investment opportunities. Therefore, Government shall encourage expanding the scope of investment by local businesses within the larger regional and international market.”

2.8. Personnel and Specialists Requirements

“When and where there is a shortage of skilled and non-skilled labour as well as professionals on the local

market, Government commits to facilitating entry and participation of foreign labour.”

2.9. Respect for the natural environmental and sociocultural cohesion

“Economic development shall be done in an integrated manner allowing the sustainable and responsible use of natural resources whilst ensuring respect for and complementarity with the environment and sociocultural harmony.”



2.10. Promotion and facilitation role of government

“Government recognizes the ability of the private sector and social entrepreneurs to drive economic growth and improving the wellbeing of the Seychellois People. Therefore, Government shall embrace the role of facilitator to investment and business operation, giving space for the private initiative to prosper and create wealth and employment opportunities for the country through implementing efficient and effective procedures.”

2.11. Transparency and best regulatory practices for a pro-business environment

“Government shall ensure that all laws, regulations, standards and policies pertaining to investment are formulated through an evidence based, participatory and coordinated manner, made readily accessible and applied consistently and transparently.”

2.12. Pursuit of high standards of service delivery

“The Government commits to pursuing high standards of service delivery in the discharge of its functions in a professional, efficient and business friendly fashion.”

2.13. Development of Investment Culture and Capacity Building

“A planned and concerted approach shall be taken by the different stakeholders to develop the culture of investment and establish the continuous capacity building facilities and services required.”

ACKNOWLEDGEMENT

Consolidating the private sector as the sure engine of sustainable economic growth is now critical. The many benefits to leaving the private sector to doing what it does best whilst Government diligently takes on the important role of facilitator cannot be over emphasized in this increasingly competitive global environment.

According to the Investor Survey of the World Bank 2017/2018 Global Investment Competitiveness Report, political stability and security along with a stable legal and regulatory environment are the leading country characteristics considered by executives in multinational corporations before they commit capital to a new venture. These considerations far outweigh such issues as low tax rates and labor costs. This implies that in addition to political stability we also need to have the stable legal and regulatory framework to stand any serious chance of attracting significant investment. This framework though cannot be established in isolation of the different partners from public and private sector as well as non-governmental organizations.

If we are to enjoy any measure of success as we graduate to the next level of socio-economic development and take on the challenge of global competitiveness, it is necessary that all the stakeholders work together towards this common objective. It is with great pleasure therefore, that the Department of Investment wishes, on behalf of the Ministry of Finance, Trade, Investment and Economic Planning and the Seychelles Investment Board, to thank the various partners who gladly joined us in the process of formulation of the Seychelles Investment Policy.

The Seychelles Chamber of Commerce & Industry and the various private sector associations as well as private companies and individuals willingly accepted our invitation to contribute to this exercise. Their frank, and albeit sometimes raw honesty, helped to ensure that we managed to come out with a document that reflects the common ground where we have real buy in from the main actors in this mission, the private sector. It is important now that we acknowledge and thank all of you for your contributions.

Similarly, the policy formulation exercise also involved the various representatives of the public sector having any form of involvement with investment and business operation in the country. Our colleagues from the public sector, despite their many other challenges and commitments, were as eager to share their honest insights and experience to help design an effective policy statement.

This new drive may represent a significant departure from current practices, nonetheless, the collaboration provided showed the real desire to bring about evolution for the greater good of the Seychellois. Our gratitude therefore goes to all our colleagues from the different government organizations who participated actively in this process.

I should take this opportunity to also thank my colleagues within the Department of Investment itself as well as from the Seychelles Investment Board for their dedication and professionalism. It has been a challenge, but their hard work and support ensured that this Seychelles Investment Policy, saw the light of day.

Finally, the Department of Investment would like to express sincere gratitude to The President of the Republic of Seychelles and the Cabinet of Ministers for providing the guidance in this exercise. Most importantly, the open mindedness and the political will to engage this process and eventually endorse this policy statement which aims to bring about an evolution in the business environment has been highly appreciated. The vision to provide the basis for a private sector led sustainable economic growth where all of the Seychellois people may benefit either by engaging in one form of business or another or taking up employment in the businesses created has been profound.

With God's Grace, may the Seychelles Investment Policy help lay the foundations for the Seychelles' leap to the next level of socio-economic development where every Seychellois enjoys the benefits.

The Department of Investment expresses its gratitude to everyone.

Michael Nalletamby
Principal Secretary
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Ministry of Finance, Trade, Investment & Economic Planning

