

**INTERNATIONAL CORPORATE SERVICE PROVIDERS
(AMENDMENT) BILL, 2021**

(Bill No. 36 of 2021)

OBJECTS AND REASONS

As a consequence of the amendments made to the International Business Companies Act, 2016 (“IBC Act”) to introduce Private Trust Companies (PTCs) amendments are required in the International Corporate Service Providers Act to provide for the main provisions for PTCs. The notable amendments to cater for these changes are hereby mentioned.

2. Amendment of Cap 275 to introduce some terms in relation to trust throughout the Act.

3. Amendment to section 3 is being proposed to provide that every Seychelles trust must have a Trustee Service Provider (“trustee”) licensed by the FSA under the ICSP Act. The amendments to the ICSP Act (read with the proposed new Trusts Bill and IBC Act) will widen the scope of who may be a trustee of a Seychelles trust which only involves “connected trust services” (related persons). In such cases the trustee may either be a licensed trustee or a PTC, therefore, the following amendments herein stated are being proposed.

4. A new section 3A to allow a PTC or a licensed trustee to provide ‘connected trust services’.

5. A new section 3B that places restrictions on what a private trust company may do.

6. A new section 3C places an obligation on a private trust company to ensure that at all times its registered agent is a company that holds an international corporate service license and a trustees services license under this Act.

7. A new section 3D that places an obligation on registered agents of a private trust company to keep at its registered office records as specified in regards to a trust and a trust register.

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8. Amendment of schedule 3 provide for the payment of the annual license fee on a pro-rata basis if the license is not granted in the month of January.
 9. Amendment 7 is inserting a new schedule which provides;
 - (a) the definition of the terms 'Connected Trust Services';
 - (b) An interpretation part for schedule 5; and
 - (c) A definition of the term 'Connected persons'
 10. The Bill seeks to achieve the above objectives.

Dated this 23rd day of July, 2021.

**FRANK D.R. ALLY
ATTORNEY-GENERAL**

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ARRANGEMENT OF SECTIONS

Sections

1. Short title
2. Amendment of Cap 275 by substituting certain terms throughout the Act
3. Amendment of section 2
4. Amendment of section 3
5. Insertion of new sections 3A, 3B, 3C and 3D
6. Amendment of Schedule 3
7. Insertion of new Schedule 5

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A BILL

FOR

**AN ACT to amend the International Corporate Service Providers Act
(Cap 275).**

ENACTED by the President and the National Assembly.

Short title

1. This Act may be cited as the International Corporate Service Providers (Amendment) Act, 2021.

Amendment of Cap 275 by substituting certain terms throughout the Act

2. The International Corporate Service Providers Act (*Cap 275*) (*hereinafter referred to as the “principal Act”*) is amended by repealing the words “international trust”, “international trustee services” and “international trustee”, wherever they appear throughout the principal Act (including Schedules) and substituting therefor the words “trust”, “trustee services” and “trustee”, respectively.

Amendment of section 2

3. Section 2 of the principal Act is amended —

- (i) by repealing the definition of “international trust”;
- (ii) by inserting, in the alphabetical order, the following definitions —

“ “Authority” means the Financial Services Authority established under the Financial Services Authority Act (Act 19 of 2013);

“connected trust services” has the meaning as defined in Schedule 5;

“private trust company” means an international business company —

- (a) whose memorandum of association states that it is a private trust company; and
- (b) which shall not conduct any business other than the providing of connected trust services in relation to a trust to which it is a trustee;

“trust” means a trust established under the Trusts Act, 2021;”.

Amendment of section 3

4. Section 3 of the principal Act is amended —

(a) in subsection (1), by inserting after paragraph (iii), the following paragraph —

“(iii-a) A private trust company shall not require a licence under this section to provide connected trust services.”;

(b) by inserting after subsection (1), the following subsection —

“(1A) A person holding an international trustee services licence, on the commencement of the International Corporate Service Providers (Amendment) Act, 2021, shall be deemed to hold a trustee services licence under this Act.”.

Insertion of new sections 3A, 3B, 3C and 3D

5. The principal Act is amended, by inserting after section 3, the following sections —

Authorisation for providing connected trust services

“3A.(1) A private trust company shall not provide any connected trust services without obtaining an authorisation from the Authority.

(2) A private trust company shall make an application to the Authority for obtaining an authorisation under subsection (1) which shall be accompanied with —

(a) a declaration stating —

(i) the name of the private trust company and its registration number;

(ii) the name of its registered agent or company secretary; and

(iii) that it is in compliance with the requirements of this section and Schedule 5; and

(b) an application fee of US\$1,000.

(3) The Authority may grant or reject the application for authorisation and may at any time revoke the authorisation granted under this section.

(4) A private trust company shall, on or before the date of each annual anniversary of it being authorised under this section —

(a) file with the Authority a compliance declaration in the form provided by the Authority; and

(b) pay an annual fee of US\$1,000.

(5) Where the annual fee referred to in subsection (4)(b) is not paid within the period specified in that subsection, there shall be payable an additional fee equal to 10 per cent of the annual fee for each month or part thereof during which the annual fee and additional fee remains unpaid.

(6) A private trust company that files any false, misleading or inaccurate information under subsection (2)(a) or (4)(a) commits an offence and is liable on conviction to fine not exceeding SCR300,000.

(7) Without prejudice to subsection (6), the Authority may revoke the authorisation granted to a private trust company if the Authority is satisfied that the company has filed any false, misleading or inaccurate information under subsection (2)(a) or (4)(a) and notify the company in writing.

(8) Sections 5 to 7 and Parts III and IV shall, in so far as practicable, apply to a private trust company authorised under this section as they apply to a licensee under this Act.

Restrictions

3B.(1) A private trust company shall not —

- (a) provide any trust services that is not connected trust services; or
- (b) solicit trust services from members of the public.

(2) A private trust company that contravenes subsection (1) commits an offence and is liable on conviction to a fine not exceeding SCR300,000.

Registered agent

3C. A private trust company shall ensure that at all times its registered agent is a company which —

- (a) holds both an international corporate services licence and a trustee services licence under this Act; or
- (b) holds an international corporate services licence and is wholly owned by one or more persons who wholly owns another company which holds a trustee services licence under this Act.

Records to be kept at registered office

3D. A private trust company shall, in relation to each trust of which it is trustee, keep at its registered office —

- (a) copies of the trust deed, or other document creating or establishing a trust, and any deed or document varying the terms of the trust under the Trusts Act, 2021; and
- (b) the trust register required to be kept under section 28 of the Trusts Act, 2021.”.

Amendment of Schedule 3

6. Schedule 3 of the principal is amended in Part 2, by inserting after paragraph 2, the following paragraph —

“3. If a licence under this Act is not first granted in the month of January, the first annual licence fee payable under this Act shall be reduced on a quarterly pro-rata basis, calculated having regard to the quarter in which the licence was first granted.”.

Insertion of new Schedule 5

7. The principal Act is amended, by inserting after Schedule 4, the following Schedule —

“SCHEDULE 5

CONNECTED TRUST SERVICES

1. **Connected trust services.** “connected trust services” means the trust services provided in respect of —

- (a) a single trust where each beneficiary of the trust is —
 - (i) a connected person in relation to the settlor of the trust; or
 - (ii) a charity; or
- (b) a group of two or more connected trusts;

2. **Interpretation.** (1) For the purposes of this Schedule —

“connected person” has the meaning specified in paragraph 3;

“connected trusts” means as defined in subparagraphs (2) and (3);

“group of companies” comprises, subject to subparagraph (4), every company which, directly or indirectly, is a subsidiary of

the same holding company, and such group includes the holding company;

“settlor” means as defined in the Trusts Act, 2021;

“trust” means a trust created or established and registered in accordance with the Trusts Act, 2021;

“trust services” means the provision of trustee services, whether provided in or outside Seychelles.

(2) A trust (the first trust) is connected to another trust (the second trust) where the settlor of the first trust is a connected person with respect to the settlor of the second trust.

(3) A group of two or more trusts are connected trusts where each trust in the group is connected to all of the other trusts in the group.

(4) A company shall be treated as a subsidiary (“the subsidiary”) of another company (“the holding company”) where —

- (a) the holding company is a member of the subsidiary and controls the composition of the board of directors of the subsidiary;
- (b) the holding company, directly or indirectly, controls more than half of the votes which may be cast at general meetings of the subsidiary; or
- (c) the subsidiary is a subsidiary of any other company which is itself a subsidiary of the holding company.

(5) In subparagraph (4)(a), the composition of the board of directors of a company shall be treated as controlled by another company if that other company, by the exercise of some power, without the consent or concurrence of any other person, can appoint or remove all or a majority of the directors.

3. Connected persons. (1) For the purposes of this Schedule, a person is a connected person in relation to another person if —

- (a) each is in a group of companies;
- (b) one is a company and the other is a beneficial owner of shares or other ownership interests of that company or of any other company in the same group of companies;
- (c) each is the trustee of a related trust; or
- (d) one individual is related to the other by virtue of any of the following relationships —
 - (i) spouse;
 - (ii) the descendants of the individual and their spouses;
 - (iii) parents, including step-parents;
 - (iv) grandparents;
 - (v) parents-in-law, including step-parents-in-law;
 - (vi) brother, step-brother, sister, step-sister and their spouses and children;
 - (vii) spouse's grandparents;
 - (viii) spouse's brother, step-brother, sister, step-sister and their spouses and children;
 - (ix) parent's brother, step-brother, sister, step-sister and their spouses;
 - (x) children of the brother, step-brother, sister or step-sister of the individual's parents, both present and future, including step-children and their spouses; or

(xi) children of the individual's brother, step-brother, sister or step-sister, both present and future, including step-children and their spouses.

(2) For any of the relationships specified in subparagraph (1)(d) that may be established by affinity or consanguinity, that same relationship may be established by adoption.

(3) In subparagraph (1)(d)(ii), the terms “descendants of the individual”, means the individual's children, the children of his children, the children of those children, and so on.

(4) In subparagraph (3), “children” includes step-children.”.