

FINANCIAL LAWS (AMENDMENT) BILL, 2023

(Bill No. 25 of 2023)

**EXPLANATORY STATEMENT OF THE OBJECTS OF AND
REASONS FOR THE BILL**

This Bill amends the Business Tax Act, 2009, the Value Added Tax Act, 2010, the Tourism Marketing Tax Act, 2013 and the Accommodation Turnover Tax Act, 2022.

The Bill provides that the tourism environmental sustainability levy under the Environment Protection Act, 2016 is excluded from the relevant businesses' turnover or assessable income. This is in light of the fact that the issue of this levy being incorporated in the turnover would lead to businesses being liable for business tax, value added tax, tourism marketing tax and accommodation turnover tax on the amount of levy as well.

In order to encourage green energy investors and reduce companies and individual's carbon footprint in a sustainable way, the Bill provides for an extension of the "carry forward of losses" currently stated in the law at five years, for a further 5 years to make a total of ten years, provided it relates to a person carrying on the business of production and generation of solar, hydro power winder, biomass or any other renewable energy.

Lastly, the Bill provides for the prohibition of booking platforms charging commission on VAT.

Dated this 27th day of November, 2023.

**NAADIR HASSAN
MINISTER OF FINANCE,
NATIONAL PLANNING AND TRADE**

FINANCIAL LAWS (AMENDMENT) BILL, 2023

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ARRANGEMENT OF SECTIONS

**PART I
PRELIMINARY**

SECTION

1. Short title

**PART II
BUSINESS TAX ACT**

2. Amendment of section 11
3. Amendment of section 25

**PART III
VALUE ADDED TAX ACT**

4. Amendment of section 3
5. Insertion of new section 50A

**PART IV
TOURISM MARKETING TAX ACT**

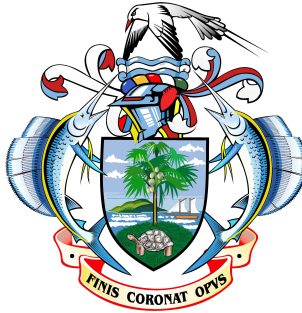
6. Amendment of section 2

**PART V
ACCOMMODATION TURNOVER TAX ACT**

7. Amendment of section 3

FINANCIAL LAWS (AMENDMENT) BILL, 2023

(Bill No. 25 of 2023)



A BILL

FOR

AN ACT TO AMEND LAWS RELATED TO REVENUES AND PUBLIC FUNDS OF SEYCHELLES NAMELY THE BUSINESS TAX ACT, 2009, VALUE ADDED TAX, 2010, TOURISM MARKETING TAX 2013 AND THE ACCOMMODATION TURNOVER TAX, 2022 AND TO PROVIDE FOR OTHER CONNECTED OR INCIDENTAL MATTERS.

ENACTED by the President and the National Assembly.

**PART I
PRELIMINARY**

Short title

1. This Act may be cited as the Financial Laws (Amendment) Act, 2023.

PART II

BUSINESS TAX ACT

Amendment of section 11

2. The Business Tax Act, 2009 is amended in section 11 in the chapeau by inserting after the phrase “subsection (2)” the words “, excluding revenue collected from the tourism environmental sustainability levy under the Environment Protection Act, 2016,”.

Amendment of section 25

3. The Business Tax Act, 2009 is amended in section 25 by inserting immediately after subsection (3), a new subsection (3A) as follows —

“(3A) If a person carrying on the business of production and generation of solar, hydropower, wind, biomass or any renewable energy and the net loss is not wholly deducted under subsection (2), the amount not deducted is carried forward to the next following tax year and applied as specified in subsection (2) in that year, and so on until the loss is fully deducted, but no loss shall be carried forward for more than ten tax years after the year in which the loss was incurred.”.

PART III

VALUE ADDED TAX ACT

Amendment of section 3

4. The Value Added Tax Act, 2010 is amended in section 3, in the resuming words to subsection (1) by inserting after the word “levies” the words “excluding revenue collected from the tourism environmental sustainability levy under the Environment Protection Act, 2016,”.

Insertion of new Section 50A

5. The Value Added Tax Act, 2010 is amended by inserting immediately after section 50, a new section 50A as follows —

“Applicability of commission on VAT

50A. A booking platform or any other person, on behalf of a business, shall not collect any amount as commission or otherwise over and above value added tax and any agreement for collection of any such amount shall be void.”.

PART IV**TOURISM MARKETING TAX ACT****Amendment of section 2**

6. The Tourism Marketing Tax Act, 2013 is amended in section (2) by repealing paragraph (g) and substituting it as follows —

“(g) “turnover” means the gross receipts from the carrying on of business, including the consideration received from the disposal of trading stock and the gross fees for the provisions of services derived by a person from sources in Seychelles, excluding receipts from the tourism environmental sustainability levy under the Environment Protection Act, 2016”.

PART V**ACCOMMODATION TURNOVER TAX ACT****Amendment of section 3**

7. The Accommodation Turnover Tax Act, 2022 is amended in section 3 by repealing the definition of “turnover” and substituting it as follows —

“ “turnover” means the gross receipts from the carrying on of business, including the consideration received from the disposal of trading stock and the gross fees for the provisions of services derived by a person from sources in Seychelles, excluding receipts from the tourism environmental sustainability levy under the Environment Protection Act, 2016.”.