

**NON-BANK CREDIT GRANTING INSTITUTIONS BILL, 2025**

*(Bill No. 4 of 2025)*

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

1. The object of this Bill is to provide for the regulatory framework for the establishment, operations, business conduct and supervision of non-bank credit granting institutions in Seychelles.
2. The salient features of the Bill, inter alia, are as follows —
  - (a) establish an effective framework for the registration, licensing, supervision and regulation of the non-bank credit granting institutions;
  - (b) scope of the business of licensed and registered non-bank credit granting institutions;
  - (c) capital and prudential requirements of the non-bank credit granting institutions;
  - (d) accounts, audit, disclosure and business conduct of the non-bank credit granting institutions; and
  - (e) supervision of the non-bank credit granting institutions by the Central Bank.
3. This Bill seeks to achieve the above objectives.

**Dated this 12<sup>th</sup> day of May, 2025.**

**AHMED AFIF  
VICE-PRESIDENT**

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# NON-BANK CREDIT GRANTING INSTITUTIONS BILL, 2025

*(Bill No. 4 of 2025)*



## A BILL FOR

**AN ACT TO PROVIDE FOR THE REGULATORY FRAMEWORK FOR THE ESTABLISHMENT, OPERATIONS, CONDUCT OF BUSINESS AND SUPERVISION OF NON-BANK CREDIT GRANTING INSTITUTIONS IN SEYCHELLES.**

**ENACTED BY THE PRESIDENT AND THE NATIONAL ASSEMBLY**

### **PART I - PRELIMINARY**

#### **Short title and commencement**

**1.** This Act may be cited as the Non-Bank Credit Granting Institutions Act, 2025 and it shall come into operation on such date as the Minister may, by notice published in the Gazette, appoint.

## Interpretation

### 2. In this Act, unless the context otherwise requires —

“administrator” in relation to a non-bank credit granting institution, means any person who is a director or chief executive of such institution; or the person designated as managing agent pursuant to subsection (1) of section 313 of the Companies Act (Cap.40) in the case of a branch of a foreign non-bank credit granting institution;

“applicant” means an applicant for a non-bank credit granting institution license or a registration certificate;

“beneficial owner” shall have the same meaning assigned to it in section 3 of the Beneficial Ownership Act, 2020 (Act 4 of 2020);

“branch” means a place of business that forms a legally dependent part of a non-bank credit granting institution and conducts directly all or some of its licensed or registered activities;

“business days” means any day other than Saturday, Sunday or a public holiday;

“Central Bank” means the Central Bank of Seychelles established under section 3 of the Central Bank of Seychelles Act (Cap 26);

“Chief Executive” means a person, by whatever name called, who either individually or jointly with one or more person, is principally responsible for the conduct and management of the day to day business of the body corporate or an entity either incorporated or unincorporated;

“close relation” in relation to administrator or key person or a natural person holding substantial interest or controlling interest in a non-bank credit granting institution, means the spouse, parents, children and dependent relatives;

“control” in relation to a non-bank credit granting institution, means the relationship between the non-bank credit granting institution and any person or body corporate in which the non-bank credit granting institution —

- (a) directly, indirectly or acting through one or more persons owns, controls or has the right in relation to vote 20 per cent or more of its voting shares or has the right to elect a majority of its directors;
- (b) shall be able to appoint or to veto the appointment of a majority of the directors of the company;
- (c) is a holding company and the non-bank credit granting institution is a subsidiary of that company as provided for in the Companies Act (Cap.40);
- (d) has the ability to significantly influence the management, policy and affairs of the non-bank credit granting institution in a manner comparable to a person who, in ordinary commercial practice, can exercise an element of control referred to in subparagraphs (a) to (d); or
- (e) may exercise such controlling influence, as may be determined by the Central Bank;

“controlling share or controlling shareholding” in relation to a non-bank credit granting institution means a direct or indirect holding of share in a non-bank credit granting institution which represents more than 20 per cent of the paid-up capital or its voting rights; and where the matter to which the reference relates is the extent of a power to exercise, or to control the exercise of, the voting power attached to voting shares in a non-bank credit granting institution, a person with whom the other person has, or proposes to enter into, an agreement, arrangement, understanding or undertaking, whether formal or informal and whether expressed or implied —

- (a) by reason of which either of those persons may exercise, directly or indirectly control the exercise of, or substantially influence the exercise of, any voting power attached to a share in the non-bank credit granting institution;
- (b) with a view to control or influence the composition of the board of directors, or conduct of affairs, of the non-bank credit granting institutions; or
- (c) under which either of those persons may acquire from the other, share in the non-bank credit granting institution or may be required to dispose of such shares in accordance with the directions of the other of them;

“credit” means any commitment to disburse a sum of money in exchange for a right to repayment of the amount disbursed and outstanding and for payment of interest or other charges on such amount, any extension of the due date of a monetary claim, any guarantee issued, and any commitment to acquire a debt security or other instrument stipulating the payment of a sum of money;

“Seychelles Credit Information System” means the Credit Information System established under the Credit Reporting Act, 2023 (Act 20 of 2023);

“credit token business” means any business where a token being a credit card, debit card, coupon, token, document or other object, except a non-cash or cash voucher, is given to an individual by a person carrying on non-bank credit granting business (‘the provider’) —

- (a) who undertakes to supply money, goods or services on credit on the production of the credit token;
- (b) who undertakes to pay a third party for the supply of money, goods or services on the production of the credit token to that third party in return for payment to the provider by the individual; or



- (c) any other credit token business as may be specified by the Central Bank in the Official Gazette;

“custodian account” means an account maintained by a licenced non-bank credit granting institution pursuant to section 31;

“deposit” shall have the same meaning as assigned to it in the Financial Institutions Act (Cap.79);

“Deputy Chief Executive” means a person, by whatever name called, who either individually or jointly with one or more person, is responsible for the conduct and management of the day to day business of the body corporate or an entity either incorporated or unincorporated;

“development finance business” means the carrying on the business of —

- (a) providing capital, loans and other credit facilities to be utilised for agricultural, industrial, fisheries, commercial or other economic development purposes, including the acquisition of productive assets such as land, buildings and equipment for the mentioned purposes;
- (b) refinancing credit facilities for the purposes described in subparagraph (a) provided by other lending institutions; and
- (c) accepting time deposits as may be prescribed by the Central Bank;

“director” includes any person who occupies the position of a director, by whatever name he or she is called, of a body corporate or unincorporated, and includes —

- (a) a person with whose directions or instructions, the officers of the body corporate are supposed to act;

- (b) an alternate or substitute director;
- (c) without limiting the persons referred to in subparagraphs (a) and (b), in the case of —
  - (i) any person having control on a corporation under the provisions of Companies Act (Cap.40);
  - (ii) any person having the direction and control and management of its affairs or business in any other body, association or group of persons, whether corporate or unincorporated;
  - (iii) the person designated as managing agent pursuant to subsection (1) of section 313 of the Companies Act (Cap.40) in respect of a branch of a foreign non-bank credit granting institution;

“factoring business” means the business of financing accounts receivables and includes complementary activities such as the investigation and classification of clienteles, accounting of debtors, and in general, any other activity intended to favour the administration, evaluation, security and financing of the accounts receivable that arise in domestic or international trade operations;

“financial institution” means a financial institution licensed under section 6 of the Financial Institutions Act (Cap.79);

“fit and proper person” means a person who is suitable to hold a particular position in which that person holds or is to hold as regards —

- (a) the probity, competence and soundness of judgement of the person for the purpose of fulfilling the responsibilities of that position;
- (b) the diligence with which that person fulfils or is likely to fulfil those responsibilities;

- (c) whether the interest of customers or potential customers of the entity are threatened, or likely to be, in any way threatened by the person holding that position; and
- (d) that the integrity of the person is established and the qualifications and experience of the person are appropriate for the position in the light of the business plan and activities of the entity which the person serves, or is likely to serve, taking into account the size, nature and complexity of the non-bank credit granting institution:

Provided that no person shall be regarded as a fit and proper person if the person —

- (i) has been convicted by a criminal court of an offence;
- (ii) has been declared bankrupt by a court of law within the past 7 years;
- (iii) has been disqualified or suspended by a competent authority from practicing a profession on grounds of professional misconduct; and
- (iv) has been declared unfit to manage a company by a court of law or under an order issued by a competent authority;

“foreign non-bank credit granting institution” means a non-bank credit granting institution licensed or established under the laws of a country other than Seychelles;

“home supervisory authority” means the supervisory authority in the country in which the non-bank credit granting institution or its holding company is licensed or authorised;

“interest” in relation to a loan, means any amount by whatsoever name it is called, in excess of the principal paid or payable to a non-bank credit granting institution in consideration of or

otherwise in respect of the loan, but does not include any permitted fee, stamp duty or other fee payable under this Act or any other written law;

“key person” in relation to a non-bank credit granting institution, refers to those persons having authority and responsibility for planning, directing, and controlling the activities of the non-bank credit granting institution, directly or indirectly, including any director (whether executive or otherwise) of the non-bank credit granting institution and those specified in the First Schedule;

“licence” means a non-bank credit granting institution licence issued under this Act and the term licensee shall be construed accordingly;

“microfinance finance business” means the business of —

- (a) providing credit facilities involving such amount and for such purpose as may be prescribed by the Central Bank;
- (b) collection of time deposits; and
- (c) any other services as may be prescribed by the Central Bank;

“Minister” means the Minister for Finance and the term Ministry shall be construed accordingly;

“mortgage finance business” means the business of providing credit for the purpose of acquisition of residential and commercial property which are secured by the mortgage on the property being financed, including the acceptance of time deposits;

“non-bank credit granting business” means any of the businesses specified in the Second Schedule;

“non-bank credit granting institution” means any person licensed or registered to conduct non-bank credit granting business, whose

principal activity consist of one or more of the businesses specified in the Second Schedule;

“officer” in relation to a non-bank credit granting institution, includes any employee or the chief executive of the non-bank credit granting institution;

“person” includes an individual, a body corporate or association of body of persons whether incorporated or unincorporated;

“place of business” means any branch or agency of a non-bank credit granting institution in Seychelles, which is open to the public;

“prescribed” means prescribed by the regulations;

“principal” in relation to a loan, means the amount actually lent by a non-bank credit granting institution under the contract for the loan;

“registration certificate” means a non-bank credit granting institution registration certificate issued under this Act and the term registrant shall be construed accordingly;

“related-party” in relation to a non-bank credit granting institution means —

- (a) a person, including a body corporate, who has substantial or controlling shareholding in the non-bank credit granting institution or in whom the non-bank credit granting institution has substantial or controlling shareholding;
- (b) an administrator or officer of the non-bank credit granting institution or of a body corporate that controls the non-bank credit granting institution;
- (c) a relative of a natural person referred to in subparagraphs (a) and (b);

- (d) an entity that is controlled by a person referred to in subparagraphs (a), (b) and (c);
- (e) a person or class of persons who has been designated by the Central Bank as a related-party in view of its past or present interest in or relationship with the non-bank credit granting institution;

“related-party transaction” means a transaction between the non-bank credit granting institution and its related party;

“substantial shareholding” means a direct or indirect holding in a non-bank credit granting institution which represents 10 per cent. or more of the voting rights or which makes it possible to exercise a significant influence, directly or indirectly, over the management or the power to participate in the financial and operating policy decisions of the non-bank credit granting institution in which a holding subsist, as may be determined by the Central Bank; and

“subsidiary” means anybody corporate in which another person or group of persons acting in concert holds —

(a) the equivalent or more of the voting shares; or

(b) group of persons to exercise effective control over the management or policies of the subsidiary.

### **Application**

**3.(1)** This Act shall apply to all the non-bank credit granting institutions licensed or registered under this Act to carry out non-bank credit granting businesses specified in the Second Schedule and their subsidiaries.

(2) This Act shall not apply to —

- (a) financial institutions licensed under section 6 of the Financial Institutions Act (Cap.79);

- (b) credit unions established under the Credit Union Act (Cap. 259);
- (c) financial leasing business as defined under the Financial Leasing Act (Act 8 of 2013);
- (d) hire purchase and credit sale business as defined under the Hire Purchase and Credit Sale Act, 2013 (Act 21 of 2013); and
- (e) activities regulated under the Securities Act (Cap 208) and Mutual Fund and Hedge Fund Act (Cap.285).

### **Objectives of the Act and mandate of Central Bank**

4.(1) The objective of the Act is to establish an effective legal framework for the registration, licensing, supervision and regulation of the non-bank credit granting institutions.

(2) The Central Bank shall have the overall supervisory and regulatory authority in respect of all the matters relating to the business of non-bank credit granting institutions and relevant prudential regulations and market conduct of non-bank credit granting institutions.

(3) The Central Bank may prescribe by regulations, as may be appropriate, the application of relevant provisions under this Act to different categories of non-bank credit granting institutions in accordance with their specific operational characteristics, systemic relevance and risk profiles by ensuring that regulation and supervision shall be proportionate to the risks posed, and maintaining the resources and skills adequate to supervise the non-bank credit granting institutions.

(4) The regulations made under subsection (3) may provide for such modifications, variations or adaptations in respect of designated non-bank credit granting institutions, designate systemically important non-bank credit granting institutions or designated class of non-bank credit granting institutions, in accordance with the specific operational characteristics and risk profile of the non-bank credit granting institutions consistent with the objective of this Act.

(5) The Central Bank may impose such terms and conditions in addition to the regulations made under subsection (3), to be consistent with the objectives specified in subsection (1).

## **PART II - LICENSING OR REGISTRATION OF NON-BANK CREDIT GRANTING INSTITUTIONS**

### **License or registration certificate for carrying on non-bank credit granting business**

**5.(1)** No person shall carry on non-bank credit granting business except with a licence or registration certificate issued by the Central Bank in accordance with the provisions of this Act.

(2) Any person intending to carry on business in any category or categories of non-bank credit granting businesses specified in Second Schedule, shall apply for a licence or registration certificate from the Central Bank specifying the category or categories of non-bank credit granting business it proposes to carry on, in such form and manner as may be prescribed by the Central Bank.

### **Prohibition of activities**

**6.(1)** A licensee or a registrant shall conduct only the category or categories of non-bank credit granting business, for which the licence or registration certificate has been issued.

(2) A non-bank credit granting institution licensed or registered under this Act is prohibited from accepting time deposits from the public, unless it is permitted by the Central Bank in writing.

(3) Notwithstanding the provisions of subsection (2), and subject to regulatory and prudential requirements as may be prescribed by the Central Bank, a licensed or registered non-bank credit granting institution —

- (a) carrying on development finance business may accept time deposits;
- (b) carrying on microfinance business and mortgage finance business may accept time deposits,



up to a maximum amount or a number of individuals or both, as may be specified by the Central Bank in writing under subsection (2).

(4) A non-bank credit granting institution holding a licence or registration certificate shall not —

- (a) make false or misleading advertisements or statements related to its activities;
- (b) use sources of funding that are not reflected on its balance sheet;
- (c) carry out activities related to moveable and immoveable property transactions, except those related to its lending activities or those necessary for its proper operation;
- (d) engage in any business other than the activities specified in its licence or registration certificate;
- (e) engage in the buying, selling and investing in or subscribing to virtual assets and their derivatives;
- (f) offer products and services where virtual assets or their derivatives are the underlying;
- (g) indulge in derivatives transactions, other than for hedging risk exposures;
- (h) offer derivative products and services to customers;
- (i) engage in pawn broking activity or business;
- (j) writing options; and
- (k) engage in any other activity that may be specified by the Central Bank and have implications on the financial safety, soundness and stability of the financial system of the Seychelles.

(5) The Central Bank may, in consultation with the Minister, impose a moratorium on the issuance of licences or registration certificates to new non-bank credit granting institutions for such period as may be determined by the Central Bank from time to time where it is warranted by the state of economy and there is anticipated change in the licensing and registration framework.

### **Application for licence or registration certificate**

7.(1) A licence or registration certificate granted under this Act shall be in writing for an indefinite period of time and shall not be transferrable. The licence or registration certificate shall specify the activities which the licensee or registrant is permitted to undertake and also contain the terms and conditions under which it has been issued.

(2) No person other than a company incorporated under the Companies Act (Cap.40) or an overseas company registered under section 310 of the Companies Act (Cap.40) shall be issued with a licence or registration certificate under this Act.

(3) A non-bank credit granting institution licence or registration certificate for a branch in Seychelles shall only be issued to a non-bank credit granting institution incorporated outside Seychelles and authorised to engage in the business of non-bank credit granting business specified in the Second Schedule.

(4) The Central Bank may permit a non-bank credit granting institution to own subsidiaries that engage in other activities and such permission shall, specify the list of activities of each subsidiary that it may engage in.

(5) The Central Bank may prescribe a non-refundable application fee for grant of licence or a registration certificate.

(6) An application for a licence or a registration certificate shall be made in writing to the Central Bank and shall be accompanied by —

- (a) evidence of payment of the prescribed application fee;

- (b) an authenticated copy of the instrument of incorporation, memorandum and articles of associations or other by-laws relating to the proposed business of non-bank credit granting institution, by or under which such business was established by any person to carry on with the proposed business;
- (c) the amounts of authorised and subscribed capital of the applicant, including the amounts that have been paid in, or the assigned capital in the case of a branch of a non-bank credit granting institution incorporated outside Seychelles;
- (d) the nature, source and amount of funds of the applicant;
- (e) names, addresses, occupations of persons who would hold substantial and controlling shareholdings, directly or indirectly, and every ultimate beneficial owner in the proposed non-bank credit granting institution and the respective values of such holdings; as well as those of their affiliates together with at least 1 financial reference verifying good financial standing, and, where the person holding a substantial and controlling shareholding is a body corporate, copies of at least 3 years audited annual balance sheets and profit and loss accounts, where ever applicable;
- (f) where the applicant is or will be a member of a corporate group, a complete organisational structure including a diagram of the group, including all direct and indirect affiliates and associates of the applicant, including trusts and special purpose vehicles, and the nature of their relationship to the group;
- (g) particulars of each administrator and key persons of the proposed non-bank credit granting institution, including their background and experience, at least 2 character references, certified financial position, business interests and performance of the business concerns under their control or management;

- (h) affidavit signed by each administrator, ultimate beneficial owner and person holding a substantial and controlling shareholding stating whether or not the individual has had convictions for crimes, past or present involvement in a managerial function in a body corporate or other undertaking subject to insolvency proceedings or personal bankruptcy filings, if the tax affairs are in order, if any;
- (i) copies of the latest 3 audited annual balance sheets and profit and loss accounts of the applicant, and in the case of a newly formed company, financial projections for the next 3 years;
- (j) feasibility reports including business plan setting out the business objectives and types of activities of the proposed non-bank credit granting institution, including description of its organisational structure and internal controls together with projected balance sheets, profit and loss accounts and cash flow statements for the next 3 financial years;
- (k) draft policies and procedural manual establishing operationalisation of the non-bank credit granting institution, as specified in the form of application;
- (l) a statement by the auditor (selected to be appointed) indicating the auditor's willingness to take on the task of auditing the applicant;
- (m) a list of entities, including companies, trusts and special purpose vehicles, in which the applicant holds share or interest, either directly or indirectly, specifying the number of shares, extent of interest and the registered addresses of those entities;
- (n) the location of the principal and other places in Seychelles, where it proposes to conduct its business;
- (o) an authorisation from the applicant, permitting the Central Bank to carry out financial, criminal and professional

background checks on the applicant, its directors, key persons and entities referred to in clause (m);

- (p) in the case of an applicant incorporated outside Seychelles, that carries on non-bank credit granting business, in addition to the requirements under this section, the applicant shall provide —
  - (i) a certificate of designation specifying the name, nationality, residence and business or profession of its managing agent, being the officer, agent or other person in Seychelles responsible for carrying out the functions of the applicant with respect to the proposed non-bank credit granting institution and on whom any process may be served;
  - (ii) a written statement from the foreign supervisory authority responsible for supervision of the applicant in the country that it is aware of the application and exercises global consolidated supervision over the non-bank credit granting institution;
  - (iii) a written statement from the foreign supervisory authority responsible for supervision of the applicant that it has no objection to the applicant carrying on non-bank credit granting business in Seychelles; and
  - (iv) such other information as may be required by the Central Bank;
- (q) in the case of an application by a non-bank credit granting institution incorporated outside Seychelles, seeking to establish a branch, in addition to the requirements under this section, a sworn undertaking of its head office through its principal officer, supported by an appropriate resolution of its board of directors, that it will, on demand by the Central Bank, make available, in such currency and at such place as may be specified by the Central Bank, funds

necessary to cover all obligations and liabilities incurred in the conduct of non-bank credit granting business in Seychelles, authorised under the non-bank credit granting licence or registration certificate; and

- (r) such other information as may be required by the Central Bank, during the process of an application for licence or registration certificate.

(7) An application may be withdrawn by the applicant by a notice in writing, at any time before its determination.

(8) An applicant shall provide with particulars of any changes in the information provided to the Central Bank, or any new information, under this section, as soon as the applicant becomes aware of such changes, within the licensing or registration process timeframe or within 14 business days of the changes, whichever occurs first.

(9) The application and every document submitted in accordance with the provisions of subsection (6), shall be signed by the directors of the applicant.

(10) Where documents submitted in accordance with the provisions of subsection (6) are in any other language other than in English, a certified translated version in English shall be submitted along with the document in its original language.

### **Granting or refusal of licence or registration certificate**

**8.(1)** While considering an application submitted under section 7 for issuance of a licence or registration certificate, the Central Bank may conduct such investigation as it may deem necessary to determine —

- (a) the validity of the documents submitted under subsection (6) of section 7;
- (b) (i) the financial status; and

- (ii) history of the applicant where the applicant is an established non-bank credit granting institution;
- (c) whether the substantial and controlling shareholders, beneficial owners, administrators and key persons or proposed administrators and key persons of the applicant are fit and proper persons;
- (d) the extent to which the legal, operational, managerial and ownership structure of an applicant is conducive and transparent, and could hinder effective supervision, including supervision on a consolidated basis;
- (e) where applicable, whether the applicant meets the prescribed minimum paid-up capital;
- (f) where applicable, the sources and legitimacy of the applicant's minimum capital;
- (g) the adequacy of its capital structure, having regard to the amount, nature and quality of capital;
- (h) the ability to cover all obligations and liabilities incurred in the conduct of the proposed business under the licence or registration certificate;
- (i) its shareholders having sufficient financial resources to serve as a continuing source of financial support for the proposed non-bank credit granting institution;
- (j) the viability of the business plan;
- (k) the soundness of its proposed operations;
- (l) in the case of a branch or subsidiary of a non-bank credit granting institution incorporated outside Seychelles, the adequacy of supervision exercised on consolidated basis by the foreign supervisory authority;

- (m) whether the foreign supervisor has accorded permission to the applicant to establish operations in Seychelles;
- (n) any risks or corporate activities which may affect the applicant or the international standing and good repute of Seychelles;
- (o) where applicable, whether the interest of potential customers be detrimentally affected by the manner in which the applicant proposes to conduct its business;
- (p) any other criteria as may be considered necessary by the Central Bank.

(2) For the purposes of clause (c) of subsection (1), the Central Bank shall have regard to the following —

- (a) the applicant's probity, financial integrity, competence, experience and soundness of judgement for fulfilling the responsibilities of the proposed business;
- (b) the diligence with which the applicant is fulfilling or is likely to fulfil these responsibilities;
- (c) the applicant's educational and professional qualifications, and membership of professional or other relevant bodies as applicable;
- (d) the applicant's knowledge and understanding of the professional obligations to be assumed or undertaken;
- (e) any evidence that the applicant has committed an offence involving dishonesty or has contravened a law designed to protect any member of the public arising from dishonesty, incompetence, malpractice or conduct of discharged or undischarged bankruptcy or otherwise insolvent persons; and



- (f) such other information, which may come to the notice of the Central Bank.

(3) Within 30 business days from the date of receipt of an application for a licence or registration certificate, the Central Bank shall inform the applicant whether the application is complete with the information and documents as required under subsection (6) of section 7.

(4) Where the applicant fails to comply with such deficiencies to inform a complete application within a period of 15 business days from the date of receipt of the communication, the Central Bank may reject the application of the applicant.

(5) Upon receipt of a complete application in line with the information and documents required under subsection (6) of section 7, the Central Bank may make written requests for further information which may be required by it to make a decision on the application.

(6) If the applicant fails to furnish the additional information required under subsection (5) within the specified time, the Central Bank may reject the application.

(7) Within 90 business days from the date of receipt of a complete application for a licence, the Central Bank shall, in writing —

- (a) grant a licence to an applicant to carry on any category of non-bank credit granting business;
- (b) grant a licence to an applicant to carry on any category of non-bank credit granting business, subject to such conditions stipulated in the licence; or
- (c) inform the applicant, regarding refusal to the grant of licence specifying the reasons for such refusal:

Provided that the Central Bank shall not be under obligation to give reasons where the limitations provided under clause (2) of Article 28 of the Constitution and the

exemptions provided under Part III of the Access to Information Act, 2018 (Act 4 of 2018) applies in the case.

(8) Within 45 business days from the date of receipt of a complete application for a registration certificate, the Central Bank shall, in writing —

- (a) grant a registration certificate to an applicant to carry on any category of non-bank credit granting business;
- (b) grant a registration certificate to an applicant to carry on any category of non-bank credit granting business, subject to such conditions stipulated in the registration certificate; or
- (c) inform the applicant, regarding refusal to grant a registration certificate specifying the reasons for such refusal:

Provided that the Central Bank shall not be under obligation to give reasons where the limitations provided under clause (2) of Article 28 of the Constitution and the exemptions provided under Part III of the Access to Information Act, 2018 (Act 4 of 2018) applies in the case.

(9) Where a person is aggrieved with a decision of the Central Bank for grant of licence or registration certificate, the person may submit an application in writing within 21 business days of the said decision to the Central Bank, for the review of its decision.

(10) Any licence or registration certificate granted under this Act shall be subject to such terms and conditions as may be specified by the Central Bank from time to time.

(11) Where a licence or registration certificate is granted under subsections (7) or (8), the Central Bank shall, by a notice published in the Gazette and in a local newspaper, specify the name of such non-bank credit granting institution and the activities authorised by the licence or registration certificate.

**Terms and conditions of licence or registration certificate**

9.(1) The Central Bank may specify the terms and conditions to be complied with by the non-bank credit granting institution, while granting a licence or registration certificate to such non-bank credit granting institution.

(2) The non-bank credit granting institution shall comply with regulations, directions or guidelines issued by the Central Bank from time to time.

(3) The non-bank credit granting institution shall, within 7 business days from the grant of a licence or registration certificate, pay such annual licence or registration fee as may be prescribed by the Central Bank, and thereafter annually.

(4) A non-bank credit granting institution shall not engage in any business other than the activities specified in its licence or registration certificate.

(5) The Central Bank shall permit a non-bank credit granting institution to commence its operations, where it is satisfied that the conditions specified under subsection (1) of section 9 have been met.

**Nominee shareholders or nominee directors**

10.(1) A non-bank credit granting institution licensed or registered under this Act shall not have nominee shareholders or nominee directors.

(2) A trust or person that controls another person's property or money under an agreement, shall not own shares in a non-bank credit granting institution, unless the beneficial owner and persons that control the trust, arrangement or agreement are identifiable and comply with the provisions of this Act and any other relevant written law in force.

**Display of Licence or Registration Certificate**

11. A non-bank credit granting institution holding a licence or registration certificate shall display a copy of the licence or registration

certificate conspicuously in a public part of each place of its business in Seychelles.

### **Permissible Activities**

**12.(1)** A non-bank credit granting institution may carry on with any of the following activities as permitted by its licence or registration certificate —

- (a) credit token business;
- (b) development finance business;
- (c) factoring business;
- (d) microfinance business;
- (e) mortgage finance business; and
- (f) any other non-bank credit granting business as may be prescribed by the Central Bank.

**(2)** The Central Bank may by notification, restrict the permissible activities of a non-bank credit granting institution, in general or individually, as it may deem necessary and appropriate, if the —

- (a) Central Bank deems that the carrying on full range of permissible activities by the non-bank credit granting institution is detrimental to the interest of the public; or
- (b) carrying on of permissible activities by the non-bank credit granting institutions in general or by any category of non-bank credit granting institution, poses a threat to the stability and soundness of the financial system of Seychelles.

### **Scope of business of licensed and registered non-bank credit granting institutions**

**13.(1)** A licenced non-bank credit granting institution may engage in, depending on the type of non-bank credit granting institution, —

- (a) the acceptance of time deposits from persons with a minimum maturity period of 30 days;
- (b) the provision of credit and advances;
- (c) contract loans from licenced local and foreign financial institutions and non-financial entities, and the utilisation of such funds either wholly or partly for lending;
- (d) investing in government securities issued or guaranteed by the government or Central Bank;
- (e) investing in foreign securities;
- (f) issuing and servicing of credit cards;
- (g) lending of money at an interest, with or without security to a borrower;
- (h) carrying out related and auxiliary activities related to the performance of the lending activities or the operation of the entity;
- (i) issuing bonds to raise funds;
- (j) cross-border lending, investing or borrowing;
- (k) lending and factoring;
- (l) undertaking derivatives transactions for hedging own risk exposures;
- (m) financing import and export transactions;
- (n) providing loans in foreign currencies;
- (o) contracting liabilities denominated in foreign currency;
- (p) providing mortgage financing;

(q) offering non-fun-based facilities (guarantees and co-acceptances); and

(r) any other business as may be approved by the Central Bank.

(2) A registered non-bank credit granting institution may engage in, depending on the type of non-bank credit granting institution, —

(a) borrowing denominated in domestic currency from domestic financial and non-financial institutions;

(b) issuing and investing in domestic debt securities denominated in local currency;

(c) short term (not more than 15 years) lending and factoring in domestic currency; and

(d) any other business as may be approved by the Central Bank.

(3) A licenced or registered non-bank credit granting institution shall not outsource any of its operational functions without the prior approval of the Central Bank.

### **Compliance with rules and directives etc.**

**14.(1)** The operations of a non-bank credit granting institution are subject to compliance of statutory directions and instruments made under this Act and to any determination, notice or other requirement that may be imposed under the Act by the Central Bank from time to time.

(2) Notwithstanding the Companies Act (Cap.40), no local non-bank credit granting institution shall, without the prior written approval of the Central Bank, alter the instrument under which it is formed.

(3) The Central Bank shall not approve alterations under subsection (2), which conflict with the provisions of this Act, the Companies Act (Cap.40) or any other written laws in force.

(4) Notwithstanding section 312 or any other provision of the Companies Act (Cap.40), every foreign non-bank credit granting institution shall notify the Central Bank of any alteration in the instrument under which it is formed within 30 business days of the alteration.

(5) Every non-bank credit granting institution shall notify the Central Bank of any change in the registered shareholders or in the shareholdings of the non-bank credit granting institution within 21 business days of such change or becoming aware of such change, whichever is earlier, where one shareholder holds or were to hold 5 per cent or more its paid-up capital.

### **Licence or registration certificate fee**

**15.(1)** Every non-bank credit granting institution shall pay to the Central Bank such annual fee for its licence or registration certificate as may be prescribed by the Central Bank.

(2) The Central Bank may prescribe different annual fees for different categories of non-bank credit granting institutions which shall apply uniformly to non-bank credit granting institutions within each category.

(3) With the exception of the year in which a licence or registration certificate is granted, where the holder of a non-bank credit granting business licence or registration certificate fails to pay the annual fee prescribed under this section before the beginning of the year for which the annual fee is due, the non-bank credit granting institution shall be subject to an additional charge of 1 per cent of the annual fee, for every day of its default.

### **Approval for branches**

**16.(1)** Prior written approval of the Central Bank shall be required for a non-bank credit granting institution to open or close a branch or agency in any part of Seychelles on a temporary or permanent basis, or to change the location of any existing place of business.

(2) An approval under subsection (1) may be given subject to such conditions as may be prescribed the Central Bank or specify in the written approval.

**Revocation of licence or registration certificate**

**17.(1)** The Central Bank may revoke or vary the terms and conditions of the licence or registration certificate of a non-bank credit granting institution, if the Central Bank is satisfied that —

- (a) the non-bank credit granting institution has failed to fulfil or comply with the terms and conditions stipulated in its licence or registration certificate;
- (b) the non-bank credit granting institution has failed to comply with the warning letters issued by the Central Bank and failed to comply with the outcome of the meetings held;
- (c) the non-bank credit granting institution has failed to comply with any obligation imposed on it by or under this Act and to any determination, notice or other requirements which are applicable to the licence or registration certificate;
- (d) the non-bank credit granting institution has failed to take corrective measures required to be taken under the provisions of section 55;
- (e) the Central Bank has been provided with false or fraudulent statements or other material irregularities connected with the licence or registration certificate application;
- (f) the interests of its customers or potential customers are in any way threatened, whether by the manner in which the non-bank credit granting institution is conducting or proposes to conduct its affairs;
- (g) the non-bank credit granting institution has become insolvent, or is in the course of being wound up;
- (h) the non-bank credit granting institution no longer possesses the minimum amount of capital and reserves required by



regulations under this Act or can no longer be relied upon to fulfil its obligations towards its creditors, and in particular no longer provides security for the assets entrusted to it;

- (i) the non-bank credit granting institution goes into receivership or liquidation or is wound up or otherwise dissolved without the approval of the Central Bank;
- (j) the non-bank credit granting institution is convicted of any money laundering or terrorist financing activities or any other financial crimes;
- (k) the non-bank credit granting institution is in breach of any material provision of this Act or of regulations, rules, orders or directions which are applicable to the licence or registration certificate or the licensee or registrant;
- (l) the non-bank credit granting institution has failed to obtain prior approval from the Central Bank for the transfer of a controlling shareholding held in the non-bank credit granting institution;
- (m) the non-bank credit granting has failed to commence its business within 12 months from the date of grant of licence or registration certificate;
- (n) the non-bank credit granting institution undergoes a merger, consolidation, amalgamation or division without the approval of the Central Bank;
- (o) the non-bank credit granting institution has ceased to carry on business for more than 3 consecutive months; or
- (p) the non-bank credit granting institution fails to pay the annual fee or charges within 14 business days from the due date.

(2) The Central Bank shall give its reasons in writing for its decision under subsection (1).

(3) Subject to subsections (5) and (6), the revocation or variation of a licence or registration certificate under subsection (1) takes effect after 15 business days from the date on which the Central Bank gives notice of it to the licensee or registrant.

(4) Where the Central Bank proposes to revoke the licence or registration certificate of any non-bank credit granting institution pursuant to subsection (1), the Central Bank shall give notice of its intention to the non-bank credit granting institution.

(5) In the case of revocation of a licence or registration certification under clause (h) of subsection (1), the Central Bank may revoke such licence or registration certificate without issuing a notice, under subsection (4).

(6) The licensee or registrant may, within 15 business days from the date of receipt of the notice under subsection (3), submit to the Central Bank reasons why, in the opinion of the licensee or registrant, the licence or registration certificate should not be revoked or the terms and conditions of the licence or registration certificate should not be varied or bring forth evidence that show the rectification of any irregularity which may have been the cause of the revocation or variation of the licence or registration certificate.

(7) At the latest 3 business days before the revocation or variation of the terms and conditions of a licence or registration certificate is to take effect pursuant to subsection (3), the Central Bank shall —

- (a) confirm the revocation or the variation with or without modification; or
- (b) withdraw the revocation or the variation unconditionally.

(8) A notice of any action taken under subsection (7) shall be published by the Central Bank in the Gazette, in at least 1 daily local newspaper and on the Central Bank website and any other media that the Central Bank may deem appropriate.

(9) Where in the case of the non-bank credit granting institution controlled by a financial institution or by a parent non-bank credit granting

institution in another country, it appears to the Central Bank that the home supervisory authority of the financial institution or non-bank credit granting institution has withdrawn its licence or registration certificate, the Central Bank may —

- (a) restrict transactions between the non-bank credit granting institution and the parent institution; or
- (b) revoke the licence or registration certificate of the non-bank credit granting institution.

(10) In the event that the licence or registration certificate of the non-bank credit granting institution is revoked, the Central Bank shall place the non-bank credit granting institution into receivership.

(11) In an emergency situation requiring urgent action, the Central Bank may revoke or vary the terms and conditions of a licence or registration certificate, and any revocation or variation made under subsection (1) may take effect immediately, and direct the non-bank credit granting institution to immediately suspend all of its business operations.

(12) Any amendment, variation, cancellation or imposition of a condition of a licence or registration certificate or any suspension or revocation of a licence or registration certificate under subsection (11) shall be notified to the non-bank credit granting institution and shall have immediate effect and bind the non-bank credit granting institution and the notice shall state the reasons requiring urgent action.

(13) Filing of an appeal pursuant to section 20 shall not affect the suspension of any measures imposed by the Central Bank.

### **Power of Central Bank to prohibit operations of licensee or registrant**

**18.** Where the Central Bank has given notice of revocation under subsection (3) of section 17, it may issue directions to the licensee or registrant through —

- (a) prohibiting it from soliciting, accepting or receiving time deposits from the public;

- (b) prohibiting it from dealing with or disposing of its assets in any manner specified in the direction;
- (c) prohibiting it from entering into any transactions or class of transactions specified in the direction; or
- (d) requiring it to take certain steps or pursue a particular course of action,

and the licensee or registrant shall comply with such directions notwithstanding the notice of revocation.

### **Restriction on use of certain expressions**

**19.(1)** A person other than a non-bank credit granting institution licensed or registered under this Act, shall not use or continue to use the expressions “non-bank credit granting institution”, “development finance”, “mortgage finance”, “credit token”, “factoring”, “microfinance” or any derivate of such expressions, either in English, French, Creole or any other language in the description or title under which the person is carrying on business, except otherwise with the prior written approval of the Central Bank.

(2) No person shall be granted or continue to hold a licence or registration certificate, under a name which closely resembles the name of an existing non-bank credit granting institution, which is likely to mislead the public.

(3) Except with the prior written approval of the Central Bank, no non-bank credit granting institution shall use, or refer to itself by, a name other than that under which it was licensed or registered under this Act.

(4) Where the Central Bank approved a change of name under subsection (3), the Central Bank shall publish a notice to that effect specifying such name in the Gazette, in at least 1 daily local newspaper and on its website and any other media that the Central Bank deems appropriate.

(5) The provisions of this section shall not apply to any registered association of non-bank credit granting employees formed for the protection

and advancement of their mutual interest or furtherance or promotion of education and training of personnel.

## **Appeals**

**20.(1)** Where the Central Bank —

- (a) refuses to grant a licence or registration certificate under section 8;
- (b) refuses to grant an approval for the opening or closure of a branch or agency of a non-bank credit granting institution under section 16;
- (c) confirms a revocation of, or variation of the terms and conditions of a licence or registration certificate under section 17,

the aggrieved party may appeal to the Central Bank within 21 business days from the date of the notification of the Central Bank's decision, submit a written statement of its case of appeal and, at the aggrieved party's option, request for a hearing before the Central Bank's appeal body.

(2) The filing of an appeal does not affect a suspension of any measures imposed by the Central Bank.

(3) The Central Bank shall within 90 business days of receipt of the written statement, inform the aggrieved party of its decision.

(4) Notwithstanding anything in any other law, no action or proceeding may be instituted in any court in respect of loss or damage actually incurred, or likely to be or alleged to be incurred by reason of the application of subsections (1) and (11) of section 17 and section 19.

## **Suspension of business on revocation of licence or registration certificate**

**21.(1)** Where the revocation of a licence or registration certificate is

made final by the Central Bank under subsection (3) of section 17, the Central Bank shall —

- (a) direct the non-bank credit granting institution immediately to suspend the business or businesses authorised under the licence or registration certificate; and
- (b) take such measures as may be necessary to prevent the continuance of the business of that non-bank credit granting institution.

(2) Where the revocation of a licence or registration certificate has been made final in respect of a local non-bank credit granting institution, the Central Bank shall immediately take appropriate steps for the winding up of that institution in accordance with section 69.

(3) Where the revocation of a licence or registration certificate has been made final in respect of a foreign non-bank credit granting institution, without prejudice to the provisions of section 69, the Central Bank shall direct the head office of that non-bank credit granting institution to immediately cover all obligations and liabilities incurred in the conduct of the business of the non-bank credit granting institution licence or registration certificate with the undertaking of the head office given under clause (q) of subsection (5) of section 7.

### **Surrender of licence or registration certificate**

**22.(1)** Subject to the provisions of this section, a non-bank credit granting institution may, with the prior written approval of the Central Bank, surrender its licence or registration certificate to the Central Bank.

(2) The Central Bank shall grant its approval to an application for the surrender of a licence or registration certificate by a non-bank credit granting institution under subsection (1) where it is satisfied that the non-bank credit granting institution has made adequate provision in respect of all its liabilities in relation to its business.

(3) In granting its approval under subsection (2), the Central Bank shall appoint a date on which the surrender shall take effect.

(4) Where approval has been granted to a non-bank credit granting institution under subsection (2), the non-bank credit granting institution shall, not later than 30 business days before the date appointed under subsection (2), publish in a daily local newspaper, a notice of the proposed surrender of the licence or registration certificate and specifying the date on which the surrender shall take effect.

(5) The surrender of licence or registration certificate under this section shall have effect as a revocation of a licence or registration certificate under this Act.

(6) The Central Bank shall, as soon as is practicable, publish in the Gazette and in a daily local newspaper, a notice of every surrender of a licence or registration certificate under this section but any delay in publishing, or failure to publish, the notice shall not affect the validity of the surrender or its effect.

### **Revocation and variation of approval for branch business**

**23.(1)** The Central Bank may, for exceptional reasons, revoke or vary the terms and conditions for an approval given under section 17.

(2) Any action under subsection (1) shall be communicated by the Central Bank to the non-bank credit granting institution, which shall carry out all the obligations and meet all the liabilities of the branch, agency or office.

(3) The Central Bank shall give its reasons for its decision under subsection (1).

(4) Where an order of closure has been made under subsection (1), the Central Bank shall take all necessary steps to ensure that —

- (a) all persons who have deposited monies in that branch or agency are given the opportunity to withdraw those monies within a reasonable period of time; and
- (b) such measures are taken to safeguard the interest of the depositors.

### **Central Bank's power to investigate**

**24.(1)** If at any time, the Central Bank has reasons to believe that any person is carrying on non-bank credit granting business without a valid licence or registration certificate, it shall investigate the matter.

(2) For the purposes of investigation under subsection (1), the officials of the Central Bank may enter the premises where the alleged business is being carried out and collect any information or data that may be available in the premises for establishing the business carried out illegally by the person.

(3) Concerning persons who violate the provisions of this Act, by engaging, without a licence or registration certificate, in the activities for which a licence or registration certificate is required, the Central Bank is empowered to liquidate the business of such person and the net proceeds of the liquidation shall be transferred to the Consolidated Fund.

(4) For the purposes of this section, the Central Bank is empowered to examine the books, accounts and records of the person suspected to be carrying on with the non-bank credit granting business without a licence or registration certificate, to ascertain the violation of the provisions of this Act.

## **PART III - CAPITAL AND PRUDENTIAL REQUIREMENTS**

### **Minimum paid-up capital**

**25.(1)** Every non-bank credit granting institution at all times in Seychelles, shall maintain an amount of unimpaired paid-up capital in Seychelles rupees or the equivalent amount in any freely convertible currency, as may be prescribed by regulations, from time to time.

(2) The Central Bank shall prescribe the capital requirements for each category of non-bank credit granting institution.

(3) A non-bank credit granting institution shall not reduce its paid-up capital without the prior written approval of the Central Bank.



## Reserve fund

**26.(1)** Every non-bank credit granting institution shall maintain a reserve fund and shall, out of the net profits of each year, before any dividend is declared or any profits are transferred to the head office or elsewhere, transfer a sum equivalent to not less than 10 per cent of those profits to the reserve fund, until the amount of the reserve fund reaches the amount equivalent to the paid-up capital.

(2) The Central Bank may from time to time specify —

- (a) different proportions of the net profits each year to be transferred to the reserve fund of either one or all non-bank credit granting institutions; and
- (b) the form in which the reserve fund is to be maintained.

(3) The reserve fund shall neither be reduced nor impaired, except that the Central Bank may, by regulations, specify circumstances in which it may be reduced.

## Prudential requirements

**27.(1)** The Central Bank may make regulations, and issue directions and guidelines applicable to non-bank credit granting institutions as may be required to give full effect to the provisions of this Act.

(2) Notwithstanding the provisions of subsection (1), the Central Bank may impose more stringent prudential limits on any non-bank credit granting institution or category of non-bank credit granting institution, or vary any of the prudential limits under this Act where necessary based on any of the following criteria —

- (a) the operational characteristics, systemic relevance and risk profile of the category of the non-bank credit granting institution or specific non-bank credit granting institution;
- (b) the differences in the purpose, nature or size of business or

the origin of financial resources of the non-bank credit granting institution;

- (c) if the non-bank credit granting institution or category of non-bank credit granting institution poses threat to the stability and soundness of the financial system or the extent of its interconnectedness with the banking system; or
- (d) it is necessary in the interest of protecting the interests of the public.

(3) Without prejudice to the generality of subsection (1), the Central Bank may make regulations, and issue directions and guidelines applicable to any category of non-bank credit granting institution on any of the following matters —

- (a) the liquid resources in relation to the value or change in the value of assets (including guarantees and collateral received);
- (b) the liquid resources in relation to the liabilities;
- (c) capital adequacy ratio including the eligible capital, categories of risk assets and appropriate adjustments and additions to risk weights for the purpose of calculating the capital adequacy ratio;
- (d) maximum aggregate amount of all or certain categories of credit facilities or investments, guarantees and other commitments, whether contingent or not, and including without limitation, letters of credit, lines of credit and unused credit card balances;
- (e) credit concentration limits in relation to maximum amount of credit facilities and investments, guarantees and other commitments, whether contingent or not, and including without limitation, letters of credit, credit lines and unused credit card balances that may be made for the benefit of

single counterparty, group of connected counterparties and different classes of counterparties;

- (f) large exposures;
- (g) foreign exchange exposure limits;
- (h) specific circumstances concerning the return and other conditions applicable to any type of credit facility extended or applicable to contingent liabilities;
- (i) loan classification in relation to the classification and evaluation of assets, and provisions to be made on the basis of such classification and evaluation, and the time when earnings on non-performing assets may no longer be accounted for as income;
- (j) related party transactions;
- (k) connected lending in relation to extension of credit facilities, investment, guarantees and other commitments whether contingent or not to a single related party and for all related parties;
- (l) prohibitions, restrictions and conditions relating to —
  - (i) the types or forms of credit facilities and investments made, and liabilities assumed (contingent or otherwise);
  - (ii) matching as to the maturity and return in respect of assets and liabilities (contingent or otherwise); and
  - (iii) unhedged positions, exceeding a specified ratio, in any underlying asset or investment;
- (m) other prudential requirements regarding credit, investments, matching as to the maturity and interest,

maximum ratios and exposures concerning the assets, risk weighted assets and off-balance sheet items and various categories of capital and reserves to be maintained by the non-bank credit granting institutions;

- (n) the rules for the application of the prudential requirements set out in this Act to a non-bank credit granting institution and its subsidiaries on consolidated basis; and
- (o) payment of dividends.

(4) No non-bank credit granting institution shall grant any credit facilities, or enter into any other transactions, against the collateral of or for investing in its own shares or property.

(5) Ensure standards for risk management and risk mitigation including credit, liquidity, operational, market, interest rate, strategy, reputation, cyber, money-laundering and terrorist financing risks.

(6) Notwithstanding any other written law, every non-bank credit granting institution shall comply with all the requirements of this Act.

### **Other duties**

**28.(1)** It shall be the duty of every non-bank credit granting institution to ensure that adequate measures are adopted and implemented to prevent money-laundering and terrorist financing activities.

(2) A non-bank credit granting institution, in relation to the development of new products, business practices, use of new technologies or developing technologies and entry into new market segments, shall —

- (a) provide 30 business days prior notification to the Central Bank, if the approval of Central Bank is required in that regard under any written law;
- (b) undertake a risk assessment prior to the launch or use of such products, business practices, technologies and entry into new market segments;

- (c) identify and assess the risks that may arise in relation to the launch or use of such products, business practices and technologies and entry into new market segments;
- (d) take appropriate measures to manage and mitigate the risks identified; and
- (e) document the outcome of the risk assessment and update it as may be necessary from time to time.

(3) The Central Bank may at any time require a non-bank credit granting institution to submit the outcome of its risk assessment, documented under clause (e) of subsection (2) and the measures taken to manage and mitigate such risks.

### **Internal control etc.**

**29.** Every non-bank credit granting institution shall establish and maintain adequate and effective corporate governance, internal control and risk management systems and practices commensurate with its risk profile, business model, nature, size and complexity of the risks.

### **Payment of dividend to share holders**

**30.(1)** A licenced non-bank credit granting institution shall not declare and pay dividend to its shareholders and shall not make any other transfer from profit or capital, unless the Central Bank is stratified that —

- (a) the payment of dividend or any other transfer from profit or capital will not cause the non-bank credit granting institution to be in contravention of the requirement in capital adequacy, reserve fund, liquidity or any other prudential requirement deemed relevant or likely to impair the future capital adequacy or liquidity of the non-bank credit granting institution; and
- (b) provisions have been made in respect of impaired credits.

(2) A registered non-bank credit granting institution shall not pay any dividend to its shareholders and shall not make any other transfer from profit or capital, unless the payment of dividend or any other transfer from profit or capital will not cause the non-bank credit granting institution to be in contravention of the requirement in capital adequacy and liquidity or any other prudential requirement deemed relevant or likely to impair the future capital adequacy or liquidity of the non-bank credit granting institution.

### **Accounts for time deposits collected from customers**

**31.(1)** A licenced non-bank credit granting institution shall open an account at one or more banks or credit unions for the purpose of time deposits collected from its customers.

(2) A licenced non-bank credit granting institution shall ensure that customer funds are traceable.

(3) The customer funds of the licensed non-bank credit granting institution shall be held in pooled accounts.

(4) Customer fund shall —

- (a) not form part of the assets available for distribution by the receiver or liquidator of a licensed non-bank credit granting institution; and
- (b) in an event of liquidation or receivership of the licensed non-bank credit granting institution, the funds shall be paid in full to the customers:

Provided that the provisions of clause (b) shall be applicable, even if the custodian bank or credit union undergoes receivership or liquidation.

(5) A licenced non-bank credit granting institution shall submit to the Central Bank, a signed copy of its custodian account agreement:

(6) A licenced non-bank credit granting institution shall, 30 calendar days in advance, give notice to the Central Bank of any changes in its custodian agreements.

(7) Customer funds shall be available on demand to meet the requests from the customers in the event of any contract cancellation.

(8) Customer funds shall only be used to fund the licenced non-bank credit granting institution's operational needs, including the short-term investment purposes.

(9) The custodian account shall be audited annually as part of the annual independent audit of a licenced non-bank credit granting institution.

(10) A bank or credit union at which a custodian account is maintained shall submit to the Central Bank such information relating to the custodian account, as the Central Bank may request.

(11) The Central Bank may, with reasons in writing, in the interest of protecting the interests of customers, require a licenced non-bank credit granting institution to close a custodian account.

### **Interest in respect of custodian account**

**32.(1)** A custodian account shall not bear interest unless otherwise approved by the Central Bank, upon written request of a licenced non-bank credit granting institution and the request shall be accompanied by a detailed description of the mechanism to be established for the distribution of the interest to customers.

(2) The Central Bank may approve a request under subsection (1), if it is satisfied that —

- (a) the efficiency and effectiveness of the system and mechanisms to be established for; and
- (b) the equitability and fairness of the distribution of interest being proposed.

(3) Interest earned on a custodian account shall be paid into a separate account, held in the same name as the custodian account.

(4) The interest rate on a custodian account shall be an amount between the floor and ceiling rate of the bank or credit union's savings account.

(5) A licenced non-bank credit granting institution having an interest bearing custodian account shall submit a return on the 15<sup>th</sup> day of every month to the Central Bank reflecting the following in relation to the custodian and interest account —

- (a) interest earned;
- (b) reconciliations;
- (c) disbursements; and
- (d) such other information as may be determined by the Central Bank from time to time.

(6) Any person who uses the interest earned on a custodian account for any purposes other than those permitted under this Act, commits an offence and upon conviction shall be liable to a fine pursuant to section 57.

## **PART IV - ACCOUNTS, AUDIT, DISCLOSURE AND BUSINESS CONDUCT**

### **Balance sheet etc.**

**33.(1)** At the expiration of each calendar year, every non-bank credit granting institution in respect of all the business transacted by it —

- (a) in or outside of Seychelles;
- (b) or through its branches in Seychelles,

shall prepare, with reference to that year, in accordance with an internationally recognised financial reporting framework, a balance sheet as of the last working day of that year and a profit and loss account and cash flow statement in respect of that year.



(2) The balance sheet, profit and loss account and cash flow statement of every non-bank credit granting institution shall give a true and fair view of the state of affairs of the non-bank credit granting institution as at the end of the calendar year to which the accounts relate.

(3) The Central Bank may give directions as to the matters to be shown in the balance sheet, profit and loss account and cash flow statement by way of a note or in a statement or report to be annexed.

### **Appointment of Auditor**

**34.(1)** Every non-bank credit granting institution shall appoint annually an auditor to audit its accounts and such appointment shall be subject to the approval of the Central Bank.

(2) The auditor appointed under subsection (1) shall be independent, experienced in the audit of non-bank credit granting institutions and financial institutions, a member of a body of accountants (whether established in or outside of Seychelles), and have the necessary resources to undertake audit of non-bank credit granting institutions on a consolidated basis as may be determined by the Central Bank.

(3) No non-bank credit granting institution shall appoint the same auditor continuously for a period of more than five (5) years.

(4) A non-bank credit granting institution shall, upon a change in its auditor, notify the Central Bank of the change within 21 business days, and if so required by the Central Bank, the reasons for such change.

(5) If a non-bank credit granting institution fails to appoint an auditor approved by the Central Bank, the Central Bank shall have the power to appoint such auditor.

(6) The remuneration of the auditor, whether appointed by the non-bank credit granting institution under subsection (1) or by the Central Bank under subsection (5) or subsection (11), shall be paid by the non-bank credit granting institution concerned, and in the case of an auditor appointed by the Central Bank under subsection (5) or subsection (11), shall be of such amount as the Central Bank may determine.

(7) The auditor shall —

- (a) in the case of a local non-bank credit granting institution, make a report to its shareholders; or
- (b) in the case of a foreign non-bank credit granting institution, make a report to its head office, on the financial statements, annual balance sheet, profit and loss account and accounts.

(8) The auditor's report, which shall be completed not more than 3 months after the end of the financial year, shall state —

- (a) whether in the auditor's opinion the balance sheet, profit and loss account and cash flow statement are complete and fair and properly drawn up;
- (b) whether the fiduciary duties are being administered in accordance with the laws of Seychelles;
- (c) whether they exhibit a true and fair view of the non-bank credit granting institution's affairs; and
- (d) if the auditor has called for explanation or information from the officers, employees or agents of the non-bank credit granting institution, whether that explanation or information is satisfactory.

(9) The report of the auditor —

- (a) in the case of a local non-bank credit granting institution, shall be read, together with the report of the directors of the non-bank credit granting institution, at the annual meeting of the shareholders;
- (b) in the case of a foreign non-bank credit granting institution, shall be transmitted to the head office.

(10) A copy of the auditor's report shall be sent to the Central Bank by the non-bank credit granting institution not later 30 calendar days after it becomes available, and within 4 months after the end of the financial year, whichever is earlier.

(11) Where the Central Bank is not satisfied with the auditor's report, it may direct the non-bank credit granting institution to appoint a new auditor within a specified period of time, who shall make a new report and submit it as required under the provisions of this section.

(12) The Central Bank may impose on an auditor, in addition to any duty specified in this section, to —

- (a) submit to the Central Bank, such additional information in relation to the audit as the Central Bank may consider necessary;
- (b) submit a report, carry out any other examination or establish any procedure, if required by the Central Bank;
- (c) submit to the Central Bank, a report on the financial and accounting systems and internal controls of the non-bank credit granting institution.

(13) Where, in the course of performing its functions under this Act, an auditor becomes aware of transactions or conditions in a non-bank credit granting institution that may affect its safe and sound operations and the auditor has reasons to believe that —

- (a) there has been a material change in the risks inherent to the business of the non-bank credit granting institution with the potential to affect its ability to continue safe and sound operations;
- (b) there has been a serious violation of any of the provisions of this Act, in particularly with regard to the compliance with capital and prudential requirements required to be met under Part III and protection of consumers or creditors' interest;

- (c) a serious criminal offence involving fraud or other dishonesty has been or is likely to be committed;
- (d) the measures to prevent money-laundering or terrorist financing activities are not being properly implemented; or
- (e) the paid-up capital or assigned capital or regulatory capital, as the case may be, of the non-bank credit granting institution has been reduced by 10 per cent or more in accordance with subsection (3) of section 25,

the auditor shall immediately report the matter in writing to the Central Bank and such report shall not be construed as a breach of professional confidentiality obligations.

### **Audit committee**

**35.(1)** Every non-bank credit granting institution shall, unless otherwise authorised by the Central Bank, establish an audit committee as a sub-committee to the Board. The audit committee shall consist of not less than 2 members, one of whom shall be a non-executive director of the non-bank credit granting institution.

(2) No member of the audit committee shall be a director exercising an executive function or a managing director or manager in the non-bank credit granting institution and for a foreign non-bank credit granting institution, a similar representative organ may carry out the functions of an audit committee and report to the managing agent in Seychelles.

- (3) The audit committee shall report to the Board particularly on the —
- (a) review of the auditor's report and the financial statements before they are approved by the Board;
  - (b) review and evaluation of the appropriateness of accounting, internal control and financial disclosure procedures;

- (c) review of such investments and transactions that could adversely affect the sound financial condition of the non-bank credit granting institution, which came to the notice of the audit committee;
- (d) review and evaluation of the adequacy and effectiveness of the internal audit function, which shall report directly to the audit committee;
- (e) review of the compliance with applicable laws, regulations and directions; and
- (f) other matters as may be prescribed by the Central Bank.

(4) The officer-in-charge of internal auditing and the external auditor shall attend the meetings of the audit committee upon the request of the audit committee.

(5) Every member of the audit committee shall maintain confidentiality and not disclose any information obtained in the course of its functions, to third parties, save as otherwise provided under this Act.

### **Publication and display of balance sheet etc.**

**36.(1)** Every local non-bank credit granting institution in respect of all of its business and every foreign non-bank credit granting institution in respect of all of its business transactions by or through its operations in Seychelles shall transmit to the Central Bank its audited financial statements, namely the balance sheet, profit and loss account and cash flow statement not later than 30 calendar days after becoming available, and within 4 months after the end of the financial year, whichever is earlier.

(2) Every non-bank financial institution shall publish in the Gazette and in a local daily newspaper within 4 months after the end of the calendar year, the balance sheet and profit and loss account submitted under subsection (1) to the Central Bank and any report submitted by the auditor under section 34.

(3) Every non-bank credit granting institution shall conspicuously display throughout the following year, in a public part of each of its place of business, copies of the balance sheet and profit and loss accounts published under subsection (2).

### **Keeping of records**

**37.(1)** Every non-bank credit granting institution shall maintain in Seychelles for a period of at least 7 years such records as are necessary to exhibit, clearly and correctly, the state of its business affairs and to explain its transactions and financial position so as to enable the Central Bank to determine whether the non-bank credit granting institution is complying with this Act and in particular —

- (a) customer identification records (during and after termination of the customer relationship);
- (b) transaction records of each customer showing the particulars of each transactions;
- (c) application and contract documents pertaining to a transaction (including the credit, guarantee and collateral agreements) and a signed written record of the decision approving the transaction;
- (d) financial records concerning counterparties (including borrowers and guarantors) and any other documentary evidence on which the non-bank credit granting institution relied in approving the transaction; and
- (e) such other documents as may be specified by the Central Bank.

(2) Every record shall be kept in written form or in any other form of mechanical or electronic data storage and retrieval mechanism, as the Central Bank may specify and the records may be kept in electronic form to the extent that adequate data recovery systems and procedures are in place.

**Extension of time for furnishing statements, information or documents etc.**

**38.** The Central Bank may, at the written request of a non-bank credit granting institution, upon good cause shown to the Central Bank, extend any period within which the non-bank credit granting institution is, in accordance with the provisions of this Act, obliged to furnish any statements, information or document or to perform any act.

**Disclosure**

**39.(1)** Every non-bank credit granting institution shall make disclosure to its customers as may be required under the Financial Consumer Protection Act, 2022 (Act 6 of 2022) or any regulations made thereunder or any rules and guidelines issued under the said Act, including the disclosures relating to the terms and conditions associated with transactions, the annual rate of interest and fees and other costs, in a clear and easily understandable language.

(2) Without limiting the requirements under subsection (1), every non-bank credit granting institution shall make such other disclosures relating to relevant transaction costs and the information related to the credits, in such manner as may be required under the provisions of the Financial Consumer Protection Act, 2022 (Act 6 of 2022).

(3) A non-bank credit granting institution who fails to comply with the requirements of the Financial Consumer Protection Act 2022 (Act 6 of 2022) relating to market conduct shall be subject to corrective actions and applicable penalties provided under section 55 and section 57.

**Business conduct**

**40.(1)** Every non-bank credit granting institution shall comply with the provisions of the Financial Consumer Protection Act, 2022 (Act 6 of 2022) and any regulations made thereunder or the rules and guidelines issued under the said Act relating to its business conduct.

(2) A non-bank credit granting institution who fails to comply with the requirements of the Financial Consumer Protection Act, 2022 (Act 6 of 2022) relating to business conduct shall be subject to corrective actions and applicable penalties provided under section 55 and section 57.

## **PART V - OWNERSHIP AND CORPORATE GOVERNANCE**

### **Reporting of substantial shareholding**

**41.** Any person who has directly or indirectly acquired substantial interest in a non-bank credit granting institution, shall within 5 business days notify the Central Bank of the acquisition and provide the Central Bank, the name, nationality, residence and business or profession of every person holding a substantial interest, and, where the person holds substantial interest is a body corporate, copies of the latest 3 audited annual balance sheets and profit and loss accounts of the body corporate, where applicable.

### **Acquisition of controlling shareholding**

**42.(1)** Any person, acting directly or indirectly, who proposes to acquire controlling shareholding in a non-bank credit granting institution, shall obtain the prior approval of the Central Bank.

(2) An application for approval under subsection (1) shall be made in such form and manner as the Central Bank may specify and shall include for each person —

- (a) the name, nationality, residence, and business or profession of each proposed person who would hold, directly or indirectly, a controlling shareholding or its ultimate beneficial owner, together with at least 1 financial references verifying the good financial standing of the person;
- (b) for each proposed person who would hold, directly or indirectly, a controlling interest or its beneficial owner, an affidavit in accordance with clause (h) of subsection (5) of section 7;
- (c) for each proposed person who would hold, directly or indirectly, a controlling shareholding or its ultimate beneficial owner is a body corporate, copies of at least 3 audited annual balance sheets and profit and loss accounts where applicable;



- (d) the terms and conditions of the proposed acquisition and the manner in which the acquisition is to be made;
- (e) the nature, source and amount of the funds to be used in making the acquisition;
- (f) any plans or proposals regarding a major change in the non-bank credit granting institution's business, corporate structure or management; and
- (g) such other information as may be required by the Central Bank.

(3) The Central Bank shall assess the expected effects on the financial stability of the non-bank credit granting institution and be satisfied as to the fitness and propriety of the proposed controlling shareholder and the Central Bank shall not approve a proposed acquisition referred to in subsection (1), if it would jeopardise the financial stability of the non-bank credit granting institution or prejudice the interest of its customers.

(4) (a) Within 30 business days after the receipt of an application for approval under subsection (1), the Central Bank shall inform the applicant whether the application is deemed complete in all respects as required under subsection (2).

(b) The Central Bank may return an application to the applicant, if the application is incomplete or does not fulfil the requirements under the provisions of this Act.

(c) After the receipt of a complete application in all respects as required at subsection (2), the Central Bank may make a written request for further information, which it requires in order to make a decision on the application.

(d) If the applicant fails to furnish the additional information required under subparagraph (c) within the specified time, the Central Bank may reject the application.

(e) Within 90 business days after the receipt of a complete application, the Central Bank shall —

- (i) approve the acquisition of controlling interest unconditionally;
- (ii) approve the acquisition of controlling interest subject to such conditions;
- (iii) inform the non-bank credit granting institution that it has refused to approve the acquisition giving the reasons for the refusal:

Provided that the Central Bank shall not be under obligation to give reasons where the limitations provided under clause (2) of Article 28 of the Constitution and the exemptions provided under Part III of the Access to Information Act, 2018 (Act 4 of 2018) applies in the case.

(5) A person who has a controlling shareholding in a non-bank credit granting institution shall not sell or dispose of any shares in the non-bank credit granting institution to any other person without the prior approval of the Central Bank.

(6) Any non-bank credit granting institution becoming aware of a proposed acquisition of controlling shareholding in the non-bank credit granting institution shall give at least 30 calendar days' prior notice to the Central Bank, or once it becomes aware of such proposal, whichever is earlier.

(7) The Central Bank may require a person holding controlling shareholding to divest some or all shares, or reverse an acquisition of controlling shareholding where the Central Bank determines that the acquisition of controlling shareholding was based on false information.

(8) Any shares of a non-bank credit granting institution held by a person without approval of the Central Bank under this section shall be invalid, null and void and cause the person to forfeit all rights pertaining to voting or payment of dividends —

- (a) where shares of a non-bank credit granting institution have been acquired by virtue of other law, the Central Bank may suspend the right pertaining to voting or payment of dividends whilst assessing the suitability of the person to hold controlling shareholding in a non-bank credit granting institution;
- (b) where the Central Bank determines that the person is not suitable to hold controlling shareholding in a non-bank credit granting institution, it shall require the person to divest all or some of the shares.

(9) A non-bank credit granting institution shall notify the Central Bank as soon as it becomes aware of any material information which may negatively affect the suitability of a holder of controlling shareholding.

### **Sale, disposal or transfer of whole or part of business**

**43.** A non-bank credit granting institution shall seek the prior approval of the Central Bank where there is an intention to sell, dispose or transfer of the whole or any part of the business of the non-bank credit granting institution to another non-bank credit granting institution or person.

### **Persons qualified to be administrators and key persons**

**44.(1)** A non-bank credit granting institution shall obtain the written approval of the Central Bank before appointing or electing an administrator or a key person.

(2) No person shall be appointed or remain as an administrator or a key person of a non-bank credit granting institution unless the person meets the fit and proper criteria specified under this Act.

(3) An application for approval under subsection (1) shall be made in such form and manner as the Central Bank may specify and shall include for each person —

- (a) the name, nationality, residence and business or profession of each person, together with a statement detailing the

qualifications and professional experience and at least 3 references (2 character and 1 financial);

- (b) an affidavit duly signed by the individual stating whether or not the individual has had convictions for crimes, past or present involvement in managerial function in a body corporate or undertaking subject to insolvency proceedings or personal bankruptcy filings, if the tax affairs are in order, if any; and
- (c) such other information as may be required by the Central Bank.

(4) (a) Within 15 business days from the date of receipt of an application for approval under subsection (1), the Central Bank shall inform the non-bank credit granting institution whether the application is complete in line with the information required under subsection (2).

(b) The Central Bank may return an application to the applicant, if the application is incomplete or does not fulfil the requirements under the provisions of this Act.

(c) After the receipt of a complete application in all respects as required under subparagraph (b), the Central Bank may make a written request for further information, which it requires in order to make a decision on the application.

(d) Within 60 business days from the date of a complete application, the Central Bank shall —

- (i) approve the appointment;
- (ii) inform the non-bank credit granting institution that it has refused to approve the appointment giving the reasons for the refusal:

Provided that the Central Bank shall not be under obligation to give reasons where the limitations provided under clause (2) of Article 28 of

the Constitution and the exemptions provided under Part III of the Access to Information Act, 2018 (Act 4 of 2018) applies in the case.

(5) No person shall, subject to proviso under subsection (6), be appointed or elected as an administrator or key person of a non-bank credit granting institution, if the person —

- (a) is certified by a board of medical practitioners to be a person of unsound mind;
- (b) is adjudged bankrupt, has suspended payments or defaulted in the repayment of his/her financial exposure or has compounded with his or her creditors;
- (c) has been convicted in a court of law of a felony or any offence involving fraud or dishonesty, or any offence if the Central Bank has determined that such conviction is inconsistent with holding such an office;
- (d) is under the age of eighteen (18) years;
- (e) is determined not to be a fit and proper person by the Central Bank under subsection (2);
- (f) has been barred by the professional body to which the person belongs;
- (g) being subject to a prohibition by the Central Bank for being an administrator or a key person of a Central Bank regulated institution which has been compulsory wound up or the licence or registration certificate of which has been revoked; or
- (h) is permanently incapable of performing his or her duties.

(6) No person, who has been an administrator or key person of a Central Bank regulated institution which has been subject to insolvency proceedings; or the licence or registration certificate of which has been

revoked in the last 7 years, shall be appointed or act as an administrator or key person of a non-bank credit granting institution:

Provided that in exceptional circumstances, the Central Bank may approve the appointment or allow the person to act as an administrator or key person.

(7) An administrator or key person of a non-bank credit granting institution shall cease to hold office pursuant to subsection (5).

### **Information on administrator or key person**

**45.(1)** A non-bank credit granting institution shall notify in writing to the Central Bank, as soon as it becomes aware of any material and bona fide information that may negatively affect the fitness and propriety of an administrator or key person.

(2) A non-bank credit granting institution shall report any breach of duty or fitness and propriety requirement of any administrator or key person and any disciplinary action taken against any administrator or key person for any such breach, to the Central Bank within 14 business days of the occurrence of such breach.

### **Role of administrator or key person**

**46.** An administrator or key person shall at all times —

- (a) act in good faith in the best interests of the non-bank credit granting institution;
- (b) exercise reasonable care, skill and diligence with —
  - (i) the knowledge, skill and experience which may reasonably be expected of an administrator or key person having the same responsibilities; and
  - (ii) any additional knowledge, skill and experience which the administrator or key person has;

- (c) exercise powers coffered on the administrator or key person for the purposes for which such powers are coffered; and
- (d) exercise sound and independent judgement.

### **Central Bank to be notified of change in administrator or key person**

**47.(1)** A non-bank credit granting institution shall notify the Central Bank of the resignation or removal from office of an administrator or key person as well as the reasons for such resignation or removal, within 14 calendar days of the resignation or removal or of being made aware of the resignation or removal, whichever is the earlier.

(2) A non-bank credit granting institution shall, upon change of an administrator or a key person, notify the Central Bank within 14 calendar days of the change or of being made aware of the change, whichever is the earlier, in such form and manner as the Central Bank may specify, unless the Central Bank requires that its prior approval is obtained in accordance with subsection (1) of section 44.

### **Disclosure of interest by key person etc.**

**48.(1)** A person shall, on appointment as a chief executive, deputy chief executive, executive director, board member or key person of a non-bank credit granting institution, declare business interests to the board of directors.

(2) A chief executive, deputy chief executive, executive director, board member or key person shall declare to the non-bank credit granting institution any changes in his or her business interest or holding of offices as and when they occur.

(3) The non-bank credit granting institution shall promptly place before its board of directors, all declarations made under subsection (2) for its information.

(4) A chief executive, deputy chief executive, executive director, board member or key person who has any direct or indirect interest in a

proposed credit or other facility to be given to any person by that non-bank credit granting institution or in a transaction that is proposed to be entered into with any other person, shall promptly declare the nature and extent of his or her interest in the proposal to the non-bank credit granting institution's board of directors.

(5) A chief executive, deputy chief executive, executive director, board member or key person shall not attend or participate in a board meeting where a proposal for a credit or other facility in which he or she has direct or indirect interest.

(6) A proposal in which a chief executive, deputy chief executive, executive director, board member or key person has interests, directly or indirectly, shall be considered and decided upon by the non-bank credit granting institution's board of directors only and not by any delegated authority.

(7) A chief executive, deputy chief executive, executive director, board member or key person, who contravenes any of the provisions of this Act, shall be declared by the Central Bank as a person 'not to be a fit and proper person'.

### **Corporate governance**

**49.(1)** A non-bank credit granting institution shall have a board of directors which is responsible for the sound and proper functioning of the non-bank credit granting institution and is accountable for its actions and activities to the shareholders and the Central Bank.

(2) A licenced non-bank credit granting institution's board of directors shall consist of a minimum of 5 directors.

(3) A registered non-bank credit granting institution's board of directors shall consist of a minimum of 3 directors.

(4) The board of directors of a non-bank credit granting institution shall have the following responsibilities —



- (a) to approve and monitor the overall business strategy, including the non-bank credit granting institution's risk profile and its ability to effectively manage risk and the annual budget;
- (b) to limit the non-bank credit granting institution's exposures to excessive risk of all kinds including the legal, reputational, financial, governance and information technology risks whilst maintaining a balance between enterprise and caution;
- (c) to ensure that the non-bank credit granting institution has an effective system of internal control along with a risk-based internal audit;
- (d) to understand and execute its oversight role, select, monitor and where necessary approve policies and procedures manuals in all major operations of the non-bank credit granting institution;
- (e) to ensure that adequate systems and procedures are in place, and sufficient resources are available for compliance with the requirements of laws, regulations and guidelines;
- (f) to provide oversight of key person by receiving information on a timely basis to evaluate the performance of management and where necessary seek information on areas of concern;
- (g) to ensure that oversight of key person is consistent with board policies;
- (h) to ensure that solvency and liquidity of the non-bank credit granting institution is continuously monitored;
- (i) subject to relevant laws and best practices, to establish relevant sub-committees to advise the board, and ensure that their mandate, composition and working procedures are well defined and disclosed;

- (j) to remove any director by ordinary resolution of remaining directors which is to be then presented at the general meeting for shareholders' approval; and
- (k) to ensure high standards of corporate conduct.

(5) A non-bank credit granting institution shall immediately report to the Central Bank, when it becomes aware of any material information concerning the suitability of a controlling shareholder or a party that has become a controlling interest or any development that may affect compliance by directors and key person with fit and proper requirements in accordance with the provisions of this Act.

(6) The Central Bank may issue regulations, directions regarding any matter of corporate governance for a non-bank credit granting institution that the Central Bank considers necessary or appropriate to ensure sound operation, including the matters relating to —

- (a) the scope and nature of the duties of a non-bank credit granting institution;
- (b) the composition of the Board;
- (c) the requirements for an audit committee and other specific committees of a board of directors of a non-bank credit granting institution;
- (d) the responsibilities of the key person;
- (e) risk management;
- (f) internal audit; and
- (g) internal controls and compliance.

(7) The Central Bank may review a non-bank credit granting institution's corporate governance structure as it may deem necessary.

## **Merger**

**50.(1)** A non-bank credit granting institution shall not merge or amalgamate with any other non-bank financial institution or acquire, either directly or indirectly, the assets of, any other non-bank financial institution, except with the prior approval of the Central Bank.

(2) Any non-bank credit granting institution which intends to enter into any merger, amalgamation, acquisition of liability under subsection (1) shall give at least 30 calendar days' prior notice to the Central Bank, and provide the Central Bank with such information as may be required by the Central Bank.

(3) In determining whether or not to approve an application under subsection (1), the Central Bank shall assess —

- (a) the financial and managerial resources and prospects of the existing and proposed non-bank credit granting institution; and
- (b) whether the proposed transaction would substantially lessen the competition.

## **PART VI - SUPERVISION**

### **Regulations, directions, rules and guidelines**

**51.** The Central Bank may make regulations, and issue directions, rules and guidelines, applicable to the non-bank credit granting institutions, as may be required to give effect and consistent with the provisions of this Act.

### **Submission of information**

**52.(1)** A non-bank credit granting institution shall submit to the Central Bank at such intervals and in such form and manner as the Central Bank may prescribe, one or more of the following —

- (a) a statement showing its assets and liabilities and financial position on an individual basis and, where applicable, on a consolidated basis;

- (b) such other information as may be required for statistical purposes;
- (c) such separate statements relating to a non-bank credit granting institution's offices and branches in such form as may be required by the Central Bank;
- (d) such information as may be required by the Central Bank regarding the non-bank credit granting institution's compliance with the provisions of this Act; and
- (e) such other information, documents, statistics or returns as may be considered necessary by the Central Bank for the purposes of proper discharge of its supervisory functions and responsibilities.

(2) A non-bank credit granting institution shall immediately report to the Central Bank if it becomes aware, of any material information or developments concerning changes in the activities, structure and overall condition of the non-bank credit granting institution, including where there is existing or likely failure to meet prudential requirements of this Act and occurrence of an extraordinary event that is likely to result in material financial loss to the non-bank credit granting institution or make it vulnerable to the external threats, including the cybersecurity or operational risk events.

(3) The Central Bank may require the non-bank credit granting institution to take steps as may be necessary within a specified timeframe to address any negative effect of the information contained in the report submitted to it by a non-bank credit granting institution under this section.

### **Inspection**

**53.(1)** The Central Bank may, inspect a non-bank credit granting institution as is necessary or desirable based on its risk profile and safety and soundness, or to ascertain whether that non-bank credit granting institution is complying with the provisions of this Act, cause an inspection of that non-bank credit granting institution by an officer of the Central Bank or by any other person appointed by the Central Bank for the purpose.

(2) Such inspection may include officers or employees of the authority of another country that is charged with the prudential supervision of activities of non-bank credit granting institutions in that country if it concerns the inspection of a branch or subsidiary of a foreign non-bank credit granting institution in Seychelles having its head office in that country, or the inspection of a local non-bank financial institution that holds a substantial or controlling interest in such foreign non-bank credit granting institution, or the inspection of a non-bank credit granting institution in Seychelles in which such foreign non-bank credit granting institution has a substantial interest.

(3) A person authorised or appointed by the Central Bank for the purpose of inspection, shall have the right to access to a non-bank credit granting institution's books, records, minutes, customer files and any other information or documents, and it shall be the duty of the non-bank credit granting institution to cooperate and assist the authorised or appointed person to carry out the inspection.

(4) A person authorised or appointed by the Central Bank for the purpose of inspection shall have the right to call upon any director, key person or any other employee of the non-bank credit granting institution to provide the authorised or appointed person with such information and explanation as the person may consider necessary and it shall be the duty the director, key management person or employee to comply with such request.

(5) If a person authorised or appointed by the Central Bank considers it necessary in the course of inspection of a non-bank credit granting institution, requests any director, key person or any other employee of the non-bank credit granting institution, orally or in writing, to provide information or explanations in relation to any matter concerning its affairs under inspection or investigation, it shall be the duty of said director, key person or employee to comply with such request.

### **Access to records**

**54.(1)** A person authorised or appointed under subsection (1) of section 53 by the Central Bank to carry out inspection of a non-bank credit granting institution, may request for the copies of any records, files or documents relevant to the inspection or investigation.

(2) The Central Bank may request reports from any of the non-bank credit granting institution's subsidiaries or affiliates deemed necessary for the exercise of supervision of the non-bank credit granting institution.

(3) It shall be the duty and responsibility of the authorised or appointed person to take reasonable care to protect the documents and records in his or her custody or in possession of such documents and records received under subsection (1).

### **Corrective Actions**

**55.(1)** Where the Central Bank is satisfied that a non-bank credit granting institution —

- (a) is carrying on its business in a manner that is detrimental to the interests of its customers, creditors, or the public;
- (b) is not paying its financial obligations as they fall due;
- (c) has contravened any of the provisions of this Act and the regulations made thereunder, rules, directions and guidelines issued thereunder, or any condition of its licence or registration certificate or contravened the provisions of any written law, order or guidelines, regardless that there has been no prosecution in respect thereof;
- (d) the association of any director, key person or officers of a non-bank credit granting institution is or is likely to be detrimental to the interest of the non-bank credit granting institution, its customers or the public;
- (e) has failed to carry out any direction given to it by the Central Bank;
- (f) has failed to meet the Central Bank standards relating to capital, asset quality management, earning, liquidity or sensitivity to market risks;

- (g) failed to meet or is in danger of failing to meet any capital and other prudential requirements under this Act or any regulations of the Central Bank;
- (h) engaged in or been used for unsafe and unsound activities including criminal activities and the non-bank credit granting institution has not taken adequate measures to prevent it;
- (i) engaging in practices, operations or activities that could pose risks to the depositors of the financial sector in whole or in part;
- (j) fails to pay the annual licence fee; or
- (k) is otherwise in a situation which the Central Bank considers may materially impair the ability of the non-bank credit granting institution to meet its obligations or otherwise continue its operations,

the Central Bank may take one or more of the following corrective actions —

- (a) caution the non-bank credit granting institution;
- (b) direct the non-bank credit granting institution to cease and desist from any unsafe or unsound practice or contravention;
- (c) prohibit the non-bank credit granting institution against entering into any particular transaction or class of transactions; or
- (d) require the non-bank credit granting institution to take appropriate actions as may be directed by the Central Bank.

(2) (a) Prior to implementing any corrective action, the Central Bank shall issue a written notice to the non-bank credit granting institution.

(b) The non-bank credit granting institution shall, within 14 business days of the written notice being served, submit to the Central Bank in writing of its response, including where relevant, its plan of action and commitment to address the weaknesses or lapses specified in the said notice.

(c) A plan of action referred to in subparagraph (b) shall —

- (i) give details of remedial measures to address the underlying weaknesses or lapses in the non-bank credit granting institution;
- (ii) be approved by the board of directors of the non-bank credit granting institution concerned;
- (iii) specify the timeframe within which the weaknesses or lapses would be satisfactorily addressed; and
- (iv) explain the monitoring mechanism for the implementation of the remedial measures.

(d) A non-bank credit granting institution which has submitted a plan of action to the Central Bank shall submit to the Central Bank such updates or other reports as may be required.

(3) The Central Bank may take any such corrective action specified in this section and section 56 where —

- (a) a non-bank credit granting institution fails to submit a plan of action within the specified timeframe;
- (b) if the Central Bank determines that the plan of action submitted by the non-bank credit granting institution is inadequate; or
- (c) if the non-bank credit granting institution fails to implement the plan submitted.



(4) Without limiting to subsection (2), during the course, or after completion, of any inspection of a non-bank credit granting institution under section 53 and where any of the circumstances referred to in subsection (1) exists, the Central Bank may —

- (a) require the non-bank credit granting institution to call for a meeting of its directors for the purpose of considering any matter relating to the affairs of the non-bank credit granting institution;
- (b) require an officer of the non-bank credit granting institution to discuss any such matter with the Central Bank;
- (c) require the board of directors of the non-bank credit granting institution to give in writing to any officer specified by the Central Bank all notices of, and other communications relating to, any meeting of the board's committee;
- (d) require the non-bank credit granting institution to make, within such time as may be specified by the Central Bank, such changes in the management as the Central Bank may consider necessary based on the state of affairs disclosed during or by the inspection;
- (e) require the non-bank credit granting institution to increase its paid-up capital either through the issue of new shares or call on the unpaid portion of the issued capital;
- (f) require the non-bank credit granting institution to maintain higher capital adequacy or liquidity ratios or place other restriction or conditions on the business conducted by the non-bank credit granting institution;
- (g) suspend in whole or part of the business of the non-bank credit granting institution;
- (h) suspend or permanently bar from office of the non-bank credit granting institution, any director or key person; or

- (i) restrict the powers of any director, key person, officer and employee of the non-bank credit granting institution.

### **Sanctions against directors, key persons and employees**

**56.(1)** The Central Bank may impose sanctions against a director, key person or an officer of a non-bank credit granting institution, if such person —

- (a) has wilfully or repeatedly caused any violation of any of the provisions of this Act or the regulations made thereunder or the directives, rules or guidelines issued following an order from the Central Bank under section 55;
- (b) has engaged in an unsafe or unsound practice that has resulted in or is likely to result in a material loss to the non-bank credit granting institution or financial gain to such person;
- (c) has conducted its affairs in a manner detrimental to the interests of its customers, creditors or public,

the Central Bank may, for reasonable cause —

- (i) direct the dismissal of the director, key person or employee from his or her position in the non-bank credit granting institution; and
  - (ii) prohibit such person from serving in or engaging in the business of or employed by non-bank credit granting institution or other entities licenced, registered or authorised by the Central Bank for a specific period.
- (2) For the purposes of subsection (1), 'reasonable cause' includes —
  - (a) failure to exercise fiduciary responsibility;
  - (b) any act or omission prejudicial to the interests of the non-

bank credit granting institution or its customers, creditors and public; or

- (c) failure to comply with or ensure compliance of the non-bank credit granting institution with directions or order of the Central Bank.

## **PART VII - OFFENCES AND PENALTIES**

### **Offences and Penalties**

**57.(1)** A person who —

- (a) conducts non-bank credit granting business without a valid licence or registration certificate commits an offence and upon conviction is liable to a fine of SCR400,000 and where the offence is continued after the conviction with a further fine of SCR20,000 for every day or part of a day during which the offence continues;
- (b) fails to repay funds obtained by doing non-bank credit granting business without a valid licence or registration certificate as required under subsection (1) of section 5 commits an offence and upon conviction is liable to a fine of SCR400,000 and where the offence is continued after the conviction with a further fine of SCR20,000 for every day or part of a day during which the offence continues;
- (c) knowingly or recklessly provides any information which is materially false or misleading in connection with an application for a licence or registration certificate commits an offence and upon conviction is liable to a fine of SCR400,000;
- (d) refuses to make available for inspection of its books, accounts or records under sections 53 or 54 commits an offence and upon conviction is liable to a fine of SCR400,000 and where the offence is continued after the

conviction with a further fine of SCR20,000 for every day or part of a day during which the offence continues;

- (e) fails, refuses or unreasonably delays or fails to comply with any requirement of the Central Bank or of an authorised person on a request made under sections 53 or 54 commits an offence and upon conviction is liable to imprisonment for a term of 6 months or a fine of SCR40,000;
- (f) in complying with a requirement under sections 53 or 54, furnishes any information or procures any book, record or other document known to be false, or recklessly furnishes any information or produces any book, record other document which is false in a material particular commits an offence and upon conviction is liable to imprisonment for a term of 6 months or a fine of SCR40,000;
- (g) contravenes or fails to comply section 44 commits an offence and upon conviction is liable to imprisonment for a term of 1 year or a fine of SCR40,000;
- (h) being an administrator, contravenes subsections (1) and (2) of section 44 commits an offence and upon conviction is liable to imprisonment for a term of 1 year or a fine of SCR40,000;
- (i) fails to obtain a written approval from the Central Bank pursuant to subsections (1), (2) and (3) of section 19 and subsection (1) of section 42 commits an offence and upon conviction is liable to a fine of SCR400,000;
- (j) on behalf of any non-bank credit granting institution —
  - (i) contravenes a direction given under section 21 commits an offence and upon conviction is liable to a fine SCR400,000;
  - (ii) contravenes sections 33 and 36 commits an offence and upon conviction is liable to a fine of SCR400,000;

(iii) fails, refuses or unreasonably delays submitting a statement or report to the Central Bank pursuant to section 36 commits an offence and upon conviction is liable to a fine of SCR400,000;

(k) wilfully submits a statement or report pursuant to sections 33, 36 or 39 known to be false, or recklessly makes a statement or gives information which is false in a material particular commits an offence and upon conviction is liable to a fine of SCR400,000;

(l) contravenes or fails to comply with prudential requirements pursuant to sections 27 and 30 commits an offence and upon conviction is liable to a fine of SCR400,000;

(m) contravenes or fails to comply with accounts, audit and information requirements pursuant to sections 31 to 40 and section 52 commits an offence and upon conviction is liable to a fine of SCR400,000;

(n) fails to comply with measures taken by the Central Bank pursuant to section 55 commits an offence and upon conviction is liable to a fine of SCR400,000;

(o) contravenes or fails to comply with statutory directions and instruments issued under this Act or any other written law commits an offence and upon conviction is liable to a fine of SCR400,000.

(2) Any administrator or officer of a non-bank credit granting institution who —

(a) (i) makes or causes to be made any false or misleading statement or entry;

(ii) omits or causes to be omitted any statement or entry that should be made;

(iii) alters, abstracts conceal or destroys any statement or entry, in any book, record, account, document, report or statement of the non-bank credit granting institution,

commits an offence and upon conviction is liable to imprisonment for a term of 1 year or a fine of SCR400,000;

(b) (i) obstruct or endeavours to obstruct —

(ii) the proper performance by any auditor of duties in accordance with this Act;

(iii) an inspection of the non-bank credit granting institution by any officer of, or other person appointed by the Central Bank,

commits an offence and upon conviction is liable to imprisonment for a term of 1 year or a fine of SCR400,000;

(c) contravenes the provisions of section 47 and section 48 commits an offence and upon conviction is liable to imprisonment for a term of 1 year or a fine of SCR400,000.

(3) Any person who contravenes —

(a) any provision of this Act; or

(b) any specification or requirement made or any order in writing, direction, instruction, or notice given, or any other thing howsoever done, in the exercise of any power conferred under, pursuant to, or by virtue of, any provision of this Act,

commits an offence under such provisions, and if no penalty is expressly provided for the offence in this Act, shall be punishable with a fine which may extend up to SCR400,000, and where contravention or default is a continuing one, with a further fine which may extend up to SCR20,000 for every day during which such contravention or default continues.

## **PART VIII - ABANDONED PROPERTY**

### **Unclaimed funds or abandoned property**

**58.** Any unclaimed funds or property held by a licenced or registered non-bank credit granting institution, in the account or on behalf of any depositor, creditor or other person, shall be presumed to be an abandoned property, if the depositor, creditor or other person has not evidenced any interest in the funds or property for 10 years, by recorded transaction or written correspondence with the licenced or registered non-bank credit granting institution or otherwise.

### **Publication of the name of the owner and particulars of abandoned property**

**59.** A licenced or registered non-bank credit granting institution shall publish in at least one local newspaper and on its website the name of the owner and particulars of abandoned property and shall dispatch a notice by registered post to the owner to his or her last known address containing the particulars of the property abandoned.

### **Reporting about abandoned property**

**60.(1)** Not less than 30 business days after complying with section 59, a licenced non-bank credit granting institution holding the abandoned property shall make a report to the Central Bank on the amount and nature of the property in such form and manner as may be determined by the Central Bank.

(2) Any funds included in the report under subsection (1) shall, if the Central Bank so directs, be transferred, notwithstanding any other law, by the licenced non-bank credit granting institution to a special account maintained with the Central Bank.

(3) Other property not falling under subsection (2) and included in the report under subsection (1) shall be referred by the Central Bank to the Minister responsible for Finance, for such action as may be deemed appropriate.

### **Return of abandoned property**

**61.** Any owner who, to the satisfaction of the Central Bank, furnishes proof of ownership of abandoned property in accordance with sections 58 and 59, subject to any terms, conditions or restrictions imposed in respect of that abandoned property by or under any written law, entitled to the repayment of the funds by the Central Bank, or to the return of other property or the proceeds from the sale of such property, as the case may be.

## **PART IX - MISCELLANEOUS**

### **Regulations**

**62.(1)** The Central Bank may make regulations for the purpose of carrying the provisions of this Act and may by regulations amend the Schedules.

(2) Without prejudice to the generality of subsection (1), the Central Bank may make regulations prescribing fees or charges —

- (a) for applications, objections, appeals or certificates;
- (b) for or in connection with services provided under this Act; or
- (c) for any other purpose required under this Act.

(3) Any regulations made under the Act may provide that any person contravening or failing to comply with any provision of the regulations; shall be guilty of an offence and liable on conviction to a fine not exceeding level six or imprisonment for a term not exceeding four years or both.

### **Publication of data**

**63.** The Central Bank may publish in whole or in part at such time it may determine any information or data furnished under this Act, except that no information or data shall be published which might disclose the individual affairs of a non-bank credit granting institution unless the consent of the non-bank credit granting institution has been obtained in writing prior to such publication or the data is already in the public domain.



## Confidentiality

**64.(1)** Pursuant to section 11 of the Central Bank of Seychelles Act (Cap.26) in respect of any information acquired in the course of performing functions under this Act, shall be regarded as secret and confidential.

(2) All statements and other information furnished by other regulatory or supervisory authorities, its officers and agents past and present to the Central Bank, under this Act, shall be regarded as secret and confidential.

(3) The restrictions and obligations set out in subsections (1) and (2) shall not apply where —

- (a) the Central Bank is satisfied that it is necessary to use any information in its possession to compile and publish statistical data on aggregate or sectoral basis, and anything relevant thereto; or
- (b) the Central Bank is required by statutory duty or court order to furnish any such statement or information.

(4) The confidential information and documents obtained by the Central Bank under this Act may be used for the purposes of issuing establishment and operating permissions, supervision of activities, monitoring compliance with legislation, and for administrative actions to be filed against decisions of the board of directors or a non-bank credit granting institution.

(5) Subject to any written law in force relating to sharing of any information on credit transactions, a non-bank credit granting institution and its staff shall ensure that all transactions are conducted in strict confidence and the confidentiality of its customer is maintained.

(6) No person, who has acquired knowledge in his or her capacity as —

- (a) administrator, officer, employee or agent of a non-bank credit granting institution; or

- (b) auditor, member of the audit committee, reorganising agent, liquidator or supervising agent of the non-banking credit granting institution,

shall disclose to any person or government authority of the identity, assets, liabilities, transactions or other information in respect of a customer, except —

- (a) with the written authorisation of the customer or other beneficiary or of his or her heir or legal representative;
- (b) for the purpose of the performance of his or her duties within the scope of employment or appointment in compliance with the National Centre for Geographic Information and Analysis;
- (c) in the case of a foreign non-bank credit granting institution, to its head office;
- (d) when required to make disclosure by any court of competent jurisdiction in Seychelles;
- (e) to the Central Bank of Seychelles;
- (f) to a police officer when authorised under the Evidence (Bankers' Books) Act (Cap. 75);
- (g) pursuant to the provision of the Anti-Money Laundering and Countering the Financing of Terrorism Act, 20220 (Act 5 of 2020);
- (h) exchange of information on supervisory matters (including money laundering and terrorist financing matters), whether based on a memorandum of understanding or not, with foreign or local supervisory authorities, foreign or local public sector agencies or law enforcement agencies, when required by law, provided that the Central Bank is satisfied that the information submitted shall remain confidential with the foreign or local supervisory authorities, public sector agencies or law enforcement agencies; or

- (i) notwithstanding anything in the Business Tax Act (Cap.20) or the Social Security Act (Cap.225), to the Revenue Commissioner or the Director of Social Security, when authorised by a judge on proof and oath to the satisfaction of the judge that the information is required for any investigation under the Business Tax Act (Cap.20) or the Social Security Act (Cap.225), as the case may be.

(7) Subject to any express requirement of the National Centre for Geographic Information and Analysis, every administrator, officer, employee or agent of a non-bank credit granting institution shall preserve and aid in preserving confidentiality with regard to all matters relating to the affairs of non-bank credit granting institution and of every customer of the institution that may come to his or her knowledge in the performance of his or her duties and every administrator, officer, employee or agent of an institution shall, before entering his or her duties shall sign a declaration pledging himself or herself to observe strict confidentiality in respect of the matters highlighted above.

### **Legal Protection**

**65.** Neither the Central Bank nor any member of its board nor any officer, employee or agent of the Central Bank shall be subject to any action, claim or demand by or liability to any person in respect of anything done or omitted to be done in good faith under, or in execution or intended execution or in connection with the execution of, any power or duty conferred on the Central Bank by or under this Act.

### **Exchange of information**

**66.(1)** The Central Bank may, on a reciprocal basis, exchange information on supervisory matters, whether based on memorandum of understanding or not, with foreign or local supervisory authorities, foreign or local public sector agencies or law enforcement agencies when required by law, provided the Central Bank is satisfied itself that the information submitted shall remain confidential with the foreign or local supervisory authorities, public sector agencies or law enforcement agencies.

(2) The Central Bank may enter into memorandum of understanding with local or foreign supervisory authorities setting out the scope, procedures and further details for the exchange of information on a reciprocal basis.

(3) For the purpose of this section, supervisory matters include matters relating to money-laundering and terrorist financing activities.

### **Bribery and collusion**

**67.** An officer, employee or agent of a non-bank credit granting institution shall not ask for or receive, consent or agree to receive, any gift, commission, emolument, service, gratuity, money, property or thing in value, for his or her own personal benefit or advantage or that of any of his or her close relations, for permitting or procuring or endeavouring to permit or procure for any person any credits from the non-bank credit granting institution.

### **Application of Companies Act**

**68.** Except as may be prescribed by the Central Bank in respect of specific non-bank credit granting institution or specific category of non-bank credit granting institution, nothing in this Act affect the operation of the Companies Act (Cap.40) in respect of the incorporation and amalgamation of any non-bank credit granting institution to which the Companies Act (Cap.40) and this Act apply.

### **Application of Insolvency Act**

**69.** Except as may be prescribed by the Central Bank in respect of specific non-bank credit granting institution or specific category of non-bank credit granting institution, nothing in this Act affect the operation of the Insolvency Act, 2013 (Act 4 of 2013) in respect of the winding up of any non-bank credit granting institution to which the Insolvency Act, 2013 (Act 4 of 2013) and this Act apply.

### **Compounding of offences**

**70.(1)** Where a non-bank credit granting institution or any other person agrees in writing to the compounding of a contravention of this Act which is an offence punishable on conviction by a fine, the Central Bank, in consultation

with the Attorney General, may compound the offences in such manner as may be prescribed by regulations.

(2) Where an offence is compounded under subsection (1), no proceedings shall be instituted in relation to the offence against the non-bank credit granting institution or the any other person referred to in subsection (1).

### **Application of Evidence (Bankers' Books) Act**

**71.** A non-bank credit granting institution shall be deemed to be a bank or a banker for purposes of the Evidence (Bankers' Books) Act (Cap.75).

### **Central Bank's power over unsafe practices**

**72.(1)** Where the Central Bank determines that a non-bank credit granting institution or any of its beneficial owners, administrators or key person —

- (a) has violated a provision of this Act or of any regulation, direction or order of the Central Bank;
- (b) has violated a provision of any agreement between the Central Bank and the non-bank credit granting institution on remedial measures to be undertaken by the non-bank credit granting institution;
- (c) has violated any terms and conditions attached to the licence or registration certificate of the non-bank credit granting institution or authorisation issued to the non-bank credit granting institution by the Central Bank;
- (d) has conducted an unsafe or unsound operation of the non-bank credit granting institution;
- (e) is likely to breach a prudential requirement;
- (f) is experiencing deteriorating financial condition;
- (g) faces risk that threaten the soundness of the non-bank credit granting institution or the financial system; or

- (h) faces weaknesses in corporate governance, risk management and internal control,

the Central Bank may take any or more of the following actions with respect to the non-bank credit granting institution, its beneficial owners, administrators or key person —

- (i) issue written warnings;
- (ii) call for a meeting of the shareholders or other beneficial owners and the administrators of the non-bank credit granting institution to discuss and to agree on remedial measures to be taken;
- (iii) issue written order to cease and desist from such infractions and to undertake remedial action, or written orders to impose special prudential requirements that differ from those normally applicable to such non-bank credit granting institution;
- (iv) issue written orders concerning the rate of interest, maturity or other conditions applicable to any financing extended or received by a non-bank credit granting institution, or to contingent liabilities of the non-bank credit granting institution;
- (v) issue written orders to the non-bank credit granting institution to suspend payment of dividend or the distribution of profits in any other form;
- (vi) appoint an adviser for the non-bank credit granting institution;
- (vii) appoint an external auditor at the expense of the non-bank credit granting institution to perform a financial or operational audit under terms of reference determined by the Central Bank;

- (viii) suspend temporarily or permanently one or more administrators or key person from performing duties in the non-bank credit granting institution;
- (ix) direct the non-bank credit granting institution to change the composition of its board of directors;
- (x) issue written orders that one or more persons holding a controlling interest in the non-bank credit granting institution divest some or all shares, or reverse acquisition of controlling interest within such time as may be specified by the Central Bank;
- (xi) attach conditions to the licence or registration certificate of the non-bank credit granting institution to the extent required to remedy such infraction;
- (xii) appoint a reorganising agent in accordance with section 69;
- (xiii) revoke the licence or registration certificate of the non-bank credit granting institution in accordance with the provisions of section 17;
- (xiv) in the case of a non-bank credit granting institution or body corporate, impose an administrative monetary penalty not exceeding SCR100,000;
- (xv) in the case of an individual, impose an administrative monetary penalty not exceeding SCR50,000;
- (xvi) to require a non-bank credit granting institution to take actions to rectify deficiencies in its risk management practices; or
- (xvii) to require a non-bank credit granting institution to refrain from taking on new business in relation to, or to withdraw from, the provision of use of a product, business practice, technology or service to a market segment.

## **Review by court**

**73.** The acts, directions, orders, determinations or decisions of the Minister or the Central Bank under this Act shall be subject to judicial review.

## **Rules of court**

**74.(1)** The Chief Justice may make rules relating to proceedings in the court under this Act, including —

- (a) prescribing the fees and costs payable in any proceedings before a court;
- (b) providing generally for matters of practice and procedure and incidental matters arising in connection with any proceedings.

(2) Subject to the rules under subsection (1), the forms to be used and the practice and procedure to be followed in proceedings in court under this Act shall be as near as practicable to those in ordinary civil cases before the court.

## **Power to exempt**

**75.(1)** In the event of a force majeure, the Central Bank may, by notice published in its website ([www.cbs.sc](http://www.cbs.sc)) or other Central Bank website and serve digitally to the relevant non-bank credit granting institution, that any of the provisions of this Act or statutory instruments issued thereunder —

- (a) shall not apply to any or more, or to all non-bank credit granting institutions;
- (b) shall apply to any one or more, or to all non-bank credit granting institutions, with such exceptions or modifications as may be specified in the notice.

(2) A notice published under subsection (1) shall be followed by the publication of the notice in the Gazette as soon as possible.



(3) The Central Bank may at any time revoke a notice issued under subsection (1).

### **Transitional provision**

**76.(1)** The Development Bank of Seychelles and Housing Finance Company Limited shall be deemed to have been licenced under this Act but shall at all times comply with all the requirements of this Act, regulations and rules made under this Act or any directions given by the Central Bank within 1 year of the commencement of this Act.

(2) All acts done by the institutions mentioned in subsection (1) prior to the commencement of this Act shall be deemed to have been done under the provisions of this Act, save where they are inconsistent with the provisions of this Act.

## **FIRST SCHEDULE**

*(Section 2)*

### **KEY PERSONS**

A key person in a non-bank credit granting institution are those individuals holding the following posts —

1. Head of Compliance;
2. Head of Finance;
3. Head of Risk;
4. Head of Credit;
5. Head of Operations;
6. Head of Internal Audit;
7. Company Secretary.

**SECOND SCHEDULE***(Section 2)***NON-BANK CREDIT GRANTING BUSINESSES**

Categories of non-bank credit granting business include —

1. Credit token business;
2. Development finance business;
3. Factoring business;
4. Microfinance business;
5. Mortgage finance business; and
6. Any other non-bank credit granting business prescribed by the Central Bank.