



SEYCHELLES REVENUE COMMISSION



ANNUAL REPORT

2020

CONTRIBUTING TOWARDS A STRONGER SEYCHELLES

Table of Contents

1. SRC AT A GLANCE	0
2. OUR ROLE	4
3. OUR ORGANIZATIONAL STRUCTURE.....	8
4. CORPORATE GOVERNANCE.....	10
5. REVENUE COLLECTION	14
6. ENGAGING WITH OUR STAKEHOLDERS	38
7. MONITORING TAX OPERATIONS.....	48
8. INTERNATIONAL TAX MATTERS	68
9. TRADE FACILITATION, BORDER PROTECTION & INLAND REVENUE.....	80
10. HUMAN RESOURCE MANAGEMENT	114
11. INFORMATION TECHNOLOGY	122
12. OTHER INITIATIVES.....	126
13. RESPONDING TO COVID – 19	132
14. FINANCIAL STATEMENT	136

ABOUT US

OUR VISION

To be a modern, fair and effective customer – oriented Revenue Administration.

OUR MISSION

Optimize revenue collection and facilitate trade to improve the socio-economic well-being of Seychelles.

OUR VALUES

- Integrity ● Impartiality
- Professionalism
- Accountability

TAXPAYER'S CHARTER

DELIVER QUALITY & EFFICIENT SERVICES	BE FAIR AND JUST	ASSIST & COMMUNICATE CLEARLY	RAISE STANDARDS & PROMOTE ACCOUNTABILITY
<p>Settling tax affairs promptly</p> <p>Confidentiality</p> <p>Encouraging voluntary compliance</p>	<p>High standard of service</p> <p>Same level of service to all taxpayers</p> <p>Allow taxpayers to exercise their rights</p>	<p>Provide educational materials</p> <p>Be courteous in our dealings Give relevant information</p> <p>Improve services & remain open to suggestions</p>	<p>Set high standards in relation to response time and service quality</p> <p>Publish service standards and review them regularly</p>

OUR COMMITMENTS

YOUR RIGHTS



- We will treat you as being honest unless you act otherwise.
- We will treat you fairly, reasonably and with respect.
- We will provide you with quality service at all times.
- We will allow you to access information about your tax affairs.
- We will respect your choice to be represented by another person / body.
- We will keep the information we have about you confidential.
- We will show accountability for our decisions and actions.
- We will respect your right to an explanation and review.
- We will respect your right to an objection of any decision we have taken.
- We will respect your right to an appeal.
- We will respect your right to complain.

YOUR OBLIGATIONS



- You must register as a taxpayer.
- You must submit your returns and make payments of the correct amount of tax on time.
- You must maintain up-to-date and accurate records relevant to your dealings with us.
- You must notify us of relevant changes in your business.
- You must notify us promptly of any mistakes made.
- You must provide appropriate facilities and documents to SRC's auditors to enable them to conduct tax audits appropriately.
- You must lodge you representations / appeal within the prescribed time.



President Danny Faure visits SRC Offices - Maison Collet



CHAIRMAN'S FOREWORD



I am pleased to report that the 2020 fiscal year was one of exceptionally good performance for the Seychelles Revenue Commission, with remittances to the Government exceeding the agreed end of year targets by about SR 170 million, despite the challenges brought about by the Covid-19 pandemic. In the wake of the pandemic, SRC had to ensure that it continues with execution of critical activities that generated a much-needed revenue while ensuring the safety of the staff and clients. SRC had to identify its critical processes that will enable provision of services to government and clients with minimum disruption.

The 2020 Annual Report marks the end of the first year of the implementation of the Seychelles Revenue Commission's (SRC) Strategic Plan 2020 – 2022. In brief, the main areas of focus over the last year were to:

- Improve Tax and Customs compliance;
- Improve ease of doing business with SRC;
- Improve border control;
- Ensure compliance with our international obligations;
- Build a high performance culture and improve internal efficiencies; and
- Increase public trust and credibility.

It is critical for an organization of national importance like the SRC to ensure that its performance is not erratic, but stable and sustainable. For this reason, the year under review has seen the SRC lay the foundation for continued improvement in the near future. SRC has commenced a review of its structure in order to ensure consistency and alignment between our organization and our strategic objectives. The Board has approved the recommendations brought forward by the SRC management team, with expectations to see an improvement in tax compliance and in the services we render to our taxpayers.

While the performance for the year under review is commendable, there are still more opportunities for the SRC to reach the desired level of organizational maturity. There are economic challenges and uncertainties that will invariably affect the SRC's ability to achieve its strategic outcomes. At the global level, it is important for SRC to ensure compliance with its international obligations, specifically in terms of FATCA, CRS and EOI. We have begun taking steps to ensure we build capacity in these areas and invest in the core infrastructure required to effectively and efficiently fulfil our obligations.

The prospects for the coming years appear very challenging as we are shifting our focus from traditional ways of doing business to uncharted territories, such as digitizing our processes, revamping e-service and the introduction of a new Client Management System. Against this backdrop, the SRC's task of optimizing revenue collection assumes paramount importance. Accordingly, SRC has to follow the twin policy of broadening our taxpayer base by bringing all liable taxpayers within the tax net and deepening it by ensuring that there is no under reporting of tax by existing taxpayers.

With all of these developments in hand, I feel confident that the SRC will continue to achieve the goals for which it was established. In this connection I would like to commend the Commissioner General, Mrs. Veronique Herminie, for the strategic direction and guidance she has provided to the SRC team who also deserves recognition its dedication and hard work.

On behalf of the SRC Board, I assure full support to the Management and wish the organization plenty of success in meeting the upcoming challenges while optimizing revenues and providing good quality services to the taxpayers and the trading community.

A handwritten signature in black ink, appearing to read "Chrystold Chetty". The signature is fluid and cursive, with a large initial 'C'.

Mr. Chrystold Chetty
Chairman of the SRC Governing Board

COMMISSIONER GENERAL'S FOREWORD



It is that time of the year once again for me as the Commissioner General to present the Seychelles Revenue Commission's annual report. The financial year 2020 has been a challenging one for all Revenue Administrations and Seychelles was not an exception.

As we made a start on delivering our Strategic Objectives for the year 2020-2022, the Covid-19 pandemic also made its appearance around the world very early in 2020. Its impact restricted the work SRC had planned for execution to improve compliance for both Tax and Customs. Nonetheless thanks to the diligence and commitment of the SRC team, we managed to provide some level of service during the period of restriction as an essential service provider. SRC committed to

the welfare, health and safety of its employees nonetheless had to ensure provision of relevant protective gears (at an unprecedented cost) and introduced safety measures to restrict the potential spread of the virus amongst the staff or the clients it serves.

Despite the additional costs to our operations especially at the frontline, we efficiently managed our expenses throughout the year to be within budget. Through an improved recruitment process the SRC team increased from 323 in 2019 to 354 employees by end of 2020 and due to the revised Scheme of Service we have seen a renewed interest in job applications at SRC. We grasped the opportunities for additional learning from our international partners via virtual platforms to build capacity in the main areas of focus – Transfer Pricing / Taxation of MNEs, International Taxation issues including Tax Treaties and VAT frauds investigation, WCO training in AEO, CTS and Valuation.

We made significant progress on the international front with regards to exchange of information with other Competent Authorities and on tax matters with the EU Code of Conduct Group on Business Taxation ("COCG") and the Global Forum on Transparency and Exchange of Information for Tax Purposes respectively. This was in partnership with the Financial Services Authority (FSA) and the Ministry responsible for Finance. Seychelles as a jurisdiction still have issues to resolve

regarding what the Global Forum calls “harmful preferential tax regimes” and we hope to address this during the course of the financial year 2021.

On the local side, we generally improved relationships with taxpayers, by introducing from the early stages of the Covid crisis tax measures which relieved their cash flow burden. These measures nonetheless enabled us to also maintain revenue collection at par with the overall annual target. The total tax collected for the financial year 2020 stood at SR.6.014 billion. It is obvious though from the figures throughout the report that all activities for the year 2020 shown a much lower result than prior years due to the Covid situation (see the summary from pages 12 to 14).

The pandemic obliged us to pay more attention to the potential utilization of innovative practices and technology-driven services to improve on our efficiency for ease of doing business. In partnership with DICT, the Ministry responsible for Finance, and other partners this will continue throughout the first months of 2021 as part of our Strategic Objectives.

We maintained emphasis on education and awareness throughout the year to encourage maximum compliance, and kept taxpayers / importers continuously informed of our processes and upcoming tax policy changes, the introduction of which had to be postponed to 2021 due to the pandemic. The policy review should bring about the rebalancing of the business tax burden by combining base broadening measures with a revision in tax rates.

With the general understanding that all who is partaking in a commercial venture no matter the size should contribute towards payment of taxes, the focus for the year 2021 would be on stricter enforcement measures for meeting tax obligations and for a more effective border control.

I take this opportunity to express my sincere gratitude to the dedicated team of employees, and management for our achievements during the year 2020. Special thanks to the SRC Board, whose mandate ends on 28th February 2020, for their support and positive contributions towards all our projects and activities.

I would also like to thank the taxpayers and tax agents for their patience and understanding during this difficult time. I look forward to collaborative efforts in the implementation of our audacious plans for 2021.

Veronique Herminie
Commissioner General

SRC AT A GLANCE

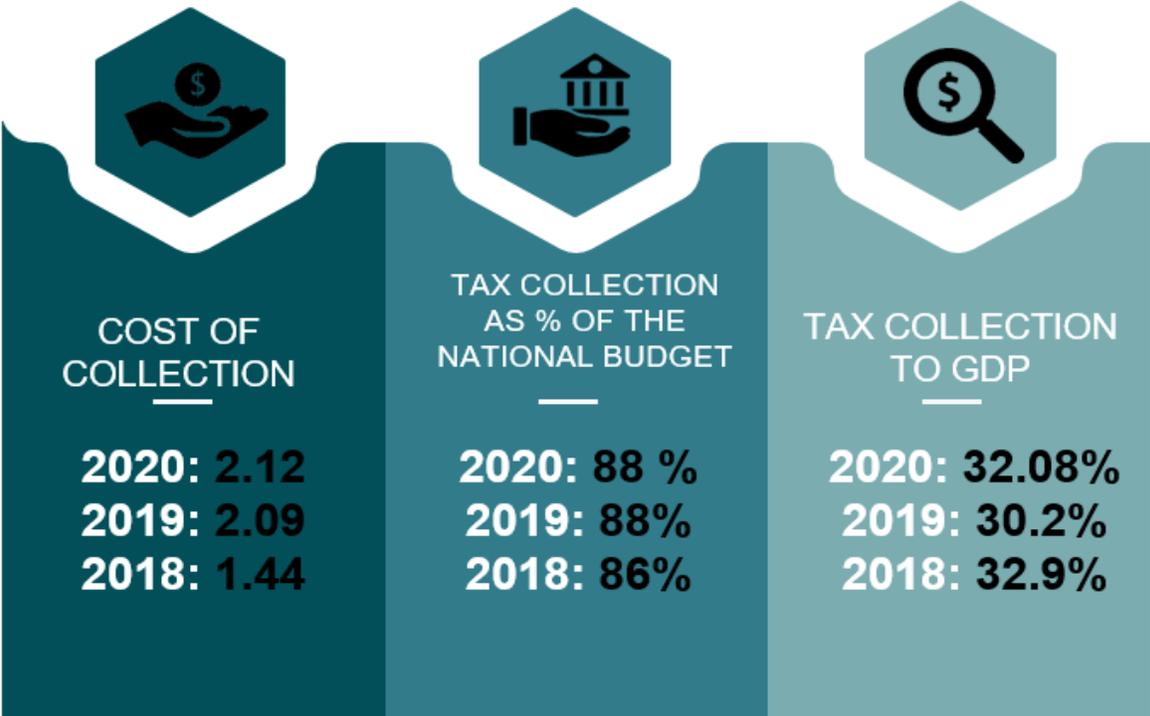
“The strength of an organization lies with its staff and it is important that the organization is provided with the necessary tools and support in order for the staff to fulfill their duties with integrity and diligence. The success of SRC is the success of everyone and we need to promote this mentality within the organization and its stakeholders.”

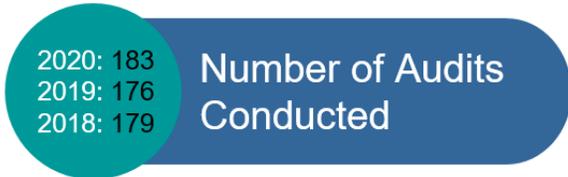
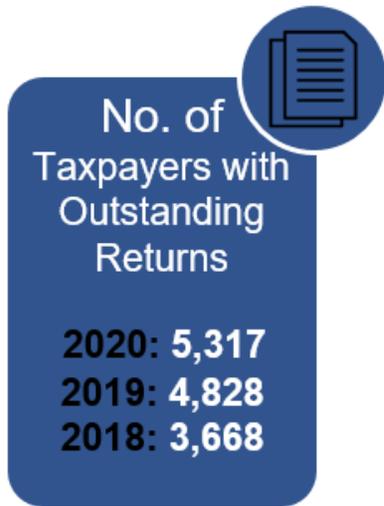
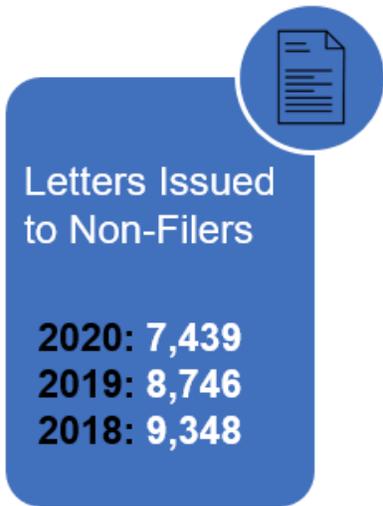


Ms Cillia Mangroo
Board Member
Since March 2018



1. SRC AT A GLANCE





Number of Taxpayers in Arrears

2020: 3,593
2019: 2,643
2018: 810



Arrears Collected (SR)

2020: 177,713,412
2019: 417,728,420
2018: 379,471,634



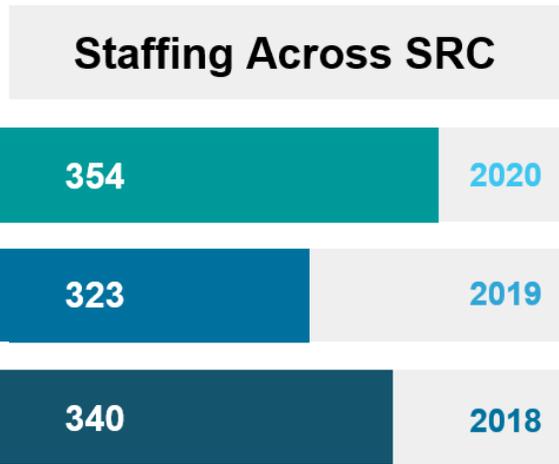
Outstanding Collectible Debt (SR)

2020: 525,796,825
2019: 417,728,420
2018: 699,832,444



No. of Cases in Prosecution (Tax & Customs)

2020: 20
2019: 25
2018: 24

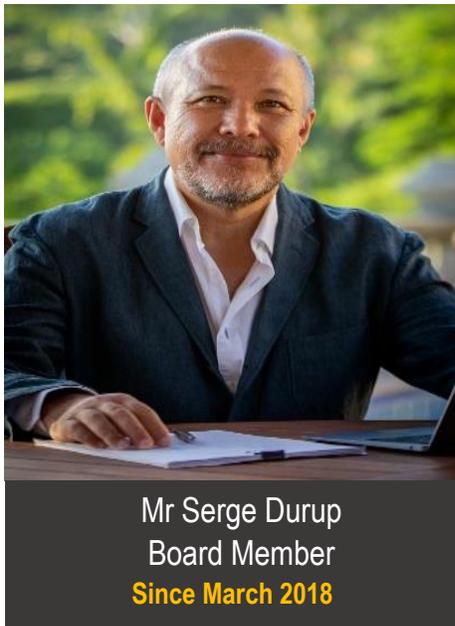


OUR ROLE

"Winning a medal involves the support of many people, not just the athlete and the coach.

Likewise, to ensure that SRC functions at an optimal level requires the full commitment of everyone - from the board, management, assessors, verification, enforcement, cashiers, drivers and cleaners.

Let us work together to create something we can all be proud of."



Mr Serge Durup
Board Member
Since March 2018



2. OUR ROLE

The Seychelles Revenue Commission (SRC) is a semi-autonomous agency that was established through the enactment of the Seychelles Revenue Commission Act 2009, as the body responsible for the administration of Revenue Laws.

SRC’s main responsibility is to support the economy of the Republic of Seychelles by collecting taxes and facilitating trade. These taxes benefit the community as they are used to provide funding for government structures and programs.

Both Tax and Customs Divisions are responsible for collecting the taxes under revenue laws which are administered by the SRC.



SRC’s strategic goal is that **“taxpayers meet their obligations and Seychelles’ revenue increases”**. To achieve this goal, SRC has in place five strategic objectives:

SRC'S STRATEGIC OBJECTIVES

Improve Tax and Customs compliance

Improve ease of doing business with SRC

Improve border control



Ensure compliance with our international obligations

Build a high performance culture and improve internal efficiencies

Increase public trust and credibility



SRC Management Team welcoming new recruits

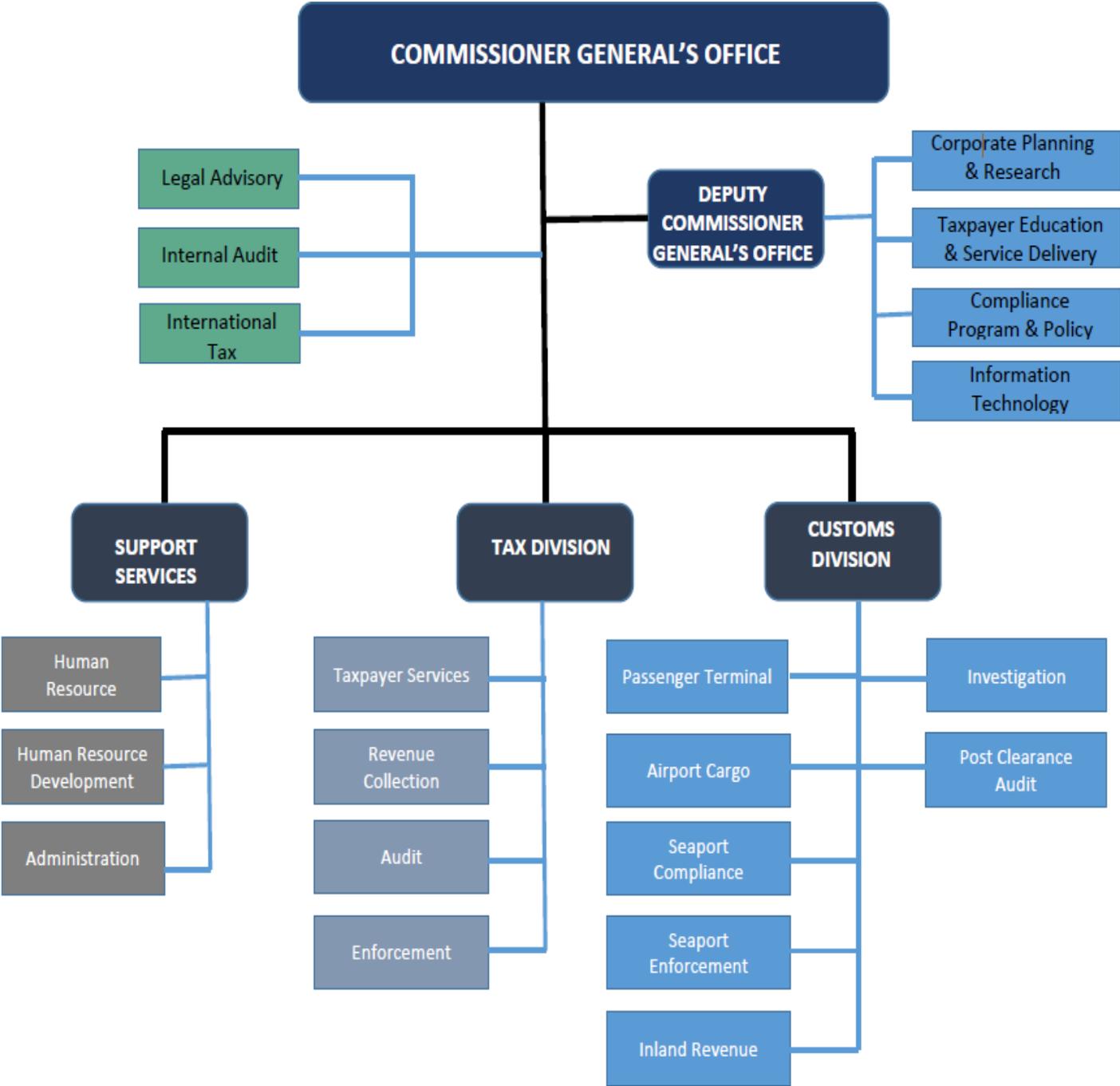


SRC project team for the installation of the Cargo Targeting System

OUR ORGANIZATIONAL STRUCTURE



3. OUR ORGANIZATIONAL STRUCTURE



CORPORATE GOVERNANCE

"Taxes are the lifeblood of Government and no taxpayer should be permitted to escape the payment of his just share of the burden of contributing thereto".



Mr Charles Morin
Board Member
Since March 2018

4. CORPORATE GOVERNANCE

4.1 The SRC Act, 2009

The Seychelles revenue Commission Act, was enacted by the president and the National Assembly of Seychelles on the 30th December 2009. Section 13 of the act defines the functions and powers of the commission as follows:

- Assess, collect and account for all Government revenues.
- Administer efficiently and effectively all revenue laws in force.
- Advise the Government on matters of policy relating to revenue.
- Improve the standard and quality of services provided to payers of revenue.
- Counteract revenue evasion.
- Monitor and control the cost of revenue collection.
- To undertake other work related to revenue administration as required by the Government.
- Exchange information in terms of any tax agreement or treaty.

4.2 The SRC Governing Board

During the period March 2018 to December 2020, the SRC Board was chaired by Mr. Chrystold Chetty. The other Board Members were:

- Mr. Serge Durup
- Mr. Charles Morin
- P.S Cillia Mangroo
- P.S Damien Thesee
- Ms. Zenabe Daman (June 2019 – December 2020)
- Mr. James Elizabethg (June 2019 – December 2020)

4.3 Functions of the Board

The roles and functions of the Board include:

- Ensuring the integrity of financial information; provide financial oversight and monitor financial planning and financial reports, including adoption and supervision of the annual budget;
- Discuss issues confronting the organization related to financial and operational risks and exposures associated with the SRC’s business strategy;
- Oversee management’s performance to ensure that the entity operates in an effective, efficient and ethical manner;
- Review and evaluate program reports on the performance of the SRC, with any deviances justified;
- Providing strategic direction, guidance and leadership; and
- Reviewing plans and targets and approving appointments for senior management.

4.4 Board Committees

The Board has set up various committees in order to discharge its functions effectively. The committees established are as follows:

- Special Projects Committee
- Human Resources Committee
- Audit and Risk Committee

The works undertaken by each committee are systematically reported to the Board during each meeting.

The composition of each Committee is as seen below:

Table 1: SRC Board Committees

COMMITTEE	MEMBERS
Special Projects	Mr. Serge Durup (Chairperson / Board Member)
	Mrs. Luisa Woodcock (Consultant)
	Other members appointed on an ad-hoc basis
Human Resources Committee	Mr. James Elizabeth (Chairperson / Board Member)
	Mr. Charles Morin (Board Member)
	Mr. Elvis Julie (Director General – Support Services)
	Mrs. Anna Holstein (Director – Human Resources)
Audit and Risk Committee	Ms. Zenabe Daman (Chairperson / Board Member)
	Mr. Damien Thesee (Board Member)
	Ms. Annielle Desaubin (Financial Controller)
	Ms. Audrey Dubel (Manager Internal Audit)

4.5 Board and Committee Membership

SRC Board Meetings are usually held on a monthly basis. Additional meetings may be arranged depending on the needs of the SRC. The Secretary is responsible for circulating all Board Documents (Minutes of Meetings, Decision Sheet, Agenda, Reports and other Board Papers) prior to all Board Meetings. During the period under review, a total of 5 strategic meetings and 5 other issue-oriented meetings were held.

The table below provides further details on the attendance of Board Members at Board Meetings, Board Members' fees and the duration of appointment of Board Members.

Table 2: Board Attendance, Fees & Duration of Appointment

Board Members	No. of meetings attended (/10)	Board Fees 2020 (SR)	Date of appointment	Duration of appointment
Mr. Chrystold Chetty	10	54,876.00	March 2018	3 years
PS Damien Thesee	5	45,600.00	March 2018	3 years
PS Cillia Mangroo	8	45,600.00	March 2018	3 years
Mr. Serge Durup	9	45,600.00	March 2018	3 years
Mr. Charles Morin	10	45,600.00	March 2018	3 years
Ms. Zenabe Daman	7	45,600.00	June 2019	3 years
Mr. James Elizabeth	9	45,600.00	June 2019	3 years
Mrs. Emmaline Camille (Secretary)	10	26,600	N/A	N/A
Ms. Nissa Joseph (2 nd Secretary)	3	4,800	N/A	N/A

* No separate fees were paid for attending Board Committees.

REVENUE COLLECTION

“Despite the challenges brought about by the Covid-19 pandemic, I salute the SRC team for their achievements over the past year to optimize revenue collection and meet revenue targets”.



Mr Damien Thesee
Board Member
Since 28th April 2018

5. REVENUE COLLECTION

5.1 Overview of Revenue Collection for the Year 2020

Figure 1: An Overview

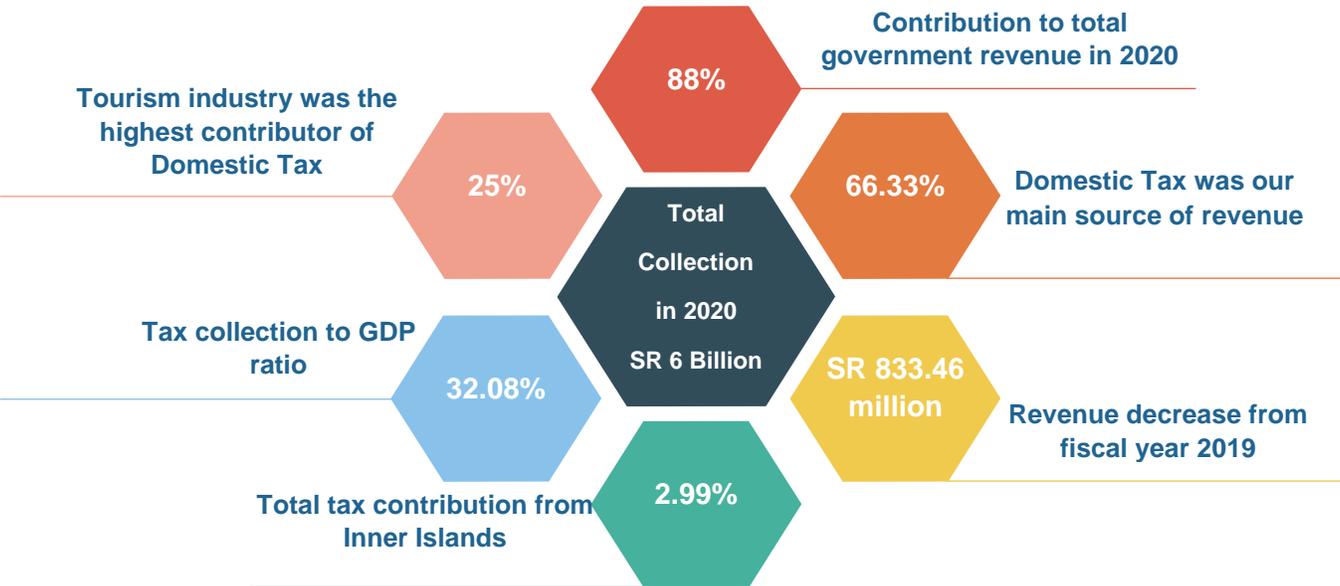


Table 3: Revenue Report for the Fiscal Year 2020 (SR Millions)

Main Tax Line	Total Collection 2019	Total Collection 2020	Variance	Published Budget	2020 EOY Revised Budget	Variance	Collection difference with published budget	Collection difference with EOY budget
Income Tax	974.98	1,023.23	48.25	1,010.03	1,010.06	0.03	13.20	13.17
Customs Duties	317.60	239.89	(77.71)	347.98	255.81	(92.17)	(108.09)	(15.91)
Excise Tax	1,385.44	1,268.09	(117.34)	1,538.05	1,265.25	(272.79)	(269.95)	2.84
Business Tax	1,384.73	1,193.11	(191.62)	1,426.81	1,194.90	(231.92)	(233.70)	(1.79)
CSRT	108.75	101.87	(6.88)	124.42	100.98	(23.44)	(22.55)	0.89
TMT	71.45	61.51	(9.94)	77.05	61.08	(15.97)	(15.54)	0.43
VAT	2,589.43	2,113.02	(476.41)	2,822.49	2,094.95	(727.53)	(709.47)	18.06
Presumptive Tax	12.20	10.79	(1.41)	-	-	-	10.79	10.79
GST Arrears	2.92	1.74	(1.18)	-	1.70	1.70	1.74	0.04
Property Tax	-	0.79	0.79	40.00	0.80	(39.20)	(39.21)	(0.01)
Total Tax Receipts	6,847.50	6,014.05	(833.46)	7,386.83	5,985.53	(1,401.30)	(1,372.78)	28.52
SLA	202.89	195.01	(7.88)	284.48	195.89	(88.59)	(89.47)	(0.88)
Other Non-Tax	132.07	132.30	0.23	-	-	-	132.30	132.30
SFF Arrears	9.71	10.46	0.75	-	-	-	10.46	10.46
Total Non-Tax Receipts	344.67	337.78	(6.90)	284.48	195.89	(88.59)	53.29	141.89
Total	7,192.18	6,351.83	(840.35)	7,671.31	6,181.42	(1,489.89)	(1,319.49)	170.40

The Seychelles Revenue Commission ended the fiscal year of 2020 with a total collection of SR 6014.05 million against a total collection of SR 6,847 million in 2019. This represents a deficit of SR 833.46 million or -12.17 %. From the analysis, only Income Tax performed above the total collection of 2019, resulting in a positive variance of SR 48.25 million. Immovable Property Tax produced a positive variance as it was only introduced in 2020, hence no prior year baseline.

The year 2020 was projected to be a good year but the opposite occurred due to the pandemic, which changed the course of the smooth and prosperous economic journey that the country has been experiencing. The following tax lines have been negatively impacted when compared to 2019: Value Added Tax recorded a SR -476.41 million deficit, Business Tax under performed by SR -191.62 million, Excise Tax SR -117.34 million, Custom Duties SR -77.71 million, TMT SR -9.94 million, CSRT SR -6.88 million, Presumptive Tax SR -1.41 million and GST Arrears by SR -1.18 million. Non-tax revenue also experienced an underperformance of SR -6.90 million.

However, the total collection against the end of year budget projects a different scenario. To note, the budget was drastically reduced by SR 1,401.30 million to cater for the spillover effects of the pandemic. Here, we recorded an over-performance of SR 28.52 million, with Value Added Tax producing a surplus of SR 18.06 million, Income Tax SR 13.17 million, Excise Tax by SR 2.84 million, CSRT SR 0.89 million, TMT SR 0.43 million and GST Arrears by SR 0.04 million. On the other hand, Custom Duties, Business Tax and Property Tax experienced a downturn in performance by SR -15.91 million, SR -1.79 million and SR -0.01 million respectively. Positive variance was recorded under non-revenue tax by SR 141.89 million for the year. The sum of SR 6.35 billion which includes (main tax lines & Non Revenue) translate to SR 170.40 million above the forecast which was set at SR 6.18 billion.

Chart 1: Tax Revenue Collection Overview

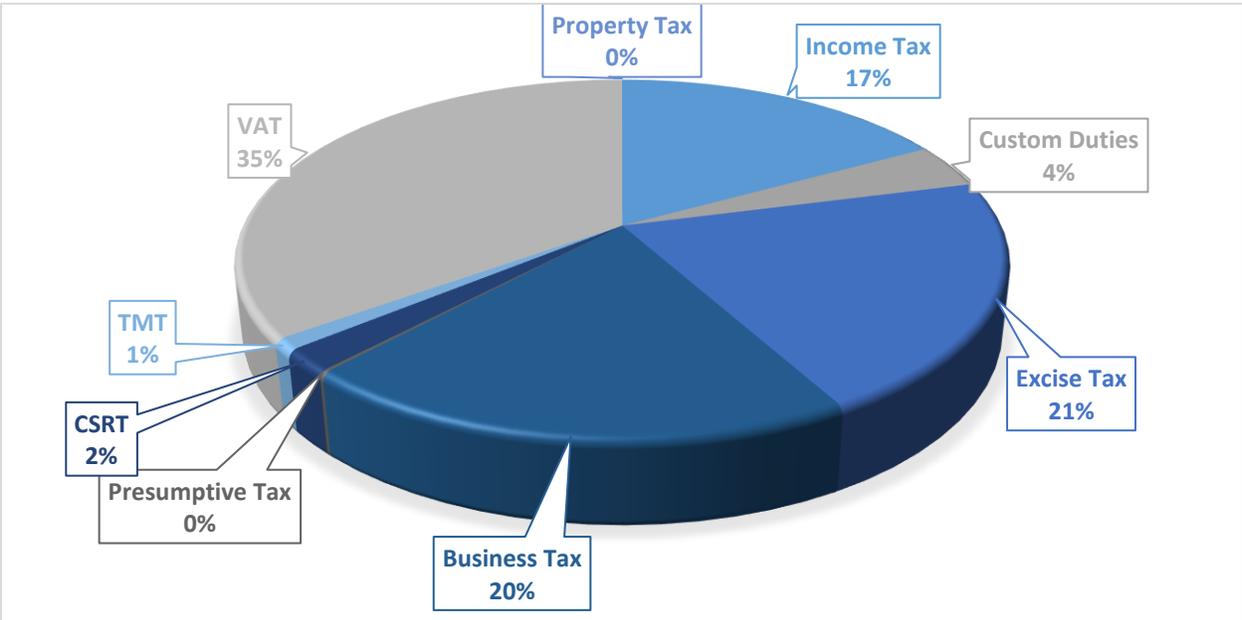


Table 4: Tax Revenue Collection for the Years 2016 – 2020 (SR Millions)

Main Tax Line	2016	2017	2018	2019	2020
Income Tax	938.79	900.90	965.10	974.98	1,023.23
Customs Duties	365.02	293.16	318.72	317.60	239.89
Excise Tax	1,143.89	1,307.65	1,280.51	1,385.44	1,268.09
Business Tax	1,028.51	1,354.01	1,363.77	1,384.73	1,193.11
Presumptive Tax	10.06	12.74	12.72	12.20	10.79
CSRT	86.73	95.13	106.26	108.75	101.87
TMT	44.77	60.22	70.17	71.45	61.51
VAT	2,020.11	2,204.26	2,518.03	2,589.43	2,113.02
Property Tax	-	-	-	-	0.79
GST Arrears	0.92	16.95	2.64	2.92	1.74
Total	5,638.79	6,245.02	6,637.92	6,847.50	6,014.05

Value Added Tax remains the main contributor for the total collection, with a 35% contribution. Amidst the restriction imposed such as prohibition to import vehicles and increase in Excise Tax rates to limit import of such goods, Excise Tax still managed to contribute to 21% of the total tax collected. Business Tax amassed a good 20% contribution, followed by Income tax of 17%; both performances were mostly due to the government’s assistance under the FA4JR scheme that helped businesses maintain their cash flow during the Covid-19 pandemic.

Chart 2: Revenue Collection for the Year 2020

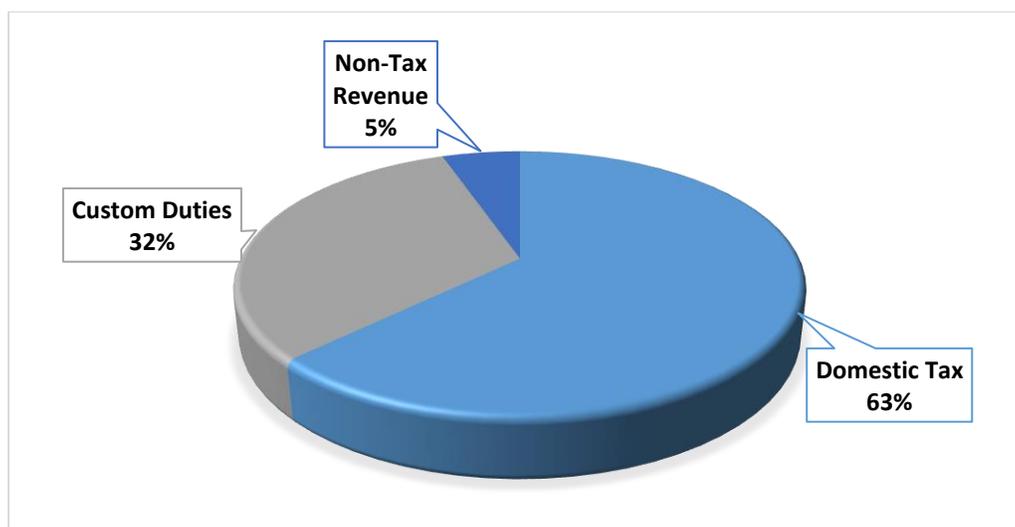


Chart 2 illustrates revenue collection by the three main categories, namely Domestic Taxes, Custom Duties and Non-Tax Revenue. Domestic taxes remained our main contributor of revenue with a contribution of 63%, Customs Duties accumulated 32 % and Non-Tax Revenue contributed 5%.

5.2 Geographical Segmentation of Tax Collection

Figure 2: Tax Contribution by Geographical Location

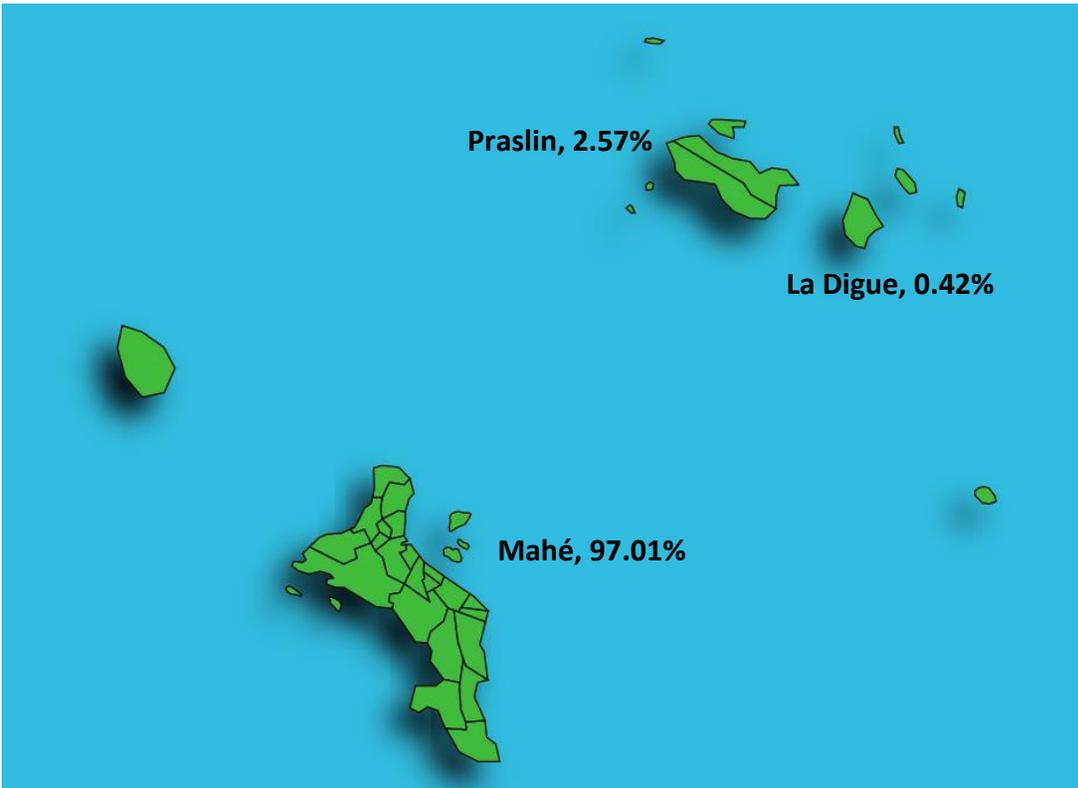


Chart 3: Tax Contribution by Geographical Location and Industry

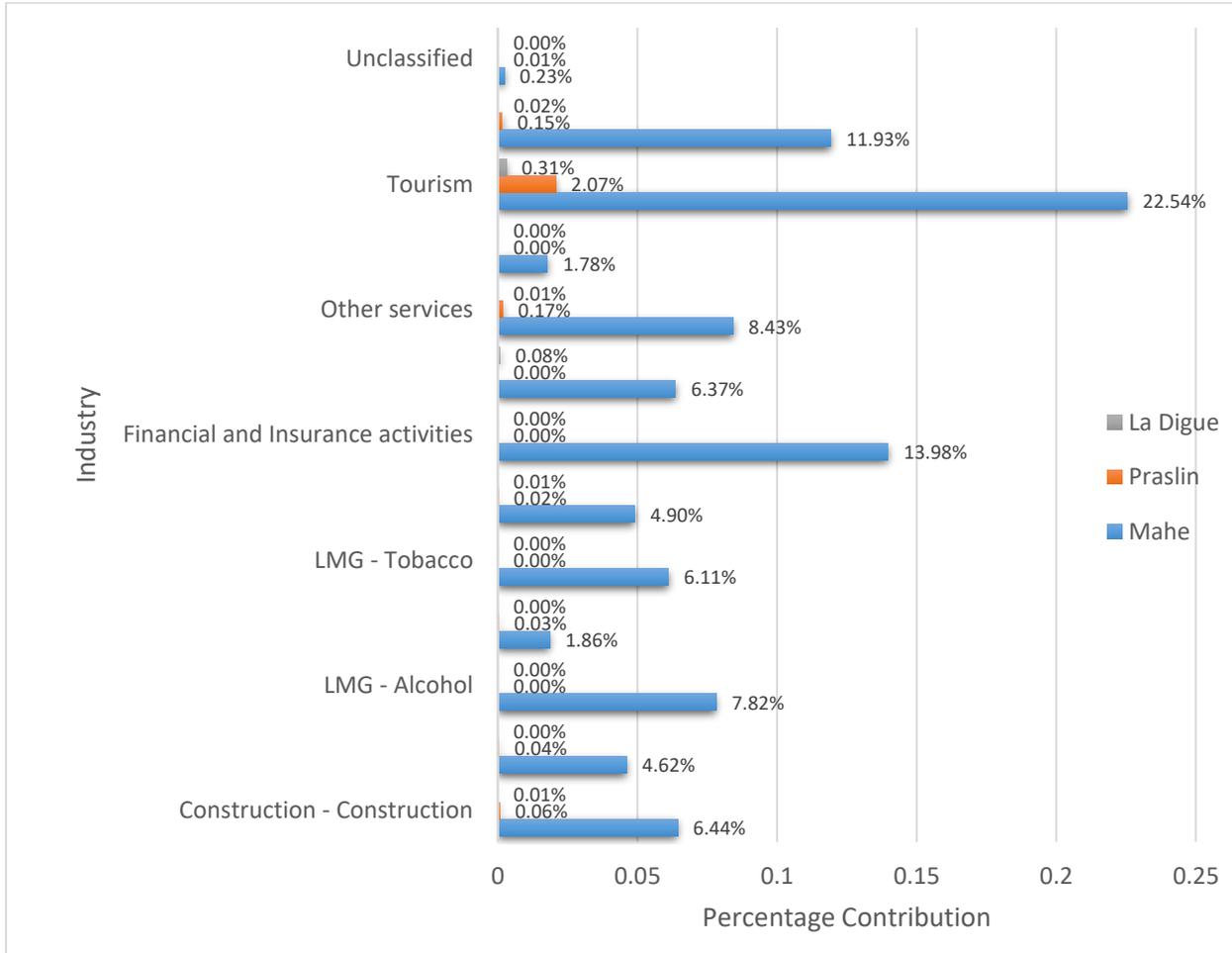


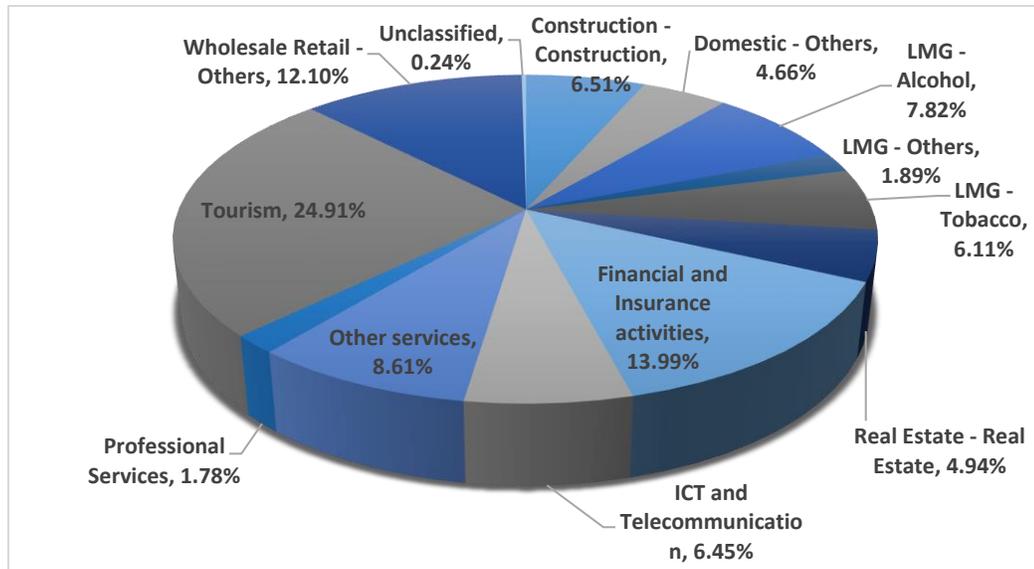
Chart Three displays tax collection amongst the three main islands in Seychelles. Mahe, which is the main island remained in the lead in terms of revenue contribution, followed by Praslin and La Digue.

5.3 Segmentation of Domestic Taxes

The tourism industry, the main driver of our economy, recorded 24.91% of total domestic tax collection and the financial and insurance industries showed promising growth with a contribution of 13.99%. The wholesale-retail industry contributed 12.10% to the total collection. The previous year showed some growth prospects within the industry, but due to the covid-19 pandemic, trading decreased significantly. Other services, which comprises of administrative and

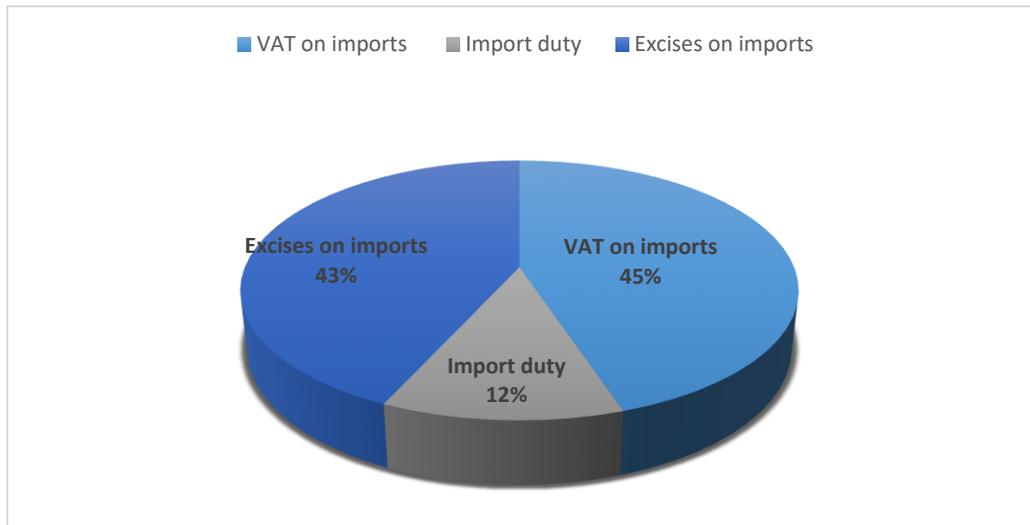
support service activities, public administration and defense, compulsory social security, transportation and storage, human health and social work activities and education, all combined added up to 8.61%.

Chart 4: Domestic Tax Segmentation by Industry



5.4 Segmentation of Customs Revenue Collection

Chart 5: Segmentation of Customs Revenue Collection

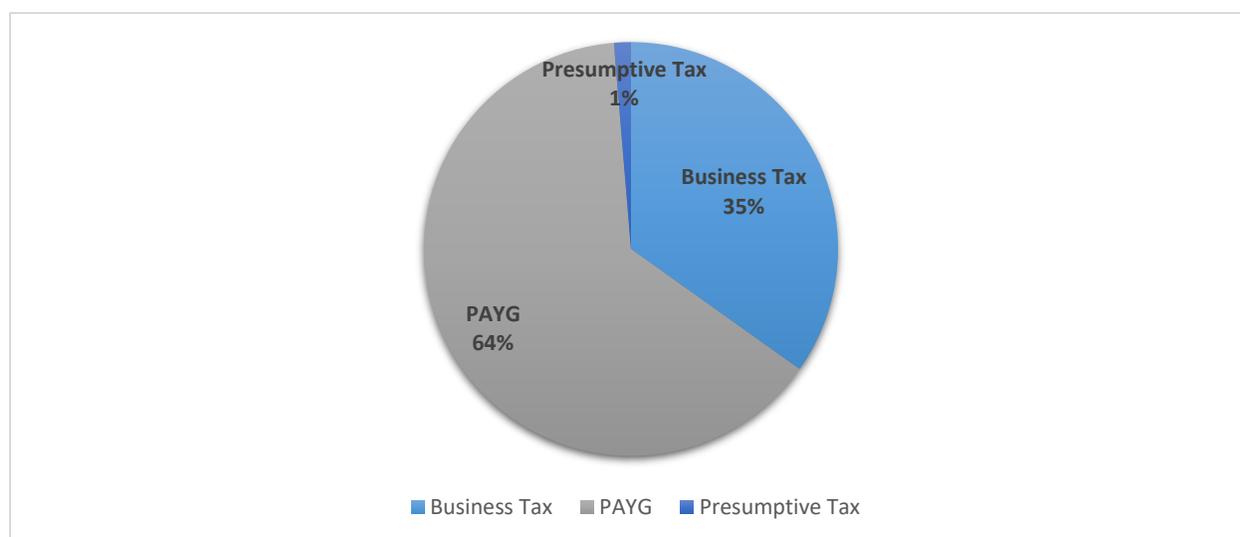


For the year under review, VAT on imports contributed to 45% of revenue collection for Customs. Excise on imports amounted to 43% and Customs Duties 12%.

5.5 Business Tax

5.5.1 Breakdown of Business Tax Receipts by Tax Type

Chart 6: Breakdown of Business Tax Receipts for the Year 2020



PAYG Instalment contributed to 55%, annual Business Tax 31% and Withholding Tax 8%.

Table 5: Business Tax Receipts for the Years 2016 – 2020 (SR Million)

Business Tax Type	2016	2017	2018	2019	2020
PAYG Instalment	493.65	671.90	699.94	673.35	664.01
Business Tax	348.09	471.43	477.55	509.40	375.00
PAYG Specified Business	55.99	29.36	30.72	33.43	29.54
Withholding Tax	83.39	126.74	96.47	103.68	102.84
Residential Rent	47.27	54.37	59.00	64.86	21.63
Others	0.13	0.21	0.09	0.01	0.09
Total	1,028.51	1,354.01	1,363.77	1,384.73	1,193.11

5.5.2 Breakdown of Business Tax Receipts by Entity Type

Table 6: Business Tax Performance for the Year 2020 (SR Millions)

Entity Type	Total Collection 2019	Total Collection 2020	Variance	Published Budget	2020 EOY Revised Budget	Variance	Collection difference with published budget	Collection difference with EOY budget
Company	1,160.08	1,015.77	(144.31)	1,197.60	1,020.52	(177.08)	(181.84)	(4.76)
Individual	37.77	36.02	(1.75)	63.96	38.63	(25.33)	(27.94)	(2.61)
Partnership & Others	18.34	16.84	(1.50)	23.11	15.54	(7.56)	(6.27)	1.30
Withholding Tax	103.68	102.84	(0.84)	107.31	98.77	(8.54)	(4.46)	4.07
Residential Rent	64.86	21.64	(43.22)	34.84	21.43	(13.41)	(13.20)	0.20
Total	1,384.73	1,193.11	(191.63)	1,426.81	1,194.90	(231.92)	(233.71)	(1.79)

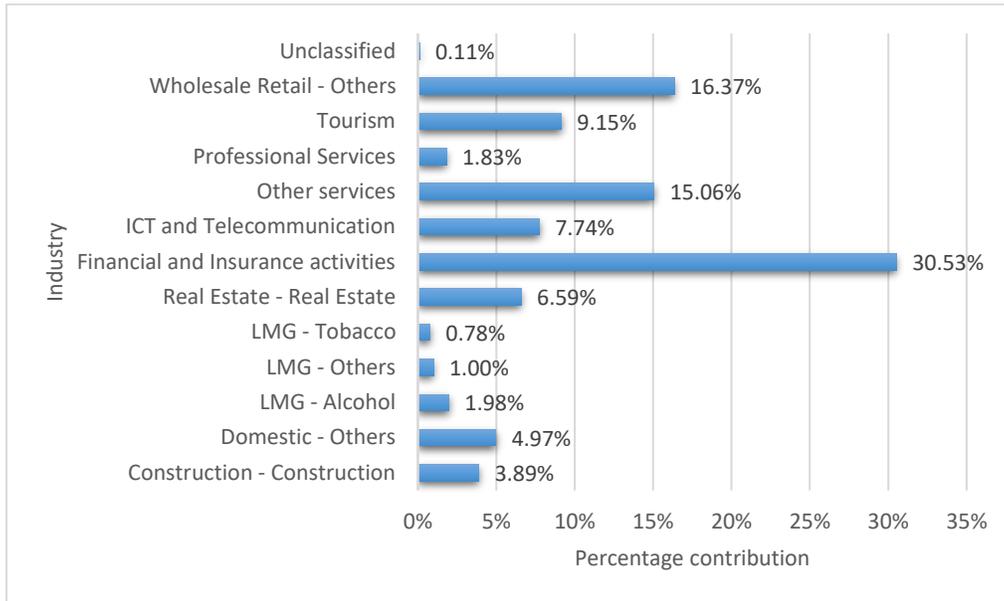
During the year 2020 there was a slight under performance compared to the budget, amounting to SR 1.79 million. This is mainly attributed to Companies (SR -4.76 million) and Individuals (SR 2.61 million).

Table 7: Collection of Business Tax by Entity Type for the Years 2016 – 2020 (SR Million)

Business Tax Type	2016	2017	2018	2019	2020
Company	852.59	1,111.52	1,155.31	1,160.08	1,015.77
Individual	32.20	46.92	37.03	37.77	36.02
Partnership & Others	13.05	14.45	15.95	18.34	16.84
Withholding Tax	83.39	126.74	96.47	103.68	102.84
Residential Rent	47.27	54.37	59.00	64.86	21.63
Total	1,028.51	1,354.01	1,363.77	1,384.73	1,193.11

5.5.3 Breakdown of Business Tax Receipts by Industry

Chart 7: Breakdown of Business Tax Receipts by Industry for the Year 2020

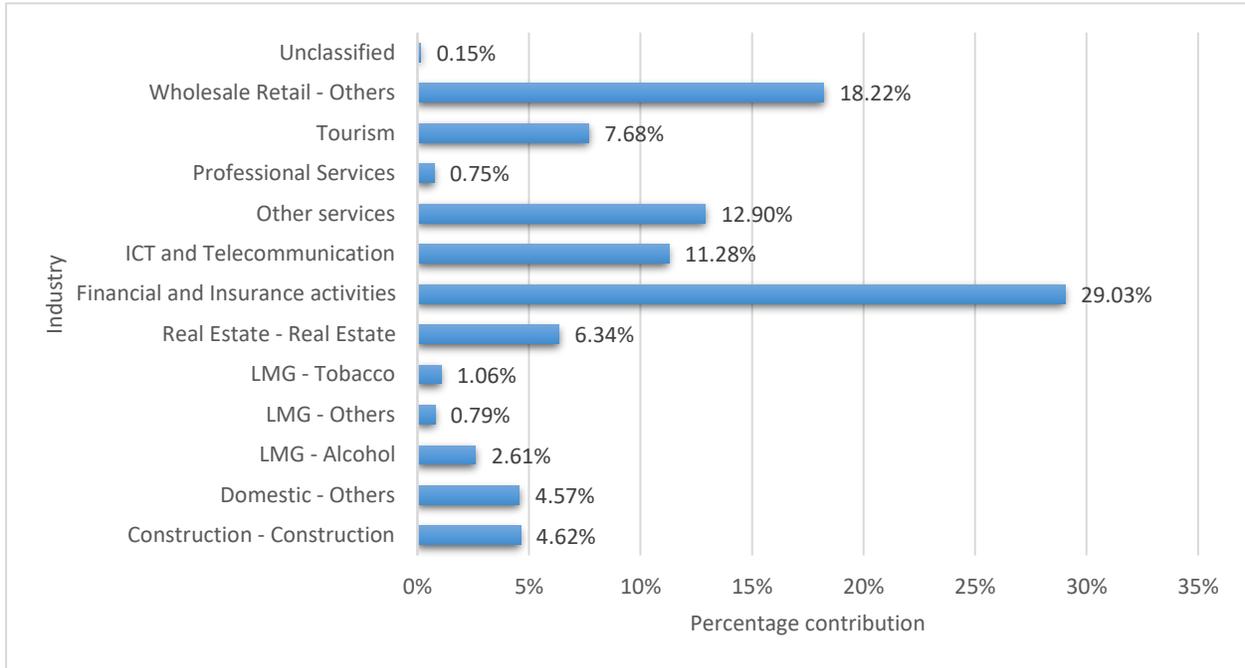


The financial and insurance industries were the largest contributors to revenue collection, at 30.5%. Wholesale and retail made a substantial contribution of 16.4%, followed by other services at 15.1%. Although being badly affected by the pandemic, the tourism industry contributed a total of 9.2% towards Business Tax.

5.5.4 Breakdown of Pay As You Go (PAYG) Instalment by Industry

PAYG offers another broader perspective when analyzing Business Tax by industry. The financial and insurance industries are still leading with the highest contribution of 29.03 %, wholesale retails and other service at 18.22% and 12.90% respectively.

Chart 8: Breakdown of Pay As You Go (PAYG) Instalment by Industry for the Year 2020

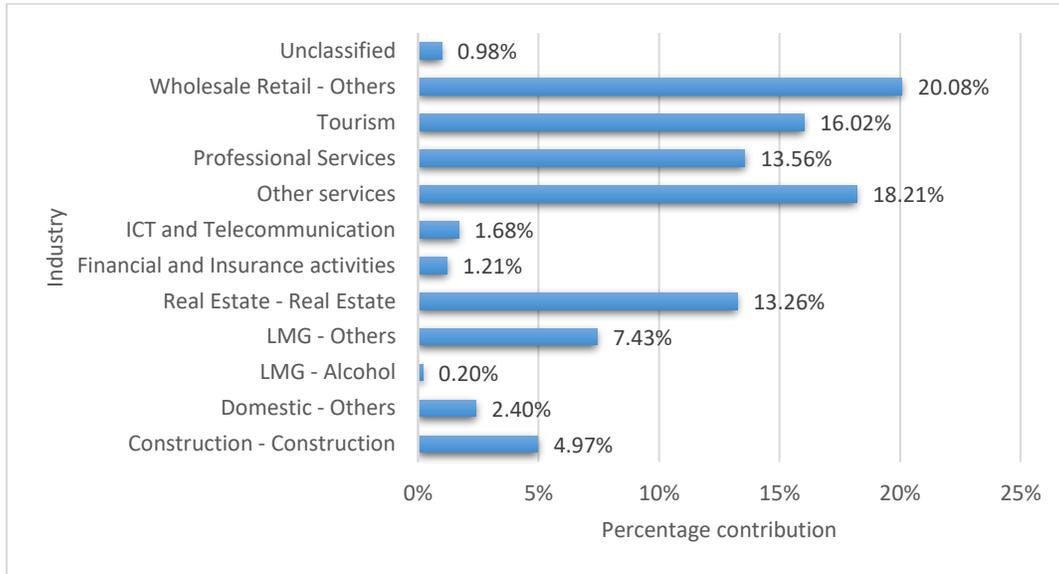


5.5.5 Breakdown of Presumptive Tax

Table 8: Collection of Presumptive Tax Receipts by Entity Type for the Years 2016 – 2020 (SR Million)

Business Tax Type	2016	2017	2018	2019	2020
Company	1.71	2.29	1.76	2.43	1.25
Individual	6.72	8.30	8.55	7.57	7.58
Partnership	1.60	2.11	2.38	2.19	1.94
Trust	0.03	0.04	0.03	0.01	0.01
Total	10.06	12.74	12.72	12.20	10.79

Chart 9: Breakdown of Presumptive Tax by Industry for the Year 2020



Presumptive Tax was predominantly led by the wholesale-retail industry, with a contribution of 20.08%. Other services contributed 18.21% and the tourism industry produced a 16.02 % share.

5.6 Income and Non-Monetary Benefits Tax

5.6.1 Personal Income Tax by Sector

Table 9: Personal Income Tax Performance by Sector for the Year 2020 (SR Millions)

Entity Type	Total Collection 2019	Total Collection 2020	Variance	Published Budget	2020 EOY Revised Budget	Variance	Collection difference with published budget	Collection difference with EOY budget
Central Government	211.35	242.26	30.91	208.68	239.34	30.66	33.58	2.92
Other Public Sector	122.73	113.34	(9.39)	126.43	111.33	(15.10)	(13.09)	2.00
Private Sector	640.90	667.63	26.73	674.92	659.39	(15.53)	(7.29)	8.24
Total	974.98	1,023.23	48.25	1,010.03	1,010.06	0.03	13.20	13.17

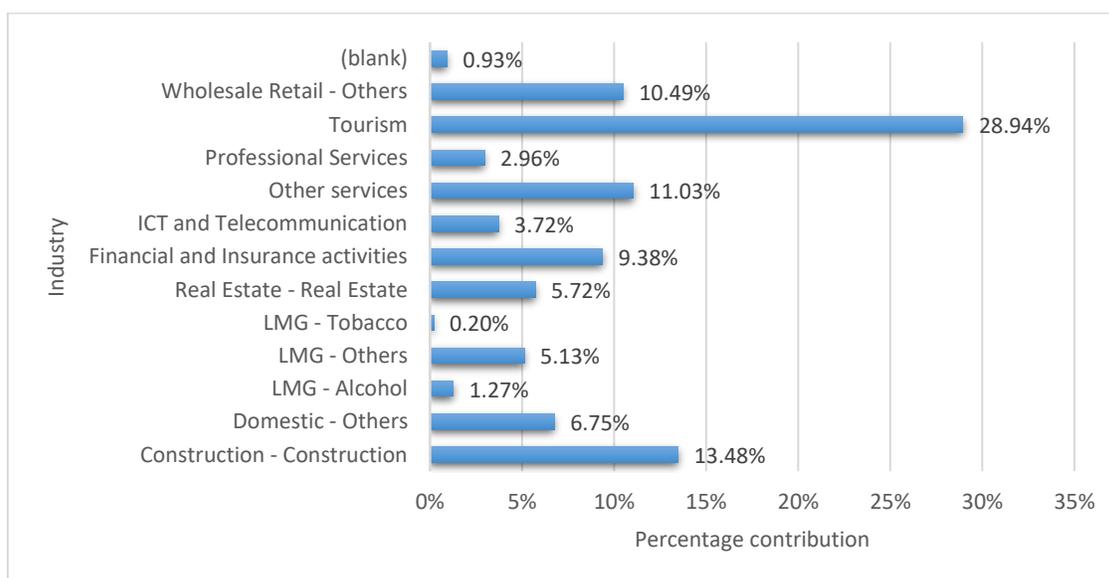
Table 10: Collection of Personal Income Tax by Sector for the Years 2016 - 2020 (SR Millions)

Sector	2016	2017	2018	2019	2020
Central Government	246.63	244.07	235.93	211.35	242.26
Other Public Sector	117.10	129.03	122.01	122.73	113.34
Private Sector	575.06	527.79	607.16	640.90	667.63
Total	938.79	900.90	965.10	974.98	1,023.23

Income tax performed above the EOY budget, producing a positive variance of SR 13.17 million. All three sectors over-performed during the year: government by SR 2.92 million, other public sector by SR 2 million and the private sector by SR 8.24 million. The analysis indicates an over performance on a year-to-year basis with a surplus of SR 48.25 million.

5.6.2 Personal Income Tax by Industry

Chart 10: Breakdown of Personal Income Tax by Industry for the Year 2020



5.7 Value Added Tax

Table 11: Value Added Tax Performance for the Year 2020 (SR Millions)

Main Tax Line	Total Collection 2019	Total Collection 2020	Variance	Published Budget	2020 EOY Revised Budget	Variance	Collection difference with published budget	Collection difference with EOY budget
VAT Domestic	1,586.55	1,203.28	(383.26)	1,733.12	1,91.96	(541.16)	(529.84)	11.32
VAT Imports	1,002.88	909.74	(93.14)	1,089.37	902.99	(186.38)	(179.63)	6.74
Total	2,589.43	2,113.02	(476.41)	2,822.49	2,094.95	(727.53)	(709.47)	18.06

When comparing performance between 2019 and 2020, VAT underperformed by SR 476.41 million. Both sub-divisions within VAT, namely domestic and imports experienced a decrease, with the most significant decrease in VAT domestic by SR 383.26 million.

When compared against the revised end of year budget (amounting to a decrease of SR 727 million), the actual collection exceeded the budget by SR 18.06 million. This signifies an increase in collection for VAT domestic by SR 11.32 million and SR 6.74 million for VAT import.

As for comparison between the industries, tourism contributed to SR 501.74 million for VAT domestic.

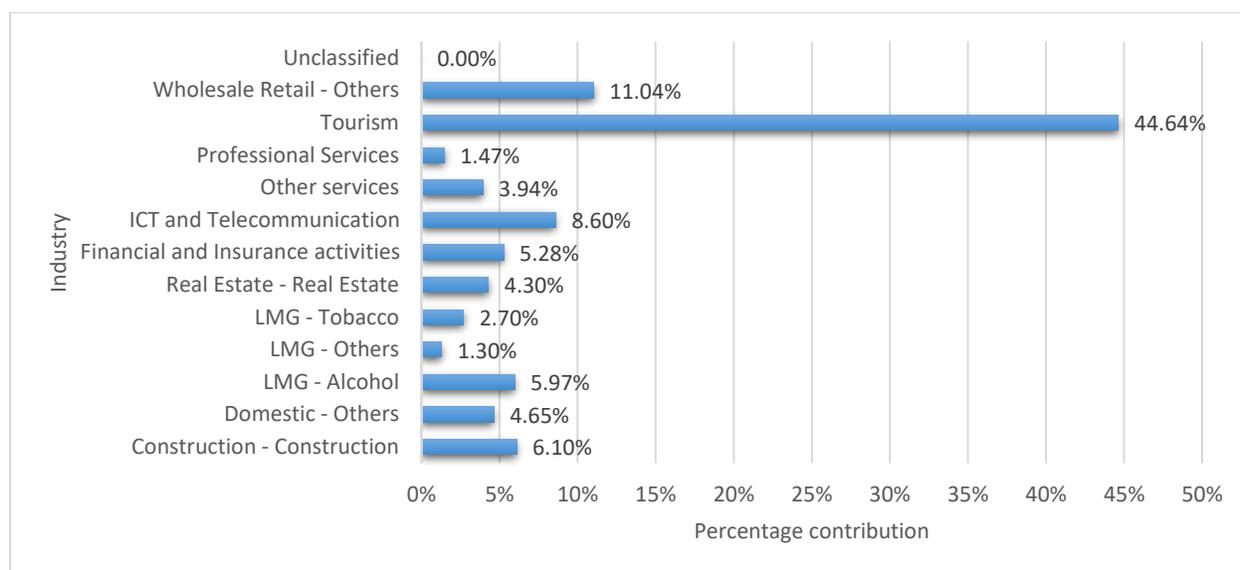
Table 12: Collection of Value Added Tax by Industry for the Years 2018 - 2020 (SR Millions)

Industry	2018	2019	2020
LMG – Alcohol	74.56	79.25	78.88
LMG – Tobacco	29.41	30.55	35.76
Construction	81.08	93.97	79.22
Tourism	866.97	862.68	501.74
Financial & Insurance	55.84	43.71	68.95
ICT & Telecommunication	122.61	115.68	113.46
Real Estate	54.36	59.09	44.29
Wholesale / Retail	133.20	156.02	139.13
Others	132.20	145.60	141.85
Total	1,550.24	1,586.55	1,203.28

Table 13: VAT Exemption and Deferred Payment for the Years 2016 – 2020 (SR Millions)

	2016	2017	2018	2019	2020
Deferred Payment	73.80	399.70	193.0	506.50	1,160.94
VAT Exemption	19.80	26.20	23.10	-	263.72

Chart 11: Breakdown of Value Added Tax by Industry for the Year 2020



5.8 Corporate Social Responsibility Tax and Tourism Marketing Tax

Table 14: CSRT and TMT Performance for the Year 2020 (SR Millions)

Main Tax Line	Total Collection 2019	Total Collection 2020	Variance	Published Budget	2020 EOY Revised Budget	Variance	Collection difference with published budget	Collection difference with EOY budget
CSRT	108.75	101.87	(6.88)	124.42	100.98	(23.44)	(22.55)	0.89
TMT	71.45	61.51	(9.94)	77.05	61.08	(15.97)	(15.54)	0.43

Table 15: Collection of CSRT and TMT for the Years 2016 - 2020 (SR Millions)

Tax Type	2016	2017	2018	2019	2020
CSRT	86.73	95.13	106.26	108.75	101.87
TMT	44.77	60.22	70.17	71.45	61.51

The yearly comparison reveals an under-performance in respect of both CSRT and TMT by SR 6.88 million and SR 9.94 million respectively. The budget for both tax types was decreased by SR 23.44 million for CSRT and SR 15.97 million for TMT. This allowed for a positive performance when comparing the actual collection against the end of year budget. The main contributors towards CSRT were the wholesale / retail industry with a total of 36.39%, whilst for TMT it was the tourism industry with 42.72%.

Chart 12: Breakdown of Corporate Social Responsibility Tax by Industry for the Year 2020

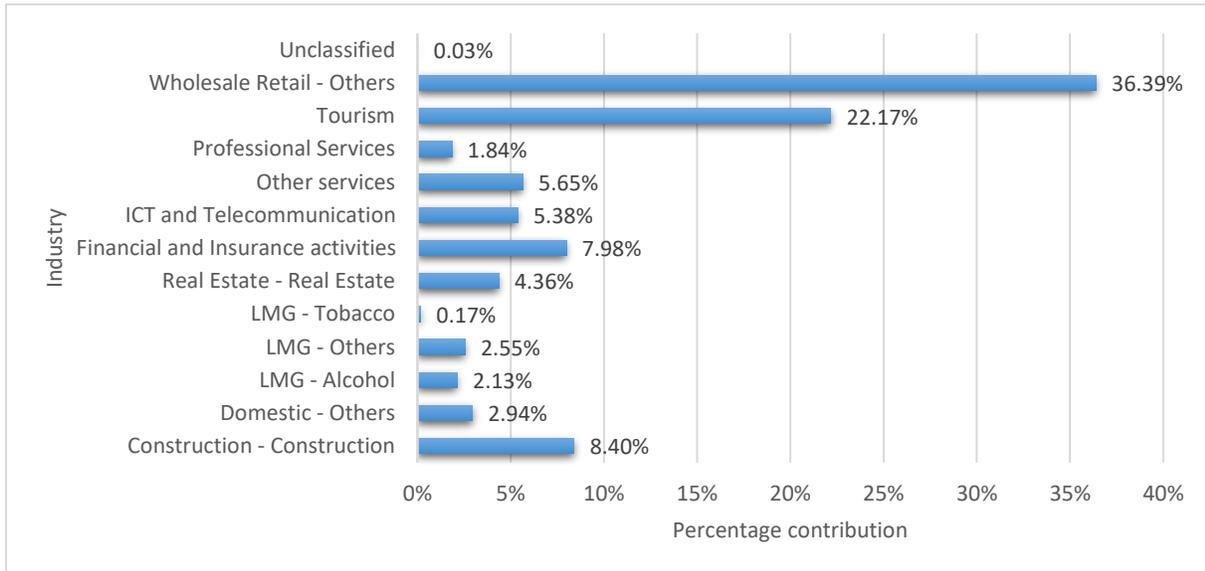
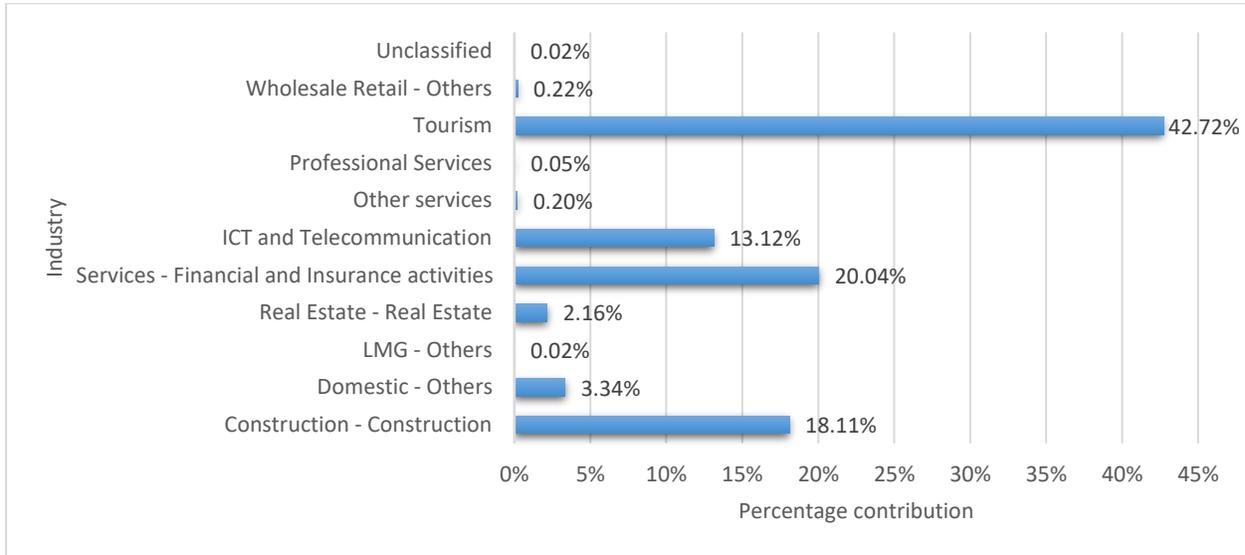


Chart 13: Breakdown of Tourism Marketing Tax by Industry for the Year 2020



5.9 Excise Tax

Table 16: Excise Tax Performance for the Year 2020 (SR Millions)

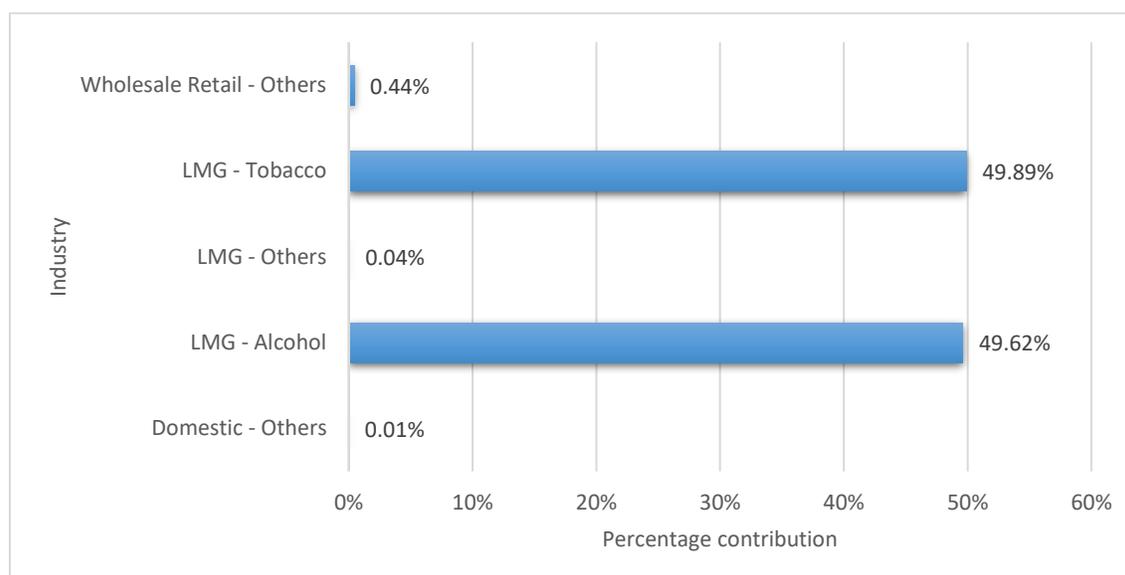
Main Tax Line	Total Collection 2019	Total Collection 2020	Variance	Published Budget	2020 EOY Revised Budget	Variance	Collection difference with published budget	Collection difference with EOY budget
LMG Alcohol	188.49	174.00	(14.49)	186.29	174.46	(11.84)	(12.29)	(0.46)
LMG Tobacco	159.21	195.98	36.78	184.91	190.41	5.51	11.08	5.57
LMG Sugar Tax	3.61	22.84	19.23	12.59	23.21	10.62	10.25	(0.37)
Sub Total Excise LMG	351.30	392.82	41.52	383.79	388.08	4.29	9.03	4.75
Imported Alcohol	230.52	198.21	(32.31)	256.60	199.60	(57.00)	(58.40)	(1.40)
Petroleum	628.40	551.60	(76.80)	691.25	552.22	(139.03)	(139.65)	(0.62)
Motor Vehicles	148.37	97.61	(50.76)	161.27	98.04	(63.23)	(63.66)	(0.43)
Imported Tobacco	5.00	6.47	1.47	3.94	6.67	2.73	2.53	(0.20)
Imported Beverages (Sugar Tax)	21.84	21.39	(0.45)	24.46	20.65	(3.82)	(3.07)	0.74
Sub Total Excise Import	1,034.13	875.27	(158.86)	1,137.51	877.18	(260.34)	(262.24)	(1.91)
Total	1,385.44	1,268.09	(117.34)	1,521.31	1,265.25	(256.05)	(253.21)	2.84

Excise Tax recorded an over-performance of SR 2.84 million against a forecast of SR 1.265 billion. Excise Tax on LMG recorded a positive performance of SR 392.82 million, resulting in a positive variance of SR 4.75 million. On the other hand, Excise Tax on imports recorded an under performance of SR 1.91 million with a forecast that stood at SR 877.18, but an actual collection of SR 875.27 million. Excise Tax on petroleum contributed to 43% towards the total collection.

Table 17: Collection of Excise Tax by Product for the Years 2016 - 2020 (SR Millions)

Sector	2016	2017	2018	2019	2020
LMG Alcohol	141.09	159.50	173.92	188.49	174.00
LMG Tobacco	150.28	149.52	160.37	159.21	195.98
LMG Sugar Tax	-	-	-	3.61	22.84
Sub Total Excise LMG	291.37	309.02	334.29	351.30	392.82
Imported Alcohol	215.32	203.20	208.38	230.52	198.21
Petroleum	530.87	654.76	609.23	628.40	551.60
Motor Vehicles	99.44	135.47	122.73	148.37	97.61
Imported Tobacco	6.89	5.20	5.88	5.00	6.47
Imported Beverages (Sugar Tax)	-	-	-	21.84	21.39
Sub Total Excise Import	852.52	998.63	946.22	1,034.13	875.27
Total	1,143.89	1,307.65	1,280.51	1,385.44	1,268.09

Chart 14: Breakdown of Excise Tax by Industry for the Year 2020



5.10 Customs Duties

Table 18: Breakdown of Customs Duties by Product for the Year 2020 (SR Millions)

Main Tax Line	Total Collection 2019	Total Collection 2020	Variance	Published Budget	2020 EOY Revised Budget	Variance	Collection difference with published budget	Collection difference with EOY budget
Alcohol	109.99	79.36	(30.63)	123.54	80.21	(43.33)	(44.19)	(0.86)
Textiles	7.18	7.07	(0.11)	6.01	6.10	0.08	1.06	0.98
Motor Vehicles	-	-	-	-	-	-	-	-
Tobacco	2.32	3.1	0.79	2.30	3.04	0.75	0.81	0.06
Foodstuff	12.64	13.66	1.03	12.21	10.88	(1.34)	1.45	2.79
Others	163.57	136.70	(26.87)	203.92	155.58	(48.34)	(67.22)	(18.88)
Total	295.69	239.89	(55.80)	347.98	255.81	(92.17)	(108.09)	(15.91)

A sum of SR 239 million was recorded under Custom Duties for the year 2020, indicating a decrease of SR 55.80 million compared to the total collection for 2019. The published budget was reduced by SR 92.17 million to a sum of SR 255.81 million, but despite the significant decrease the tax line still underperformed by SR 15.91 million.

Table 19: Collection of Customs Duties by Product for the Years 2016 - 2020 (SR Millions)

Sector	2016	2017	2018	2019	2020
Alcohol	145.97	127.55	128.27	109.99	79.36
Textiles	22.28	19.99	14.55	7.18	7.07
Motor Vehicles	40.42	0.39	0.83	-	-
Tobacco	2.09	1.80	2.14	2.32	3.11
Foodstuff	18.36	11.03	10.96	12.64	13.66
Others	135.90	132.40	161.96	185.48	136.70
Total	365.02	293.16	318.72	317.60	239.89

5.11 Immovable Property Tax

Table 20: Collection of Immovable Property Tax for the Year 2020 (SR Millions)

Tax Type	Total Collection 2019	Total Collection 2020	Variance	Published Budget	2020 EOY Revised Budget	Variance	Collection difference with published budget	Collection difference with EOY budget
Immovable Property Tax	-	0.79	0.79	40.00	0.80	(39.20)	(39.21)	(0.01)

The collection of Immovable Property Tax began in October 2020 and by December, SRC recorded a total of SR 0.79 million under the tax line. Initially, the projected collection in the published budget stood at SR 40 million for a full year, but this was later adjusted by SR 39.20 million. The end of year budget projected a sum of SR 0.80 million to be collected during the period October to December, resulting in an under performance of SR 0.01 million.

5.12 Goods and Services Tax (GST) Arrears

Table 21: Collection of GST Arrears for the Year 2020 (SR Millions)

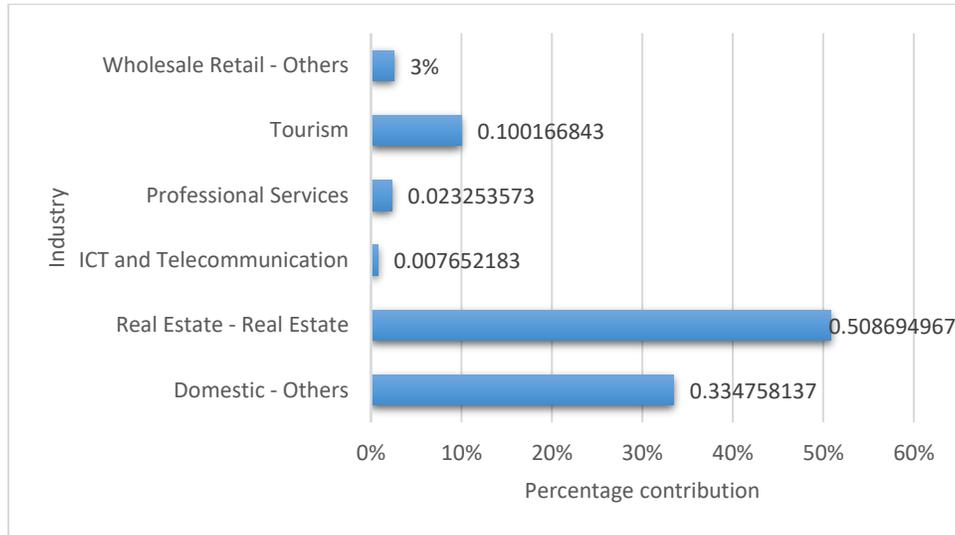
Tax Type	Total Collection 2019	Total Collection 2020	Variance	Published Budget	2020 EOY Revised Budget	Variance	Collection difference with published budget	Collection difference with EOY budget
GST Arrears	2.92	1.74	(1.18)	-	1.70	1.70	1.74	0.04

It was projected for the SRC to collect SR 1.70 million as GST Arrears for the year 2020. As at December 2020, the actual collection was SR 1.74 million, indicating a SR 0.04 million variance. The Real Estate industry contributed to 50.87% under GST arrears.

Table 22: GST Arrears Collection for the Years 2016 - 2020 (SR Millions)

Tax Type	2016	2017	2018	2019	2020
GST Arrears	0.92	16.95	2.64	2.92	1.74

Chart 15: Breakdown of GST Arrears by Industry for the Year 2020



5.13 Other Non-Tax Revenue

During the fiscal year 2020, SRC collected SR 337.78 million as non-tax revenue, of which SR 195.01 million relates to license fees, SR 133.81 relates to fees and fines and SR 10.46 million allocated to Social Security arrears.

Table 23: Collection of other Non-Tax Revenue for the Years 2016 - 2020 (SR Millions)

Sector	2016	2017	2018	2019	2020
SLA	192.01	200.84	194.01	202.89	195.01
Other Fees & Fines	74.52	114.57	167.05	141.78	133.81
SSF Arrears	0.36	0.01	207.61	2.80	10.46
Unidentified Items	2.59	2.65	6.10	6.26	(1.37)
Court Deposit	(0.14)	(0.14)	-	(0.14)	(0.14)
Total	269.34	317.93	574.77	353.58	337.78

5.14 Refunds

Table 23: Refunds Issued during the Fiscal Years 2018 - 2020 (SR Million)

Tax Type	2018	2019	2020
Income Tax	3.36	3.54	3.41
Customs Duties	1.19	2.65	1.05
Excise Tax	84.37	141.08	127.71
Business Tax	98.21	143.52	96.56
CSRT	0.50	0.09	0.07
TMT	-	-	0.20
VAT	92.97	85.24	116.92
Presumptive Tax	4.00	5.08	6.23
Total	284.60	381.20	352.15

SR 325.15 million were issued for the year 2020 indicating a decrease of SCR 29.05 as compared to 2019. Refund under excise tax were recorded at SCR 127.71 million.



SRC staff attending workshop on Labour Laws and Industrial Relations

ENGAGING WITH OUR STAKEHOLDERS

"I wish the SRC team continued success in whatever they do to transform the SRC for the better. I believe SRC has a great team, capable of achieving a lot for the betterment of Seychelles".



Mr James Elisabeth
Board Member
Since 1st June 2019



6. ENGAGING WITH OUR STAKEHOLDERS

6.1 Tax Education

The primary existence of taxpayer education is to encourage voluntary compliance amongst taxpayers. Therefore, ensuring that taxpayers are aware of Tax and Customs laws and their obligations remain one of SRC's highest strategic priorities.

6.1.1 Tax Agents and Accountants Forum

The SRC had the pleasure of meeting with a group of Tax Agents and Accountants, along with representatives from the Ministry of Finance Trade Investment and Economic Planning and with representatives from the Financial Services Authority, for a half-day Taxation forum. The event saw the participation of 28 registered Tax Agents and Accountants. Present were also some of SRC's key staff members who are recurrently dealing with cases or enquiries related to the invitees.

The aim of holding such an event, was to offer SRC and Tax agents & Accountants alike, with a communication platform whereby both parties could meet and address their areas of concern specific to the Tax Division and to their respective tax obligations. Throughout the forum several presentations were delivered and followed by Q&A's; providing the attendees with an insight of the vast challenges faced daily by SRC as well as the changes and propositions being made to address these.



Mrs. Fanchette delivering her presentation at the Tax Agents and Accountants Forum

6.1.2 SRC takes part in the Global Money Week Campaign

The SRC had the pleasure of collaborating with UN Youth Seychelles (UNYS) for its third edition of the Global Money Week (GMW) campaign held in Seychelles during the month of November 2020. With the Global Money Week (GMW) itself being an annual international awareness campaign organized by the OECD International Network on Financial Education (OECD/INFE), this event is held tradition-ally during the month of March. The awareness campaign aims at instilling money management, sustainable livelihoods and entrepreneurship knowledge amongst children and the youth across the world.

For the 2020 edition of the GMW in Seychelles, participants aged between 14 to 18 years; originating from different Private & Public Secondary as well as from Post-Secondary Schools, had the opportunity to meet with representatives from various partnering institutions including the SRC. Having been allocated with the 'Accounting track', SRC was pleased to be able to meet with a group of 10 students and coordinator for a presentation at its headquarters. The participants were acquainted with the basic roles and functions of the SRC, the importance of paying taxes, the role of Customs Division for the country and the use of accounting within SRC. This was then followed by a short interactive and fruitful tour of the SRC offices based at Maison Collet Building, Victoria.



Photo 1: Global Money Week participants in class (Maison Collet, SRC)



Photo 2: Global Money Week participants meeting with the Commissioner General

According to a member coordinator of the GMW 2020 event in Seychelles, since its inception in 2012, GMW has impacted on 40.2 million children and youth through collaboration with 63,000 organizations in 175 countries and overseas territories. With UNYS being a youth-led non-profit organization (NGO) that focuses on the promotion of Sustainable Development Goals (SDGs), the NGO aims to inspire pre-emptive actions towards achieving the same goals in Seychelles together

with local partners through such programs that encourages the youth to engage with financial working institutions.

6.1.3 Sensitization Fair on Praslin

As part of its 10th inaugural anniversary, the SRC had the pleasure of holding a ‘Sensitization Fair’ on the island of Praslin for the benefit of its habitants. The fair which took place at the Grand Anse Praslin - Pension Fund Complex, saw the participation of not only staff from Seychelles Revenue Commission but also from other partner organizations such as from the Seychelles Licensing Authority (SLA) and from the Seychelles Pension Fund (SPF).



Sensitization Fair on Praslin

Visitors of the fair received information on the functions of the different sections of the organizations present, learn about the various taxes applicable in Seychelles and even receive clarification on provisions in the laws. On the day itself, businesses also had the opportunity to register, make payments and lodge their business tax returns at a special counter that was made available in the fair.



Students learning about the functions of the SRC

6.1.4 Business Tax Reform – Consultative Meetings

In line with the series of recommendations for the Tax policy review which was brought forward by the Organization for Economic Co-operation and Development (OECD) in March 2020, the Seychelles current Business Tax Regime is expected for a review should the set of propositions brought forward by the Seychelles Government be accepted. The Ministry of Finance, Economic Planning and Trade, chaired the first series of regional Business Tax consultative meetings held with members of the general public especially those coming from business communities. The meetings which were held in December 2020 saw the participation of numerous individuals. Amongst those present to give active support to the Ministry were key representatives from the Seychelles Revenue Commission, the Department of Industry and Entrepreneurship Development, amongst others.



Minister Hassan and representatives from different branches of Government

The series of consultative meetings, shed light onto the proposed changes which includes having to introduce a unified Business Tax rate schedule across sectors that taxes profits below SCR 1 million at 15% and profits above that level at 25%. Based on the Governments propositions, those considered as “High-end” sectors would however remain taxed under the existing regime until 2025 and this would allow the private sector a source of relief in the covid-19 era in view of a lower rate of taxes for business; especially for those who will still be in operation by its implementation date. As per the propositions, such changes in the Business Tax regime, these will allow businesses more income to use as their working capital and use for their survival or re-investment purposes.

With the first phase of the general consultative meetings held on Mahe, Praslin and La Digue, the Ministry and its supporting partners are planning to hold more focused meetings with businesses as per their operating sectors. Overall, several businesses expressed their interest towards the proposals presented in December, whereas others provided the Ministry with their suggestions on how to better implement such a review in Business Tax Regime.

6.2 Improving Service Delivery

6.2.1 SRC Launches its Online Public Auction Sale

With more than a decade of experience in holding ‘physical’ public auction sale, the Seychelles Revenue Commission launched its first ever online platform for its Public Auction Sales in December 2020.

Most items placed in auctions are those that have been confiscated by customs or items that importers refuse to pay the applicable taxes on when imported. Such items vary from electronics, alcohol, cigarettes, household items, clothes, mattress, and motor equipment amongst others. Once confiscated by Customs, the items serve and complete a prescribed amount of time in the government warehouse, where they are later either disposed through different channels. To note that all revenue collected from auction sales are considered as tax revenue and must be deposited in the Government’s consolidated funds at the Central Bank.

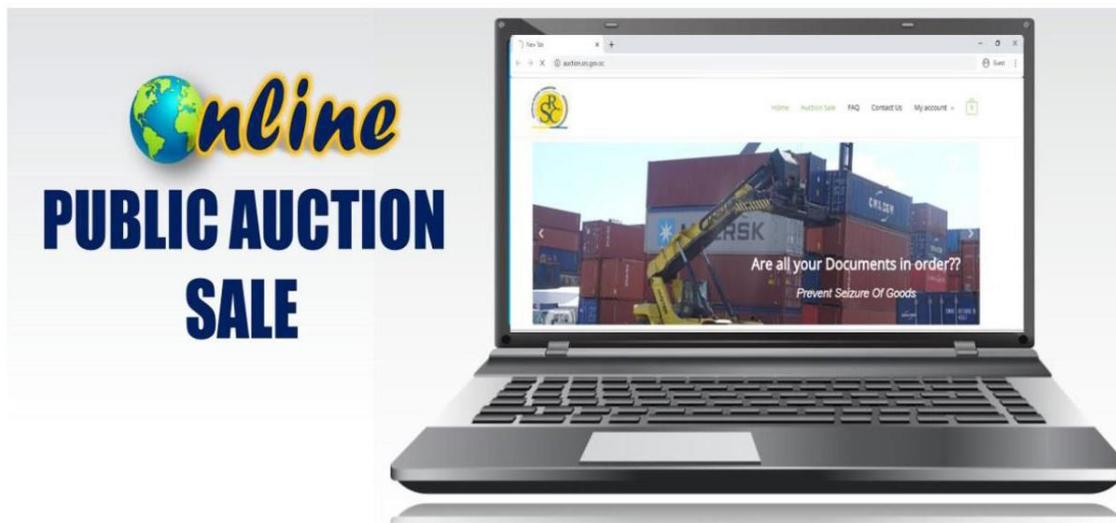
With existing global precautionary health measures put in place as a result of the COVID 19 pandemic, the SRC saw the need to come up with a more innovative platform to maintain business continuity where auction sales are concerned, and at the same time discourage large gathering or crowds of people coming to SRC.

By having launched the online platform, it is foreseen to bring numerous benefits to potential bidders. This includes benefiting from:

- Lengthier time for viewing and for placing of bids;
- Having no commuting needed to come place bids with SRC with exception being for payment and collection of bids (to be done in accordance with appointments issued);
- Provides easy and safe bidding from the comfort of one's home, office space or whilst on the go; and
- No need to be part of mass gatherings.

The platform allows members of the general public to register, view and place bids on items on sale, provided that they:

- (i) have internet access,
- (ii) meet all the online registration requirements as well as the terms and conditions as per the list on the SRC website and
- (iii) have also successfully registered themselves as a bidder onto the new -SRC Public Auction Sale website at www.auction.src.gov.sc.



Currently, SRC has about 114 registered subscribers on the platform, and two online public auction sales have been conducted. The first SRC online public auction sale was held as from the 7th – 11th December and the second was held as from the 27th - 29th December 2020, where overall both were described as being successfully implemented.

6.2.2 Opening of New Post Office Branch

The Seychelles Postal Services (SPS) in close collaboration with the SRC, has recently opened up a new Post Office Branch on the Ground Floor of Victoria House building in Victoria mainly for the clearing and delivery of parcels and small packets.

The new branch is supplementary to the existing SPS Central Office located at Liberty House and provides ample space for the increasing flow of online orders. Discussion between SRC, SPS and the Ministry responsible for Finance for the new Victoria House Branch started late in 2019, when the SPS Central office got swamped with parcels from overseas. With the ever growing influx of small packets and parcels over the past few years, this trend has overwhelmed the existing Central Post Office facility. As a consequence, aside directly causing health and safety issues for the staff with large quantities of mailbags stacked in corridors this was also increasing the risk of post items containing illegal and or controlled items leaking through.

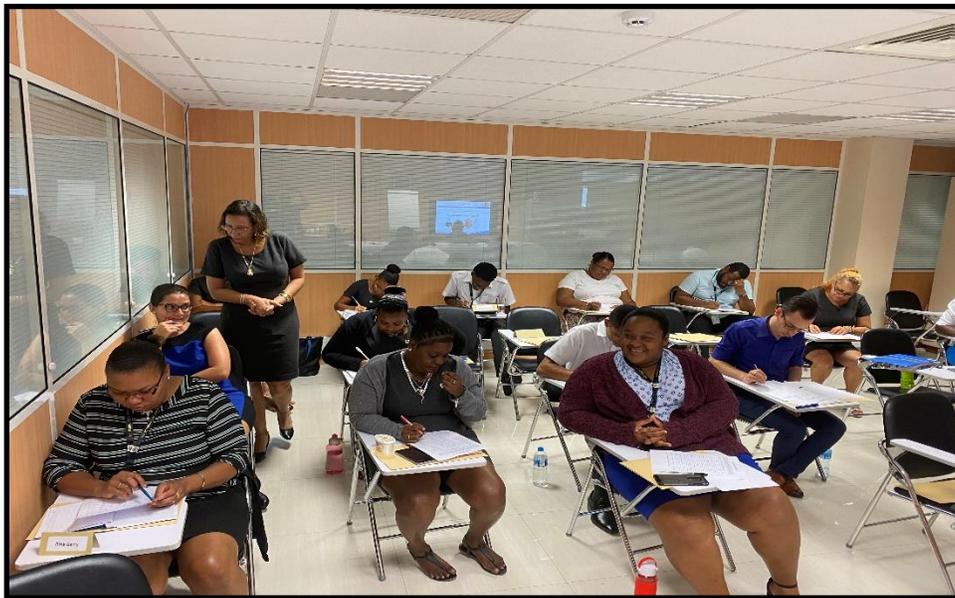


The new Post Office branch at Victoria House

With this new space being operational, members of the public should expect a much faster service as part of trade facilitation. However, this does not mean that the role of Customs and other border agencies based in the new facility in the detection of illegal substances, and detection and sanction of all forms of tax evasion and smuggling will diminish. All items going through the new facility will undergo screening and verification as per normal processes.

6.2.3 Customer Service Training

Customer Service is a theme that generates through everything that we do at SRC. From answering phone calls, attending to client queries, to communicating effectively, timely and in a professional manner to colleagues and even to partners. Similar to many other organizations, SRC is also an organization that offers a range of services to the public as well as to its internal clients. It is for this reason that it is of the essence that each individual delivers a service that is not just based on quantity but also based on quality. As a first step to boost the knowledge of its staff on Customer Service, SRC provides this course at all entry level trainings.



Staff attending the Customer Service training delivered by the TESD team

The Customer Service session delivered by SRC is itself tailored to suit the needs and wants of the organization and is delivered internally by SRC's Taxpayer Education and Service Delivery Unit. The aim is to encourage staff to deliver smooth and efficient services to all its clients; both the internal and external ones, whilst promoting the SRC Values of Integrity, Impartiality, Professionalism, Transparency and Accountability,



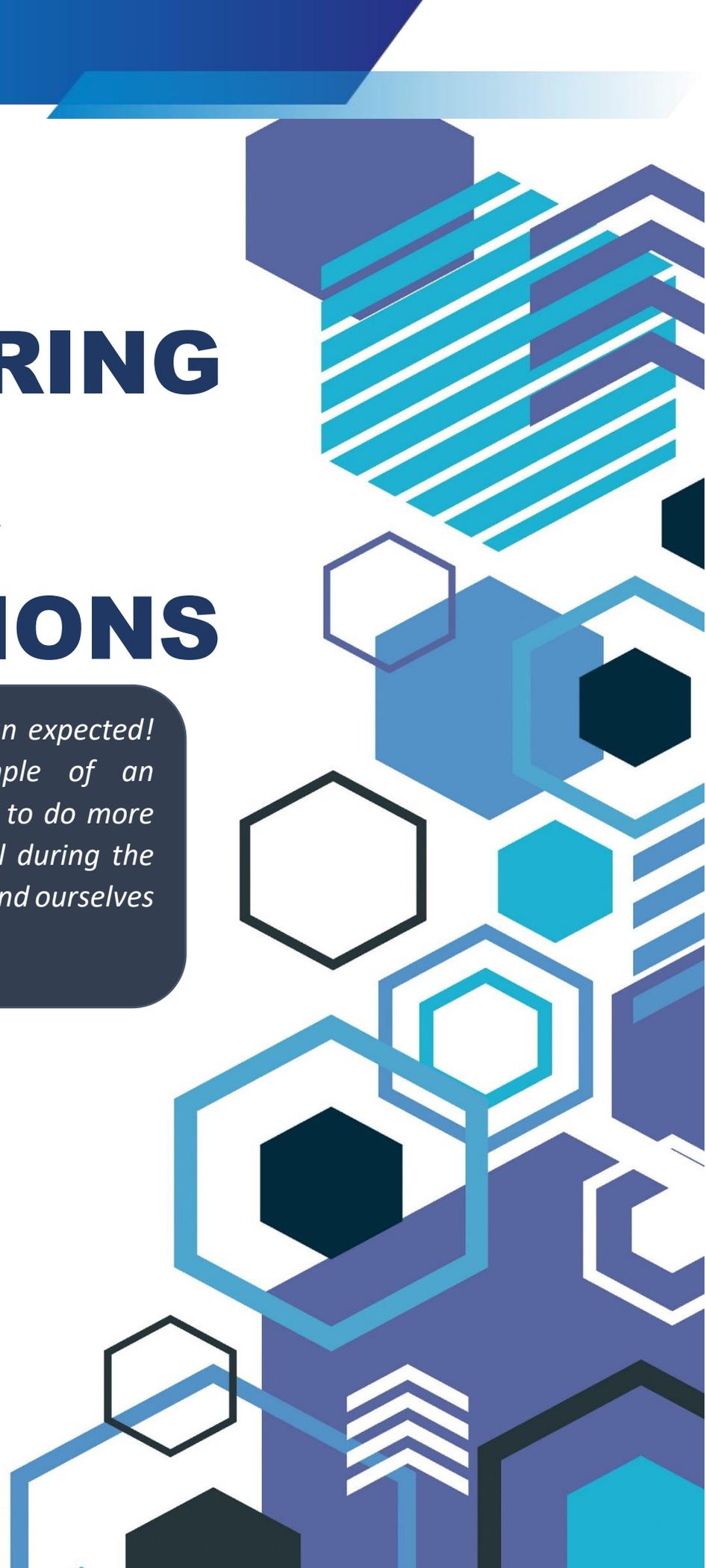
Minister Hassan visiting SRC Offices

MONITORING TAX OPERATIONS

“Always deliver more than expected! SRC remains an example of an institution that continues to do more with less, which is crucial during the economic challenges we find ourselves in”.



Ms Zenabe Daman
Board Member
Since 1st June 2019



7. MONITORING TAX OPERATIONS

7.1 Registration Compliance

7.1.1 Registered Taxpayers

Table 24: Taxpayer Registration for the Period 2019 – 2020

Year	Opening Balance	New Registration	Closed Files	Temporarily Closed	Closing Balance
2019	16,018	1,711	774	0	16,955
2020	16,955	1,789	368	0	18,376

SRC observed an increase of **1421** in the total number of taxpayers registered compared to 2019, this amounted to **18,376** active taxpayers in the registry database as of 31st December 2020.

7.1.2 Business Registration

Revenue Administration ACT 2009 dictates that all businesses operating in Seychelles should be registered with the Seychelles Revenue Commission. This is important to maintain a robust and up to date database of taxpayers, to facilitate processes, monitoring purposes and enhancing service delivery for the taxpayers themselves. Registration is handled by the registry unit. The process needs to be completed within 1 day upon receipt of the application form.

Table 25: Comparative Figures for New Business Registration by Entity Type 2020

Entity Type	2019	2020	Variance (%)
Sole Trader	931	1,087	17
Partnership	343	286	-17
Investment	0	1	-
Government	2	1	-50
Company	244	172	-30
Association / Non-Taxpayers	30	19	-29
IBC	161	223	39
Total	1,711	1,789	4

7.1.3 VAT Registration

Currently, the mandatory VAT registration threshold is SR 2 million, based on business annual taxable supplies. Any person with annual taxable supplies of less than SCR2m can register on a voluntary basis. The fiscal year of 2020 showed an increase in the number of compulsory registrations for VAT, and a decrease in the number of Voluntary registrations for VAT as compared to 2019.

Table 26: Comparative Figures for New VAT Registration by Entity Type 2020

Entity Type	2019			2020			Growth (%)
	Voluntary Registration	Compulsory Registration	Total	Voluntary Registration	Compulsory Registration	Total	
Sole Trader	25	52	77	17	11	28	-63.64
Partnership	14	28	42	6	6	12	-71.43
Company	45	74	119	24	43	67	-44
Others	4	1	5	0	0	0	0
Total	88	15	243	47	60	107	-56

There has been a decrease of **56%** in the total number of new VAT registration in 2020 compared to the fiscal year of 2019.

7.1.4 Cessation of Business

Table 27: Comparative Figures for Cessation of Business by Entity Type 2020

Entity Type	2019	2020
Sole Trader	585	269
Partnership	100	47
Investment	4	1
Government	0	0
Company	84	44
Association/ Non Taxpayers	1	3
Trust	0	0
IBC	0	4
Total	774	368

A total of **368** registered businesses with SRC closed their business files during the financial year of 2020.

7.2 Filing Compliance

7.2.1 Business and Presumptive Tax Returns

Table 28: On Time Filing of Tax returns (Business Tax and Presumptive Tax)

Details	Applicable Year 2018	Applicable Year 2019
Number of returns expected	14,911	14,031
Number of returns filed on time	10,224	6,748
On-time filing rate	69%	48%

7.2.2 VAT Returns

Table 29: On Time Filing of VAT Returns

The table below indicates that whilst there is still room for improvement, **66.3%** of VAT returns were processed within 30 days, as required by SRC's service standards.

Details	2019	2020
Number of returns expected	16,765	17,761
Returns filed on time	12,507	11,781
On time filing rate	75%	66.33%
Outstanding VAT returns	2,861	3,509
Late lodgment	1,397	2,471

The remaining **25%** was accounted for by a total of **2,471** late lodgments of VAT returns, and **3,509** that were still outstanding.

7.3 Refunds

7.3.1 Refund Notifications for Business / Presumptive Tax

Table 30: Refund Notifications Issued

Details	2019	2020
Number of self-assessed Business / Presumptive Tax notifications issued	10,145	10,871
Number of refunds processed	802	171
Amount refunded	SR 117,210,426.87	SR 46,971,009.42

7.3.2 VAT Refund

Table 31: Total Refund Claims for the Period 2019 - 2020

Details	2019	2020
Number of refund claims received	531	681
Value of refund claims	SR 401,594,040.70	SR 646,962,898.17
Number of refunds processed	204	188
Amount refunded	SR 106,420,606.92	SR 261,273,771.13

According to the SRC's service standards, VAT refunds are required to be processed within 30 days.

Table 32: VAT Refund and Service Standards

Month	% of VAT Refunds Processed within Time Frame	% of VAT Refunds Processed after Time Frame
January	86 %	14 %
February	0 %	100 %
March	91 %	9 %
April	36 %	64 %
May	100 %	0 %
June	84 %	16 %
July	85 %	15 %
August	100 %	0 %
September	67 %	33 %
October	87 %	13 %
November	100 %	0 %
December	0%	100%

VAT refunds in 2020 were generally meeting service standards whereby most refunds were processed within the time frame of 30 days. The months April and July, however, had a relatively lower rate. This happens when taxpayers fail to provide their details to substantiate their claims on time. Others take longer as some cases are forwarded to the Audit Section before any refund is processed. Furthermore, VAT credit that is claimed for an amount below SCR10, 000, is not processed as the amount has to be carried forward for two consecutive months in line with Section 2(a) of the VAT (Refunds) Regulations, 2013 [S.I. 34 of 2013].

7.3.3 Other Refund Claims

Table 33: Total Refund Claims for the Period 2019 – 2020

Details	2019	2020
Number of refund claims received	5,824	4170
Number of refunds processed	5,784	4112
Amount refunded	SR 141,104,622.48	SR 107,824,167.86

7.3.3.1 Refund of Excise Tax on Fuel

Table 34: Excise Tax Fuel Refund for Tourism

Details	Amount
Number of refund claims processed	116
Total Amount Refunded	SR 73,299,221.11
Number of Pending Claims with Revenue Section	4
Total Amount due for Refund	SR 520,595.25

Table 35: Excise Tax Fuel Refund for Boat Owners

Details	Amount
Number of refund claims processed	3517
Total Amount Refunded	SR 21,260,331.17
Number of Pending Claims with Revenue Section	214
Total Amount due for Refund	SR 1,427,858.99

7.3.3.2 Other Refunds

Table 36: Refund of Customs Duties, Excise Tax, Levy and VAT on Imports & Embassies

Details	Amount
Number of refund claims processed	229
Total Amount Refunded as per Revenue Log Book	SR 4,637,766.02

7.3.3.3 Overpayment of Income Tax

Table 37: Overpayment of Income Tax for the Year 2020

Details	Amount
Number of refund claims processed	42
Total Amount Refunded	SR 2,914,524.69
Number of Pending Claims with Revenue Section	5
Total Amount due for Refund	SR 1,136,555.47

7.3.3.4 Refund of Income Tax in Accordance with DTAA's

The changes in the Income and Non-Monetary Benefits Tax necessitated procedural changes in the application of tax rates in accordance with the non-discriminatory rule in Double Taxation Avoidance Agreements (DTAAs). The refund of Income Tax is in line with DTAA's that stipulate that expatriate employees should not be taxed differently compared to a citizen of Seychelles. This exercise started in May 2019 and was effective from June 2018. Some businesses had overpaid the Income Tax due, therefore leading to businesses requesting for a refund.

Table 38: Refund claims under DTAA's for the Year 2019

Details	Amount
Number of refund claims processed	17
Total Amount Refunded	SR 1,988,126.14
Pending Claims due to Insufficient Documentation	2

Table 39: Overpayment of CSRT & TMT for the Year 2020

Details	Amount
Number of refund claims processed	5
Total Amount Refunded	SR 75,023.33

7.4 VAT Deferred Payment

Table 40: VAT Deferred Payment for the Year 2020

Details	Amount
Number of VAT Deferred Payment Applications Processed	208
Total Amount Approved	SR 4,769,333,627.90

7.5 Dealing with Non-Compliance to Tax Laws

7.5.1 Non-Filers

SRC issued a total of **7,439** reminder letters for submission of returns. Only **23%** of taxpayers filed their declarations after being issued with the letter. Taxpayers who do not respond to reminder letters are issued notices of assessment.

Table 41: Letters Issued to Non-Filers 2018 - 2019

Tax Type	2019		2020	
	Number of letters issued	Voluntary tax declaration following issue of letters to non-filers	Number of letters issued	Voluntary tax declaration following issue of letters to non-filers
VAT	1,893	982	583	389
Business/Presumptive Tax	6,853	1,392	6,856	1,305
Total	8,746	2,374	7,439	1,694

7.5.2 Field and Desk Audits

As a means to improve and achieve better compliance, during the year 2020, the Seychelles Revenue Commission continued to strengthen its intelligence and audit functions.

Table 42: Number of Field and Desk Audits Conducted

Type of Audit	2019	2020
Field Audit	18	29
Desk Audit	158	154
Total	176	183

SRC conducts audits as part of its operations to fight against noncompliance. The audit unit managed to complete a total of **183** audits in 2020, 7 less more than 2019. Audits are inclusive of both field and desk audits.

Table 43: Audit Outcome for the Period 2019 – 2020

Tax Type	2019		2020	
	No. of cases	Amount (SR)	No. of cases	Amount (SR)
Business Tax	54	124,309,785	55	55,269,762
CSRT	44	7,003,833	58	10,255,315
GST	4	50,801	0	0
Income Tax	23	7,698,069	23	9,529,014
SSC	0	0	0	0
TMT	21	2,083,358	28	4,773,214
VAT	25	28,930,878	16	54,357,887
Withholding Tax	5	806,953	3	5,484,245
Total	176	170,883,677	183	139,669,437

The audit outcome at the end of 2020 amounted to **SR 139,669,437**. There was a decrease of **18%** compared to the fiscal year 2019. The highest contributor was Business Tax, with a total of **55** cases, amounting to **SR 55,269,762**.

Table 44: Tax Yields from Assessments

Tax Type	2019 (SR)	2020 (SR)
Business Tax	84,537,699.40	20,535,984.31
CSRT	12,570,366.20	11,162,695.98
GST	575,288.31	835,970.04
Income Tax	13,825,755.41	8,721,429.90
SSC	-	-
TMT	4,765,167.87	5,057,416.11
VAT	75,231,192.71	80,588,854.86
Withholding Tax	405,850.02	1,740,666.10
Total	191,911,319.92	128,643,017.30

Table 45: Intelligence Activities for the Period 2019 – 2020

Intelligence Activities	2019	2020
Number of cases referred to audit	139	276
Number of cases referred to registration	32	2

The Intelligence Unit within SRC, is responsible for identifying, analyzing and assessing areas of risk for audit purposes. In 2019, the Intelligence Unit referred a total of **276** cases to Audit and **2** to the Registration Unit.

7.6 Objections and Appeals

The revenue Administration Act 2009 makes provision for taxpayers to object to an assessment. Table 46 shows the objections by tax types.

Table 46: Objections by Tax Type for the Period 2019 - 2020

Tax Type	Cases Lodged				Cases Determined			
	2019		2020		2019		20	
	No.	Amount (SR)	No.	Amount (SR)	No.	Amount (SR)	No.	Amount (SR)
Business Tax	21	151,831,485.55	18	35,155,870.84	8	2,686,065.00	16	94,442,792.5133
Presumptive Tax	0	0.00	0	0.00	0	0.00	0	0.00
TMT	2	364,909.32	2	212,537.53	0	0.00	5	447,670.93
CSRT	10	2,742,054.93	10	2,377,355.11	0	0.00	11	3,222,633.89
VAT	7	23,079,647.24	9	23,757,948.14	0	0.00	12	23,203,533.81
Customs Duty	0	0.00	0	0.00	0	0.00	0	0.00
Excise Tax	0	0.00	0	0.00	0	0.00	0	0.00
INMBT	4	5,118,439.00	3	1,079,002.35	0	0.00	4	519,845.92
GST	0	0.00	0	0.00	0	0.00	0	0.00
SSF	0	0.00	0	0.00	0	0.00	0	0.00
Withholding Tax	3	22,705,082.04	0	0.00	0	0.00	2	-19,658,752.07
Total	47	205,841,618.08	42	62,582,713.97	8	2,686,065.00	50	102,177,724.99

In 2020, a total of **50** objection cases were determined, amounting to SR **102,177,724.99**.

Table 47: Status of Appeal Cases for the Period 2019 – 2020

Tax Type	Cases Lodged				Cases Determined			
	2019		2020		2019		2020	
	No.	Amount (SR)	No.	Amount (SR)	No.	Amount (SR)	No.	Amount (SR)
Business Tax	3	14,635,772.42	2	11,181,538.36	4	35,279,569.15	2	10,754,369.62
Presumptive Tax	0	0.00	0	0.00	0	0.00	0	0.00
TMT	0	0.00	1	960,041.00	0	0.00	1	960,041.00
CSRT	1	4,572.57	0	0.00	1	4,572.57	0	0.00
VAT	5	4,048,622.84	1	861,906.00	5	14,603,691.18	1	861,906.00
Customs Duty	0	0.00	0	0.00	0	0.00	0	0.00
Excise Tax	0	0.00	0	0.00	0	0.00	0	0.00
INMBT	1	354,397.79	0	0.00	1	9,497.19	0	0.00
GST	0	0.00	0	0.00	1	253,181.81	0	0.00
SSF	1	603,019.02	0	0.00	1	0.00	0	0.00
Withholding Tax	1	98,385.37	0	0.00	1	98,385.37	0	0.00
Total	12	19,744,770.01	4	13,003,485.36	14	50,248,897.27	4	12,576,316.62

In the event that taxpayers disagree with the objection outcome, they may then make an appeal to the Revenue Tribunal. This must be done within 30 days of receiving notification from SRC that an objection has been disallowed.

Table 48: Status of Cases at the Court of Appeal for the Period 2019 – 2020

Details	2019		2020	
	Number	Amount (SR)	Number	Amount (SR)
Cases Received	1	4,367,546.42	0	-
Cases not Eligible	0	-	0	-
Cases Finalized	0	-	0	-
Cases for Processing	0	-	0	-

7.7 Debt Collection

Enforcement section has the responsibility to collect debt due to the government that has not been remitted to the SRC on the due date.

7.7.1 Collectible and Uncollectible Debts

Collectible debts may be defined as the debts unpaid, and which are not in dispute. At the end of the financial year 2019, the total collectible debts amounted to, which is SR more than in 2018. The table below shows the collectible and uncollectible debts for the years 2018 and 2019.

Table 49: Collectible and Uncollectible Debts for the Period 2019 – 2020

Details		Amount	
		2019 (SR)	2020 (SR)
Total Debt		945,158,602.43	999,836,877.35
Uncollectible Debt	Objection Cases	222,295,886.49	118,853,655.47
	Write Off Cases	30,409,023.50	30,409,023.50
	Cases at Revenue Tribunal	40,233,661.32	64,483,155.08
	Prosecution	234,491,610.58	260,294,218.24
	Total Uncollectible Debt	527,430,181.89	474,040,052.29
Collectible Debt	Cases for Enforcement action	417,728,420.54	525,796,825.05

Table 50: New Assessments Received from RPP and Audit

Tax Type	2019		2020	
	No. of cases	(SR)	No. of cases	(SR)
Business Tax	1,121	220,136,471.79	1,075	265,728,800.98
Presumptive Tax	1,773	8,885,211.46	2,379	14,861,136.77
GST Assessments	12	1,167,569.53	4	835,970.04
Withholding Tax	5	3,326,433.92	1	1,740,666.10
SSF Arrears	-	-	1	-
Income Tax	20	9,447,570.37	16	8,721,429.90
VAT Audit	15	89,146,682.06	9	8,089,281.65
VAT Default	4	30,183,885.16	24	80,588,854.86
CSRT	69	12,601,001.56	58	11,162,695.98
TMT	41	4,592,508.14	26	5,057,416.11
Total	3,060	379,487,333.99	3,593	396,786,252.39

7.7.2 Debt Pursuit

Debt pursuit is part of a new collection enforcement strategy for SRC which prevents accumulation of current debts. Enforcement Section is responsible for chasing all tax debts and also for taking tax defaulters to court. The aim of this strategy is to reduce total arrears, limit the accumulation of debt, increase revenue collection and improve the effectiveness of enforcement activities. The Enforcement unit strives to collect maximum taxes directly from the client rather than through third parties or the courts.

Table 51: Debt Pursuit for the Year 2020

Month	No. of Cases	Primary Tax (SR m)	Additional (SR m)	LLP (SR m)	LPP (SR m)	Waiver (SR m)	Retention (SR m)	Payments (SR m)	Balance (SR m)
Opening Balance	3,060	281.347	82.136	16.003	-	1.778	4.205	61.104	312.399
January	269	6.849	4.153	1.719	-	0.429	-	1.681	10.610
February	178	20.049	11.601	1.238	-	1.349	-	2.308	29.231
March	103	7.850	4.456	0.752	-	0.021	-	3.046	9.991
April	205	14.498	-	0.680	0.160	9.470	-	0.967	4.901
May	190	7.857	0.024	0.358	1.642	0.052	-	1.394	8.435
June	416	31.804	0.006	5.039	-	0.351	0.037	24.510	11.952
July /	349	29.362	3.934	1.992	5.635	1.217	0.054	2.333	37.320
August	361	42.008	1.376	2.348	1.977	-	-	27.321	20.390
September	830	49.243	9.348	6.002	2.965	-	-	17.257	50.301
October	332	23.131	0.016	1.705	2.076	1.108	-	9.177	16.644
November	184	50.528	553.784	1.497	0.114	-	-	1.893	50.800
December	176	35.198	2.174	0.917	2.020	4.742	-	1.348	34.221
Total	3593	318.384	37.646	24.253	16.593	18.743	0.091	93.240	284.801

SRC’S Enforcement Strategy is to recover debts as soon as they become due and this is done through a process called Debt Pursuit. The aim is to prevent current debts from becoming arrears.

In 2020, 3593 new cases were received, amounting to SR 318,384,442.08. Out of that, an amount of SR 93,331,896.99 was collected; SR 18,743,715.73 was waived, leaving a closing balance of SR 206,308,829.36.

34 cases amounting to SR 69,665,230.64, are also in dispute and therefore only a minimal amount has been collected from these cases. Once the clean-up exercise is completed in Enforcement, more staff will be allocated to debt pursuit and there will be an increase in collection.

7.7.3 Dealing with arrears

SRC refers to outstanding debts that have exceeded the one-year period and have not been paid as arrears.

Table 52: Arrears Collected for the Years 2018 - 2020

Year	Amount (SR)
2018	379,471,634.15
2019	182,829,754.76
2020	177,713,412.45

Table 53 further breaks down the collection of arrears by tax type for the years 2018 and 2019.

Table 53: Arrears Collected for the Period 2019 – 2020 by Tax Type

Tax Type	2019 (SR)	2020 (SR)
Business tax	149,904,212.43	138,718,743.38
Presumptive Tax	3,388,390.49	4,343,142.30
GST Assessment	2,710,941.22	2,501,324.96
Withholding tax	3,326,433.92	135,470.24
SSF arrears	1,960,316.17	7,758,443.01
Income Tax	4,531,818.01	8,132,828.75
VAT	10,466,643.30	2,537,687.75
CSRT	4,273,634.13	9,072,208.97
TMT	1,056,512.97	4,513,563.09
Total	182,829,754.76	177,713,412.45

The total arrears recorded as at 31st December 2020 amounted to **SR 177,713,412.45**, with the biggest contributor being the Business Tax (**SR 139 million**) followed by CSRT (**SR 9 million**) and Income Tax (**SR 8 million**).

7.7.4 Recovery Actions

The Enforcement Unit is responsible for collecting arrears from debtors by enforcing recovery actions. Table 54 highlights SRC's efforts for the years 2019 and 2020 in collecting outstanding debts.

Table 54: Recovery Actions for the Period 2018 – 2019

Recovery Actions	2019		2020	
Field Work	174	11 million	56	1.2 million
Notice to attend	164	-	80	-
Payments by installments	54	-	165	14.7 million
Section 24 notice	68	-	31	24.5 million
Bank search	312	-	71	-
Asset search	90	-	33	-
Immigration search	10	-	6	-
Prosecution	4	-	7	-
Total	876	11 million	449	40.4 million

7.7.5 Debt to Revenue Collection Ratio

Table 55: Undisputed Tax Debt to Revenue Collection Ratio

Details	2019 (SR)	2020 (SR)
Collectible debt at the end of Dec 2018	417,728,420.54	525,796,825.05
Total tax collection	7,201,084,349.65	6,351,830,000.00
Debt collection efficiency ratio	5.8%	8.27%

7.7.6 Age of Collectible Tax Debt

Table 56: Age of Collectible Debt as at 31st December 2020

Length of Time	Amount (SR)
Less than 3 months	101,666,068.44
3 – 6 months	107,995,452.41
6 – 12 months	75,140,462.20
More than 12 months	999,836,877.35

Table 56 exhibits the collectible debt broken by length of time. Revenue administration experience shows that the older a debt is, the more difficult it becomes to collect. At the end of the financial year of 2020, debts more than 12 months old amounted to **SR 715,034,894.30**, i.e. **72%** of the total collectible debt.

7.7.7 Government Debt

Table 57: Government Debt

Tax Type	Opening Balance (SR)	New Debt (SR)	Paid (SR)	Balance Outstanding (SR)
Income Tax	4,672,870.32	-	341,731.96	4,331,138.36
Withholding Tax	7,381,171.98	5,484,245.04	3,409,213.40	9,456,203.62
Total	12,054,042.30	5,484,245.04	3,750,945.36	13,787,341.98

7.8 Prosecution

Table 58: Status of Prosecutions for the Period 2019 - 2020

Description	2019		2020	
	No.	Amount (SR)	No.	Amount (SR)
No. of cases under prosecution	23	241,861,388.29	20	279,682,468.44
No. of cases where judgement has been given	2	1,524,536.78	2	221,635.76
No. of cases where compromise was reached	-	-	3	7,292,886.67
Total	25	243,385,925.07	25	287,196,990.87

Table 59: Taxpayers Fined by Court for the Period 2019 – 2020

Entity Type	2019		2020	
	No. of Judgement	Amount Fined (SR)	No. of Judgement	Amount Fined (SR)
Company	1	1,411,820.20	0	-
Partnership	0	-	0	-
Sole trader	1	112,716.58	2	409,569.03
Total	2	1,524,536.78	2	409,569.03

7.9 Domestic Tax Projects

Project 1: Scanning of records

The Scanning project is still on-going with only 2, 468 business tax files scanned and 6, 718 tax returns filed. RPP Officers processed and filed the notice of assessment together with the tax returns in a box file and send to Registry for filing in the individual businesses tax file. The main constraint for the scanning project is not having permanent staff but relying on 2 casual workers and 1 Unemployment Relief Scheme (URS) worker.

Project 2: Refund of Income Tax in accordance with DTAA

The refund of Income Tax is in accordance with Double Taxation Avoidance Agreement (DTAA) that stipulates that expatriate employees should not be worse off because of an applicable tax rate. This exercise started in May 2019 and was effective from June 2018. Two RPP officers are allocated with this task.

Project 3: VAT Inspection

The Unit carried out 30 VAT inspections in 2020 and the results are as follows:

Retailer Inspection	Outcome & Advice Provided
VAT component not indicated on receipts being issued	To do follow up and to monitor whether they have input VAT calculation on the receipts
Missing VAT Returns not submitted	VAT returns received
VAT Certificates not displayed	VAT Certificates should be well displayed
Not issuing receipts to clients	To fix machine so as to provide VAT receipts
Tax labelled on Invoice as GST and not VAT	To amend Invoice
No Point of Sale System (POS) in place	To invest in a Point of Sale System (POS)
VAT Certificate not displayed	To request VAT Certificates for other branches / business location
Calculator being used	To stop using calculator and invest in Cash Register and or Point of Sale System (POS) in place

POA Officers conducted limited advisory visits and Inspection during the year due to the COVID 19 epidemic and with the new normal system. The Unit undertook a Joint inspection together with the Enforcement Officers of the Fair Trading Commission focusing on all retailers including VAT registered businesses. Apart from verifying whether those businesses are abiding to the VAT Regulations, status of the goods; expiry date, display of price on goods are also verified.

In order to continue improve voluntary compliance, the Unit will continue with more VAT inspections during 2021 on Mahe, Praslin and La Digue targeting different VAT registered businesses focusing on compliance with the VAT Act and subsequent Regulations, such as:

- Display of VAT Certificate;
- VAT Sticker;
- Issuance of VAT Invoice/Receipts;
- Price of goods inclusive of VAT
- Point of Sale System in place; and
- Eliminate the use of calculators.

Project 4: Compliance Improvement Planning

Following the results of the TADAT Assessment in 2019, it was recommended for SRC to develop a Compliance Improvement Plan to better understand the areas of non-compliance and come up with a risk treatment design to address the cause rather than the symptoms of non-compliance.

Early 2020, SRC entered into an agreement with the IMF –Afritac South to establish a technical assistance program with the aim of addressing such shortcomings. The program itself started with a 2 weeks’ workshop and was being coordinated by the Compliance Program & Policy Unit.

The participants were introduced to the key features of a CRM program as the building block to the inception of the Compliance Improvement Plan. The first mission was delivered in mid-2020 and a report with recommended actions was submitted by the Technical Advisor in September 2020. Due to covid-19, the assistance was provided virtually. The action plan has been broken into 3 phases:

Phase	Due Date
1) CRM Planning	31/12/2020
2) Compliance Risk Treatment	31/07/2021
3) Finalization of the CIP document	30/09/2021

In December 2020, a second mission was conducted to evaluate the work done in relation to phase 1. The general finding was that SRC is on track to produce its first Compliance Improvement Plan for the year 2022-2024.

INTERNATIONAL TAX MATTERS

"Despite the challenges for the year 2020 our success is measured by the contributions of each member of staff. With a positive attitude, dedication and devotion from all of us we will continue to bring SRC to new heights. My deepest appreciation to the staff for their hard work in 2020."



8. INTERNATIONAL TAX MATTERS

The SRC as the Competent Authority is tasked with the responsibility of ensuring that Seychelles complies with its international tax and financial obligations including the:

- a) exchange of information on request (“EOIR”)
- b) automatic exchange of information AEOI (common reporting standards (CRS)) for financial institutions
- c) country by country reporting for multinationals under CbC Multilateral Competent Authority Agreement
- d) Foreign Account Tax Compliance Act (FATCA) introduced by the United States (US) in 2010 to reduce tax evasion by its citizens.

8.1 Base Erosion and Profit Shifting (BEPS)

Base Erosion and Profit Shifting (BEPS) is the use of legal arrangements by multinational enterprises to hide their profits for tax purposes or to artificially shift profits to low or no-tax jurisdictions.

The BEPS Project and Actions began when OECD and G20 countries agreed on the need for multilateral efforts to improve tax rules, with the aim of ensuring that MNEs report profits where economic activities are being carried out and value is created (taxing rights). This global cooperation on tax matters is expected to help eliminate double taxation and also avoid double **non**-taxation. It now has an inclusive monitoring framework with engagement from developing countries, and regional tax organizations including Seychelles.

The BEPS actions (*15 actions in total*) are aimed to ensure that countries around the world cooperate to protect their sovereignty on tax matters. Minimum standards have been agreed to level the playing field in four areas, as per below. These are areas where countries have committed on consistent implementation to tackle cases where no action by some countries would have created negative spillovers (including adverse impacts of competitiveness) on other countries:

- Countering harmful tax practices (Action 5),
 - Countering tax treaty abuse (Action 6),
 - Transfer pricing documentation and country-by-country (CbC) Reporting (Action 13),
- and

- Improving dispute resolution mechanisms (Action 14).

SRC have since 2020 also been keeping abreast of developments with regards to BEPS Action 1 – *“Address the tax challenges of the digital economy”* to ensure that Seychelles does not lose out on potential tax benefits from the digital economy sector.

8.2 International Tax Unit – its Role

Given the increasing reporting and monitoring requirements to meet these international standards, SRC found it necessary to set up an International Tax Unit in 2020 to handle all the related international tax matters. Recruitment for the Unit was completed in 2020 and the team at the end of 2020 comprised of one Manager and three Officers.

The Unit is mainly responsible for:

- Ensuring adherence to the BEPS minimum standards in collaboration with FSA and the Ministry responsible for Finance.
- The downloading and decryption of the XML files received under the CRS for AEOI.
- Requesting information from other competent authorities for tax audits being conducted by SRC (outgoing requests). This is in addition to the incoming exchange of information request from international competent authorities (EOIR) and can also result from information received under the CRS.
- Conducting joint inspections and liaising with FSA, the local CSPs and the IBC's respectively for the exchange of information upon request (EOIR).
- Liaising with FIU on beneficial ownerships of IBCs, if necessary, and the local banks in gathering information for the EOIR.
- Monitoring of CSL's, Mutual Funds and Securities Dealers to ensure lodgment and payment of the right amount of taxes.
- Liaising with all the local entities (financial institutions and multi-national corporations) liable for reporting under CBCR, CRS and FATCA respectively.
- Monitoring implementation of the international agreements Seychelles is party to including the Double Taxation Avoidance Agreements (DTAA's), CbC Multilateral Competent Authority Agreement, Tax Information Exchange Agreements (TIEAs) and the Multilateral Convention on Mutual Administrative Assistance in Tax Matters.
- Attending all the relevant forums to keep abreast on international policy changes relating to BEPS, AML and other international tax obligations.
- Keeping statistics and relevant data of all the reporting for peer reviews.

- Participating in conducting peer reviews on other jurisdiction.



Staff of the International Tax Unit

Throughout 2020 the Unit has been heavily involved in the discussions and negotiations together with the Ministry of Finance, FSA and other parties in the Offshore Sector to improve on the rating for Seychelles with the Global Forum on Transparency and Exchange of Information for Tax Purposes and the OECD.

The staff working in the unit have also gone through a program of capacity building throughout the course of 2020 to better understand their role, the requirements of the BEPS Actions and other international commitments.

8.3 Countering Harmful Tax Practices (BEPS Action 5)

The goal for BEPS Action 5 is to revamp the work on harmful tax practices with a priority on improving transparency.

Under the requirements of BEPS Action 5, SRC has put in place the following:

- The BEPS Action 5 on Harmful Tax Practices is being implemented through the amendment of Section 5 of the Business Tax Act 2009 effective 1st January 2019.
- The form for application of 'TIN and Business Registration' has been amended accordingly to reflect the changes in the law.
- The TIN has been created for the IBCs.
- The online registration platform has been designed to cater for the IBC registration processes.

- The Substance Activity Requirement guide has been developed with the Financial Services Authority to guide the non IP regimes on the substance required from them.

All members of the Inclusive Framework on BEPS (including SRC) committed to implementing the Action 5 minimum standard and has thereby committed to participating in annual peer reviews.

Currently there is an annual monitoring process for the monitoring of the substantial activities requirements in non-IP regimes. And also the monitoring of certain preferential regimes (IP regimes, potentially harmful but not actually harmful regimes).

All Inclusive framework members are required to complete a set of questionnaires for reviewing and monitoring of the non-IP regimes. For the year 2020, Seychelles commenced their review in April 2021. The ITU worked closely with the Financial Services Authority to monitor the non – IP regimes and ensures that they are following the substance requirements according to the guide.

8.4 Exchange of Information upon requests (EOIR)

In April 2020, the Global Forum on Transparency and Exchange of Information for Tax Purposes (“Global Forum”) published the Seychelles’ Second Round Peer Review Report (“Second Round Report”) assessing the Seychelles’ compliance with the international standard on transparency and exchange of information on request (“EOIR”). Following the review, the overall rating for Seychelles was a downgrade from “Largely Compliant” to “Partially Compliant” since the first round of EOIR Supplementary Peer Review assessment in 2015.

Table 60: Comparison of First and Second Round Ratings

Element		First Round Supplementary Report 2015	Second Round EOIR Report 2019
A.1	Availability of ownership and identity information	LC	PC
A.2	Availability of accounting information	LC	NC
A.3	Availability of banking information	C	LC
B.1	Access to information	C	PC
B.2	Rights and Safeguards	C	C
C.1	EOIR Mechanisms	C	LC
C.2	Network of EOIR Mechanisms	C	C
C.3	Confidentiality	C	C
C.4	Rights and safeguards	C	C
C.5	Quality and timeliness of responses	LC	PC
OVERALL RATING		LC	PC

Note: C = Compliant; LC = Largely Compliant; PC = Partially Compliant; NC = Non-Compliant

It needs to be said that the number of requests for exchange of information Seychelles received in 2015 were negligible and could be easily addressed, compared to 2017-2020 as shown in the table below:

Table 61: Number of requests for Exchange of Information

Year	Total Requests Received	Requests Relating to Accounting Information	Requests Relating to Beneficial Ownership	Requests Relating to Banking Information	Total Requests Dealt With	Balance Brought Forward
2013-2015	3	0	-	-	-	-
2015	20	15	11	13	13	7
2016	34	27	15	22	31	3
2017	80	67	65	67	72	8
2018	26	25	17	22	13	13
2019	97	85	83	87	24	73
2020	58	32	14	42	51	7

At the end of 2019 there was a balance of 73 requests to be dealt with and the Unit received a total of 58 cases in 2020. 124 requests were dealt with in 2020 including the brought forward balance of 2019 and at closing on 31st December, ITU had only 7 cases remaining.

The main difficulty in dealing with these past requests which resulted in the lower rating for the year 2019, were in obtaining the accounting and banking information, given that these were not being kept or held in Seychelles. These requests related to IBCs with no bank accounts and no actual presence in Seychelles and to IBCs which had been struck off the register at FSA or dissolved or due to requests for information held by the law firm Mossack Fonseca a Corporate Service Provider which stopped operation in 2018 (see the table below). The provision for maintenance of accounting records in the IBC legislation at the time did not force these 'offshore' entities to maintain these records in Seychelles especially after they had been struck off.

Table 62: Total EOI Requests for Struck Off Entities:

	2018	2019	2020
Mossack Fonseca Cases	6	28	16
Requests from Struck Off Entities		52	27
Requests from Dissolved Entities		1	6
Total Requests	26	97	58

SRC unfortunately also suffered from high staff turnover in its Legal Unit during 2018-2019, which was at the time dealing with International Tax matters and this resulted in a number of such requests not being handed over or followed up properly.

The International Tax Unit (ITU) nonetheless also monitors and track EOI requests and processing times to ensure Seychelles adheres to the International standards' requirements. In 2020, 89.7% of EOI requests were closed within 90 days, and 100% within 365 days. Where it is not possible to close a request within 90 days, the ITU provides status updates to EOI partners making the request.

Table 63: Total Number of EOI Cases Closed as a Measurement of the Number of Days Taken

Details	2018	2019	2020
Cases <90 days	-	17	52
Cases > 90 < 180 days	-	15	4
Cases >180<365 days	1	14	2
Cases > 365 days	-	51	0
Total Number of Cases	1	97	58

Table 64: Total Number of EOI Cases Closed as a Measurement of the Number of Days Taken

Details	2018	2019	2020
Cases <90 days		17.5%	89.7%
Cases > 90 < 180 days		15.5%	6.9%
Cases >180<365 days	1	14.4%	3.4%
Cases > 365 days		52.6%	0

In addition to dealing with incoming exchange of information requests, SRC also had some outgoing requests for information sent to Competent Authorities regarding its own tax audits. These were as per Table 65.

Table 65: Outgoing Requests for Exchange of Information

Year	Total Requests Sent (Outgoing)	Responses Received	Balance Remaining
2018	2	2	0
2019	-	-	-
2020	7	3	4

During the year 2020, ITU conducted an inspection in collaboration with FSA to verify the accounting records of 114 IBCs. The inspections revealed that approximately 68% of IBCs were able to make available some form of accounting information through their registered agent.

There were as at 31st December 2020, a total of 452 IBCs registered with SRC - **442** for TIN only and **10** for Business Tax and Income Tax.

8.5 Automatic Exchange of Information and the Common Reporting Standards (CRS)

The Common Reporting Standard (CRS), developed in response to the G20 request and approved by the OECD Council on 15 July 2014, calls on jurisdictions to obtain information from their financial institutions and **automatically exchange** that information with other jurisdictions on an annual basis.

The international legal framework was put in place in October 2014 with the signing of the CRS Multilateral Competent Authority Agreement (CRS MCAA), which operationalizes the automatic exchange of information under the CRS on the basis of the Multilateral Convention on Mutual Administrative Assistance in Tax Matters. Over 100 jurisdictions have signed the CRS MCAA.

The Republic of Seychelles, by virtue of the Multilateral Convention on Mutual Administration Assistance in Tax matters to which Seychelles is a Party, entered into the CRS Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information. Seychelles thus introduced the Revenue Administration (Common Reporting Standard) Regulations, in 2015.

For the year 2020 the total number of XML files it received were 173 and the total number of files processed for uploading were 194, as seen below:

Table 66: CRS Uploads for the Year 2020

Details	Number
Opening Balance of CRS XML Files from 2018	16
Add: CRS XML Uploads for the Year 2019	215
Total CRS XML Files to be Processed	231
Total Processed	194
Balance as at 31st December 2020	37

A total of 173XML files were received for the year 2020, broken down as follows:

Table 66: CRS Downloads for the Year 2020

Year	Number
2016	11
2017	33
2018	48
2019	81
Total	173

The statistics can be further broken down to the number of receiving partners and sending partners considering the total files as per Tables 67 and 68 below:

Table 67: Number of Receiving Partners

Year	Number of Receiving Partners	Number of Files
2017	63	146
2018	60	113
2019	70	81

Table 67: Number of Sending Partners

Year	Number of Receiving Partners	Number of Files
2017	45	144
2018	61	165
2019	48	191

The Global Forum has put in place a peer review process for the purpose of monitoring the effectiveness of the automatic exchange of information in jurisdictions, and ITU is responsible for reviewing these reports and ensuring that Seychelles addresses the recommendations made in consultation with the Ministry responsible for Finance.

The review process was broken down into three Core Requirements: The Domestic Legal Framework, The International Legal Framework and the Confidentiality and Data Safeguard. The overall determination was in place but needs improvement. More specifically, the Seychelles' legislative framework needs improvement with respect to the enforcement provisions.

The legislative framework does not include sanctions for providing a false self-certification and does not provide for strong measures to ensure that valid self-certifications are always obtained for New Accounts. Additionally most of the feedbacks received from the Peers were in respect of the quality and analysis of the XML data, this is due to the lack of appropriate software required.

8.6 Country-by-Country (CbC) Reporting, Action 13

Seychelles is a party to the *Convention on Mutual Administration Assistance in Tax matters*, and it signed the multilateral agreement for competent authorities for exchange of COUNTRY-BY-COUNTRY REPORTS (CbC MCAA) on 9th July 2019. It thereafter published the Revenue Administration (Country-by-Country Reporting Multinational Enterprise Groups) Regulations, 2019.

Country by country reports is a requirement under BEPS Action 13 - Transfer pricing documentation and country-by-country (CbC) Reporting whereby any entities based in Seychelles forming part of a group of multinational entities, should notify SRC on a prescribed form of the relationship it has with the ultimate parent company overseas.

If the parent company itself (the MNE) is registered for business in Seychelles it should submit a financial report to SRC. For the tax year 2020, there were no parent companies operating in Seychelles but there were fourteen (14) subsidiaries which sent in notifications. In 2019, there were ten (10) subsidiaries.

8.7 Foreign Account Tax Compliance Act (FATCA)

The Foreign Account Tax Compliance Act (FATCA) was introduced by the United States (US) in 2010 with the purpose of reducing tax evasion by their citizens FATCA requires financial institutions outside the US to report information on financial accounts held by their US customers

to the US Internal Revenue Service (IRS). These requirements are contained in the relevant US Treasury Regulations (US Regulations). The information to be reported by foreign financial institutions is equivalent to that required to be reported by US persons in their US tax returns.

Seychelles signed the agreement with the US for implementation of FATCA and was meant to enact the necessary legislation for financial institutions holding accounts for US citizens to starting reporting in 2020 but due to the Covid-19 pandemic it requested for an extension of time.

Under the terms of the agreement, Seychelles Financial Institutions will provide the Seychelles Competent Authority (which is SRC) with the required information. The Seychelles Competent Authority will then forward this information to the US Competent Authority.

8.8 Countering Tax Treaty Abuse (Action 6) and Improving Dispute Resolution Mechanisms (Action 14)

The BEPS package is designed to be implemented via changes in domestic law and practices, and in tax treaties. A Multilateral Instrument (MLI) was finalized in 2016 to facilitate the implementation of the treaty related BEPS measures and the MLI entered into force on 1 July 2018 to pave the way for swift implementation of the treaty related measures. Seychelles had not yet ratified the MLI in 2020.

There is a need to relook at the DTAA's signed and this is a project earmarked for 2021-2022 once Seychelles ratifies the MLI.

8.9 Improving Seychelles' Overall Rating for the Global Forum Peer Review

In response to the Global Forum recommendations, the Seychelles engaged since early 2020 in an extensive reform program to ensure the framework for exchange of information is in place, focusing on:

- Legislative reform underpinning availability and access to information
- Strengthening supervision (reporting requirements) and monitoring
- Strengthening enforcement and penalties
- Streamlining exchange of information processes
- Implementing a tracking system, building a statistics data base
- Focusing on capacity building both in the administration and of taxpayers.

- Extending the exchange network to include all relevant countries

Specifically, the Seychelles has updated the relevant legislations to ensure that access and availability of information is improved, especially in relation to ownership information, and accounting records. A lot of legislative work has also been done in 2020 with regards to taxing rights and substance requirements for businesses to be taxed in Seychelles.

In view of the ever-changing international environment in relation to exchange of information in tax matters and especially, following the subsequent review of Seychelles by the Global Forum on Transparency and Exchange of Information for Tax Purposes (“Global Forum”), it is imperative that the International Tax Unit at SRC keep abreast of all the international developments and provide input to any legislative change in an effort to assist in improving the standing of Seychelles’ vis-à-vis any new international standards.



The Seychelles’ Delegates at the 34th Peer Review Group Meeting, Luxembourg (Feb 2020)

TRADE FACILITATION & BORDER PROTECTION



9. TRADE FACILITATION, BORDER PROTECTION & INLAND REVENUE

9.1 Trade Facilitation

9.1.1 Seychelles Becomes the 160th Contracting Party to the WCO HS Convention

As per the World Customs Organization (WCO), the Harmonized System (HS) is itself one of the most successful instruments developed by the World Customs Organization as it addresses the fundamental needs of governments. This comprises firstly of the ability to collectively categorize what is being traded on a daily basis. With the HS in place, it also facilitates both decisions on immediate actions to be taken for specific goods (e.g. duty collections, restrictions or controls) and the use of the collated information to underpin economic and trade related policies and planning. Globally, Governments and businesses alike use the HS identification and coding of merchandise to facilitate international trade and regulation. It is for this reason that the HS is therefore considered as a very important instrument not only for the WCO but also for all institutions; public or private, involved in world trade. Its benefits include:

- (i) Facilitation of the collection, comparison and analysis of statistics relating to international trade through the harmonization of goods description, classification and coding of goods in international trade;
- (ii) Standardization of trade documentation and the transmission of data.
- (iii) As a contracting party Seychelles is also able to:
 - Vote and veto any propositions and changes on classification that may impact on the country;
 - Propose amendments; and
 - Share views on classification, and discuss propositions tabled by other parties to the convention.

It is the Classification, Valuation & Origin Unit (CVO Unit) based at Customs House which is responsible on behalf of the Seychelles Revenue Commission to implement the HS Codes and provide clarification to the general public upon receipt of enquiries. With the HS convention now into full force, the same unit is also the focal point to:

- (i) Ensure that its Customs tariff and statistical nomenclatures for both imports and exports are in strict conformity with the Harmonized System;

- (ii) Make publicly available its import and export trade statistics in conformity with the six-digit codes of the Harmonized System, or on its own initiative, beyond that level and;
- (iii) To implement the new HS version every five-years.

The Seychelles Revenue Commission – Customs Division first started with implementation of the HS ‘2002 edition’ followed by migration to the ‘2007 edition’ in February 2013, then directly to the ‘2017 edition’ by April 2018.



The Classification, Valuation and Origin Unit conducting their presentation on HS Migration

As a contracting party it is highly expected that Seychelles will migrate to the next HS version of ‘2022 edition’ as of 1st January 2022. This will be a golden milestone that the Seychelles Revenue Commission together with its stakeholders and partner agencies is surely committed to tackle in time. Seychelles’ accession to the HS Convention indicates our commitment to continuously promote trade and development. Through the collective efforts by all the stakeholders, these provisions will assist us in further developing our national policies.

9.1.2 Customs Division Collaborates with Seychelles Postal Services

During the month of May, the Seychelles Postal Services (SPS) organized for an exceptional distribution activity of small packets to its client, on Mahe Island.

It is to note that late 2019, SPS received a huge consignment of parcels worth of about three months backlog which resulted in not only a delay in postal deliveries, but in also limited space available for circulation within the Victoria Postal Service Office.

The SPS team worked closely with the SRC to ensure that the local Postal and Customs Regulations & protocols were being properly observed and implemented at all distribution points. Throughout the activity, around 20 Customs Officers assisted SPS with the distribution of a total of 7,239 small packets in various districts.

9.1.3 Enhancing Local Capacity in Excise Tax Management

The objective of this project was to capacitate the Excise Unit of the Seychelles Revenue Commission through the review of the existing legal framework, the operational environment and the establishment of control schemes in line with international best practices governing Excise Management. The project kicked start with a review exercise of the existing documents governing Excise Operations within Seychelles, as well as the excise returns and the relevant supporting documents.



Manufacturers and Customs Officers attending a consultative meeting as well to discuss the draft amendments to the existing legislation

In addition to the desk research, the consultant held several meetings with members of staff in order to understand the existing situation through an excise gap analysis. From there, a work plan was developed for the project, whereby to this end, the consultant has managed to successfully review the Excise Tax Act 2009, develop a new Excise Tax regulations, assemble a consolidated Excise Tax (Suspension) Regulations, develop Commissioner's Rules governing the operations of excise manufacturers in:

- i. Commissioner's Rules on Beer Manufacturing
- ii. Commissioner's Rules on Tobacco Manufacturing
- iii. Commissioner's Rules on Spirit Production and Manufacture
- iv. Commissioner's Rules on Petroleum Products

Additionally, in order to ensure the effective control of excise operations, standard forms were developed and/ or revised to regulate various excise operational procedures. Several internal consultative meetings as well as national consultative workshops were organized to discuss the draft amendments to the existing legislation and any new legislations proposed. A training module on Excise Tax collection that can be used to train Customs Officers collecting Excise Tax was also developed.

9.1.4 SRC Participates in WCO Virtual AEO Workshop

The WCO organized a virtual Authorized Economic Operator (AEO) workshop for the SRC, which was made possible through the WCO-Finland ESA Project II with the financial support from the Ministry of Foreign affairs of Finland. The key objective of this workshop was to support SRC in building its capacity towards the implementation of an AEO Program in line with the provisions of the SAFE Framework of Standards and Article 7.7 of the WTO Trade Facilitation Agreement (FTA).

The SRC participants gained an understanding of the three pillars of the SAFE Framework of standards:

- (i) Criteria and requirements for an AEO scheme;
- (ii) AEO benefits; and
- (iii) The process of validation and authorization of economic operators adopting a whole supply chain approach.

In addition, detailed discussions were held with regards to the future steps for the development of an AEO Program for SRC including establishing a project team, consulting with stakeholders, establishing a legal basis, framing of criteria, requirements and validation process, conducting of pilot, and drawing up an implementation plan with key deliverables and timelines. Going forward, based on the further need of SRC, a follow up workshop will be planned to support officers together with stakeholders from the business community and partner government agencies.

9.1.5 Time Release Study

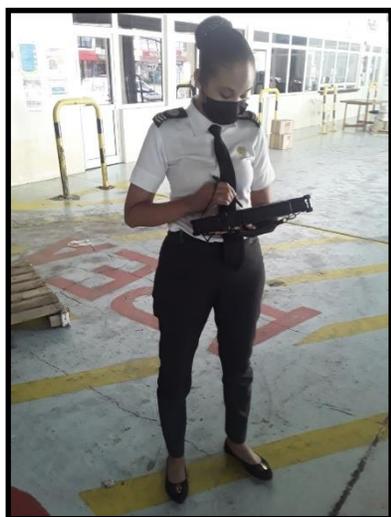
This study was undertaken by Mr. Paulinus Tirwomwe, a consultant from SADC. The overall objective of the time-release study is to measure the efficiency and effectiveness of each component of the Customs process and suggest improvements in the overall system as opposed to fixes in specific operations. It measures the time taken by Customs, other border regulatory agencies and private sector stakeholders in completing regulatory border crossing formalities.

Phase one (study preparation), two (collection of data) and three (Treatment of data, analysis and report of findings) of the study have been completed.



SADC Consultant presenting his findings from the Time Release Study

9.1.6 Custom Launches its 'Going Paperless' Initiative



The Customs Division, more specifically the Entry Processing Unit is receiving technical assistance from IMF AFRITAC South to improve automation of its procedures. Phase 1 of the project took place from the 20th July to the 20th August 2020. The SRC put together a working group to lead and implement the project. SRC has also acquired tablets to be used by its Customs Officers working on field.

A Customs Officer making use of the newly acquired tablet.

9.2 Customs Operations

9.2.1 Registration of Manifests

All vessels and aircrafts arriving from a destination outside of Seychelles must submit a Cargo Manifest to Customs, detailing all the goods being carried. The manifest may be used to ensure that passengers and cargo listed as having been placed on board the transport at the beginning of its passage continue to be on board when it arrives at its destination. Additionally, all cargo brought into the Seychelles must be covered by a summary declaration which is submitted electronically to Customs prior to its arrival in Seychelles. Cargo cannot be released without a cargo manifest having been registered with Customs except in circumstances prescribed in regulations.

Table 68: Registration of Manifest for the Years 2019 – 2020

Details	2018	2019	2020
Registered manifest as per arrival date	200	224	184
Bill of Lading recorded	11,162	10,592	10,349
Containers discharged	25,420	26,554	35,379

There was a decrease of **40 (18 percent)** manifests registered in the system in 2020 compared to 2019. The number of containers which were discharged in 2020 increased by **33** percent compared to 2019.

9.2.2 Processing of Bills of Entry

9.2.2.1 Processing of BOEs – Seaport Operations

Table 69: BOEs Registered at the Seaport for the Years 2019 – 2020

Details	Declaration Type	No. of BOEs Registered	
		2019	2020
EXPORTS	EX 1	1752	1907
	EX 2	26	5
	EX 3	74	77
	EXZ 1	2	4
Total Exports		1,854	1,993
IMPORTS	IM 4	20,625	18,285
	IM 5	100	48
	IM 6	4	11
	IM 7	2,015	1,346
	IM 8	2,249	2,338
	IMP 4	1,284	1,173
	SD 4	2,047	1,364
Total Imports		30,178	24,565

IM 4:	Entry for home use/Ex-warehouse	EX 1:	Permanent Exportation
IM 5:	Temporary Importation	EX 2:	Temporary Export
IM 6:	Re-Importation	EX 3:	Re-Export
IM 7:	Entry for warehousing	EXZ 1:	Export from SITZ
IM 8:	Transshipment & Ship store Procedures	SD4:	Simplified Declaration
IMP 4:	Imports under Exemption for: Movement of Persons, Returning Nationals, Cadaver		

Seaport operations recorded a decrease in the total number of bills lodged for the year 2020. The total registered in the system was **26,558** a decrease of **5,414** from 2019. Out of the total BOEs registered, **1,993** was recorded for exports and **24,565** for imports.

9.2.2.2 Processing of BOEs – Airport Operations

Table 70: BOEs Registered at Airport Cargo for the Years 2019-2020

Details	Declaration Type	No. of BOEs Registered	
		2019	2020
EXPORTS	EX 1	1,492	1,120
	EX 2	89	40
	EX 3	33	33
	EXZ 1	NIL	2
Total Exports		1,614	1,195
IMPORTS	IM 4	27,893	16,131
	IM 5	114	68
	IM 6	54	34
	IM 7	146	43
	IM 8	2,360	1,506
	IMP 4	1,819	1,074
	SD 4	2,491	3,316
Total Imports		34,877	22,172

Airport Cargo recorded a decrease in the total number of bills lodged for the year 2020. The total registered in the system was **23,367** a decrease of **13,124** from 2019. Out of the total BOEs registered, **1,195** was recorded for exports and **22,172** for imports.

Table 71: BOEs Registered at Seaport and Airport Cargo for the Years 2019 – 2020

Details	2019	2020
Seaport (IMPORT)	30,178	24,565
Seaport (EXPORT)	1,614	1,993
Total for Seaport	31,972	26,558
Airport (IMPORT)	34,877	22,172
Airport (EXPORT)	1,614	1,195
Total for Airport Cargo	36,491	23,367
Total for Both Seaport and Airport	68,463	49,925

9.2.3 Amendment and Query

Table 72: Number of Bills Referred to Query for the Year 2020

Month	Red	Yellow	Green	Blue	Outstanding	Total	Amount Collected (SR)
January	387	164	1	0	0	552	200,066.00
February	321	131	1	0	0	453	234,944.00
March	325	131	1	0	0	457	201,096.00
April	234	109	0	1	0	344	117,095.00
May	222	90	3	1	0	316	77,136.00
June	263	111	1	1	0	376	619,430.00
July	397	169	0	0	26	592	679,429.00
August	355	105	2	4	5	471	160,248.00
September	344	155	17	21	5	542	448,150.00
October	306	117	20	35	9	487	228,478.00
November	306	149	21	21	17	514	360,290.00
December	301	133	12	5	48	499	186,254.22
Total	3,761	1,564	79	89	110	5,603	3,512,616.22

9.2.3 Exported Goods

Goods are exported as accompanied or unaccompanied cargo/ baggage through the customs offices at the airport cargo/ passenger terminal. Some exports are required to be declared through a declaration or bill of export. This is necessary for a number of reasons, such as collection of Trade Statistics, enforcement of export restrictions and prohibitions, ensuring that export permit requirements are met and ensuring the proper monitoring of the export relief scheme.

Table 73: Export Details for the Years 2017 – 2020

Details	2017	2018	2019	2020
Cases registered for export	1,504	1,863	2104	1,980
Consignments verified	385	533	568	389
Main Exports				
Frozen fish	745	1,080	1,323	1,270
Sea Cucumber	37	29	47	40
Shark Fins	4	2	3	9
Personal Effects	30	27	30	27
Canned Tuna	316	284	251	296
Cigarettes	23	26	28	2
Crude Oil	32	47	42	48
Scrap Metal	73	99	72	74
Beverages	11	12	18	13
Vehicle	5	3	9	5
Boat / Yacht	18	7	24	14
Fish Meal	106	194	121	148

2020 recorded a decrease of **5.8% (124)** in cases registered for export compared to 2019. A majority of the cases recorded were from frozen fish with a total of **1,270**, followed by canned tuna (**296**), and fish meal (**148**). SRC verified **389** consignments in 2020.

9.2.4 Postal Operations

Postal Operations enforces the same controls on goods imported through the Post Office, the same as for goods imported by air or sea. The main objective in examining parcels is to collect the Customs duties that are applicable to both commercial and private parcels and small packets, and to intercept prohibited or restricted articles imported through the post.

Table 74: Postal Operations Activities for the Years 2017 – 2020

Details	2017	2018	2019	2020
Parcels/small packets cleared at Post Office	163,337	144,693	138,236	81,450
	SR	SR	SR	SR
Excise collected from Parcel Post Office	2,389	1,093	4,480.65	3,462.00
Customs Duties collected from Parcel Post Unit	172,206	105,614	23,759	5,264
VAT collected from Parcel Post office	676,259	682,142	618,101.62	247,184.00
Fines collected from Parcel Unit-Post Office	N/A	1,059	N/A	N/A
Documentation charges – Post Office	192,786	196,962	145,122	85,477.00
Revenue collected	1,043,640	986,870	791,463.27	341,387.00

Overall, there has been a decrease in revenue collected when compared to the previous year. The decrease in imports by post office could be the result of the decline in imports due to the increased cost of foreign currency.

9.2.5 Binding Tariff Information

Table 75: Number of BTI Applications Received for the Years 2019 – 2020

Month	No. of BTI Application received for 2019	No. of BTI Application received for 2020
January	9	17
February	16	21
March	17	15
April	18	5
May	24	14
June	14	8
July	20	12
August	21	13
September	24	21
October	35	18
November	12	9
December	16	3
Total	226	156

9.2.5.1 Preferential Imports / Exports

SRC recorded **1,015** importations under preferential Imports from EU, SADC and COMESA for the year 2020, where most cases were from COMESA Member countries, with a total of **439** preferential Imports. Out of the 1,015, there were **603** cases from Airport and **412** from Seaport. The tables below show figures for preferential importations for the past two years from both points of entry.

Table 76: Preferential Importations Recorded at Airport Cargo for the Years 2019 – 2020

Month	EU		COMESA		SADC		TOTAL	
	2019	2020	2019	2020	2019	2020	2019	2020
January	28	26	63	68	15	23	106	117
February	33	30	67	74	14	18	114	122
March	26	21	60	50	19	16	105	87
April	22	2	62	0	18	0	102	2
May	19	1	53	9	16	2	88	12
June	19	6	60	14	17	0	96	20
July	26	5	67	18	20	1	113	24
August	26	19	52	19	18	5	96	43
September	25	13	50	15	17	8	92	36
October	30	18	68	20	17	11	115	49
November	24	14	62	21	15	12	101	47
December	26	20	68	13	23	11	117	44
Total	304	175	732	321	209	107	1,245	603

Table 77: Preferential Importations Recorded at Seaport for the Years 2019 – 2020

Month	EU		COMESA		SADC		TOTAL	
	2019	2020	2019	2020	2019	2020	2019	2020
January	18	17	12	9	9	15	39	41
February	13	17	6	11	4	7	23	35
March	19	12	15	16	14	9	48	37
April	18	13	15	8	14	10	47	31
May	24	17	10	4	18	5	52	26
June	25	14	11	7	13	2	49	23
July	24	14	13	6	16	12	53	32
August	16	8	8	15	21	3	45	26
September	19	9	10	11	10	22	39	42
October	15	13	7	15	11	8	33	36
November	14	9	8	6	9	13	31	28
December	17	15	9	10	15	30	41	55
Total	222	158	124	118	154	136	500	412

9.2.5.2 EUR 1 Certificates Endorsed

SRC recorded **1,568** EUR1 Certificates endorsed for exports from January to December 2020, compared to **1,593** in 2019. In both years, seaport issued the highest number of certificates amounting to **1227**. The second highest was at Passenger Terminal with **215** exports, and **126** cases were recorded at Airport Cargo.

Table 78: EUR 1 Certificates Endorsed for Exports at each Exit Point for the years 2019 - 2020

Month	Passenger Terminal		Airport Cargo		Seaport		TOTAL	
	2019	2020	2019	2020	2019	2020	2019	2020
January	23	69	6	3	62	92	91	164
February	31	51	3	15	130	111	164	177
March	33	25	2	13	109	70	144	108
April	50	0	0	0	90	86	140	86
May	72	0	8	3	89	82	169	85
June	76	9	1	18	102	91	179	118
July	55	0	6	9	74	101	135	110
August	8	3	3	7	41	72	52	82
September	25	7	5	9	45	115	75	131
October	36	26	8	32	57	121	101	179
November	83	10	11	7	85	160	179	177
December	69	15	3	10	92	126	164	151
Total	561	215	56	126	976	1,227	1,593	1,568

9.2.6 Airport Passenger Terminal

Table 79: Activities undertaken at the Passenger Terminal for the year 2020

Activity	Number
Number of flight arrivals	1,804
Number of flight departures	1,704
Number of passengers entering Seychelles	133,778
Number of passengers leaving Seychelles	155,623
Number of passengers in transit	7,313
Number of passengers examined	6,418
Number of hand luggage screened	46,819
Number of Direct Delivery recorded	1,415

9.3 Border Security and Enforcement Actions

Under the Customs Management Act 2011, customs have control over goods and people entering or leaving Seychelles by sea or air. Through a risk-based approach, Customs has the mandate to detect prohibited and restricted goods, collect revenue on international trade and locally manufactured excisable goods and take enforcement measures on any breach of regulations.



9.3.1 Seaport and Airport Cargo Examination

9.3.1.1 Seaport Examination

The purpose of the Examination unit is to ensure that goods have been properly declared. Examination is the second step in the processing of importation of cargo. During the process Customs ensures speedy clearance of imported goods, the correct amount of revenue is collected and at the same time enforcing the control requirements.

Officers will be required to clear commercial goods being warehoused, cleared for home use, temporarily imported, and commercial goods being transshipped. Additionally noncommercial cargo particularly personal effects need to be verified to ensure the requirements of the Regulations are complied with.

Cargo examinations are performed to conduct the various checks requested by law and policies in order to identify revenue avoidance /evasion, prevent clearance of prohibited imports and act as a deterrent to future fraudulent importations, in conformity with the laws.

Table 80: Verifications Conducted at Seaport for the Years 2019 – 2020

Details	2019	2020
Containers verified from RED Channel	4,163	3,402
Containers verified from Yellow Channel	95	31
Containers verified from Blue Channel	96	19
Containers verified from the Green Channel	-	41
Break bulk verified	4,986	3,732
Outside verification	43	63
Total Consignments Verified	9,383	7,288
Break bulk released from Green Blue & Yellow Lane	3,503	2,514
Containers released from Green Blue & Yellow Channels	10,467	7,775
Break bulk released from Red Channel	-	35
Containers released from Red Channel	-	754
Total Consignments Released without Verification	13,970	11,078

There is a decrease of **18.28 percent** in the number of containers which were verified from the Red Channel in 2020, and a decrease of **25.15 percent** in the number of Break-bulk cargoes which were verified in 2020 compared to 2019. A total of **91** containers were verified from the Green, Blue and Yellow Channels.

The number of outside verifications which was done by Examination Unit officers in 20 increased by 20 cases (**32 percent**) compared to 2019.

The variations in performance for 2019 and 2020 are mainly attributed to the significant decline in the amounts of goods being imported. Furthermore, the scanner has allowed SRC to scan majority of the goods being cleared from the shed especially goods classified as green lane cargo.

9.3.1.2 Airport Cargo Examination

Table 81: Verifications Conducted at Airport Cargo for the years 2019-2020

Details	2019	2020
Cargo verified from RED Channel	4,163	1,426
Cargo released from Green Blue & Yellow Channels	95	8,833

9.3.2 Boarding

All vessels from or departing for foreign ports or coming to seas beyond the 12 nautical mile limit may be subjected to boarding formalities.

The task of boarding officers is to effectively process all vessels, their passengers and crew arriving in or departing from Seychelles to ensure their compliance with Seychelles law. The purposes of these functions are also to deter and detect illegal activities on these vessels.

Table 82: Boarding Activities for the Years 2017 – 2020

Details	2017	2018	2019	2020
Vessels boarded in Port Victoria during office hours	504	483	584	434
Vessels boarded in Port Victoria after working hours	208	159	109	52
Total number of vessels boarded in Port Victoria	712	642	693	486
Rummages conducted	288	281	282	72
Transshipment containers verified	235	499	476	645
Cases of detained goods handed to Customs by Port Security	30	16	17	2

SRC boarded a total of **486** vessels in Port Victoria in 2020, a decrease of **207** compared to 2019. In 2020 there was only 72 rummage cases, compared to a total of 282 in 2019, and an increase of **169** transshipment containers verified. The number of detained goods handed to Customs by Port Security Officers was **2**.

9.3.3 Government Warehouse

The Customs Division has the responsibility to manage the Government Warehouse. The goods must be held securely and not released without the payment of taxes or proper authority. Where goods have been confiscated, the goods may be sold through auction or by public tender. All goods are subject to checks and controls and must be accounted for.

Goods may be held in the Government Warehouse as:

- i. warehouse goods
- ii. transferred goods not entered after 30 days
- iii. transferred goods seized or confiscated

Table 83: Government Warehouse Management for the Years 2017-2020

Details	2017	2018	2019	2020
Containers transferred into the Warehouse	43	49	33	80
Break bulk transferred into the Warehouse	1,516	4,964	749	1,100
Total consignments transferred into the Warehouse	1,559	5,013	782	1,180
Containers released from the Warehouse	19	48	35	64
Break bulk released from the Warehouse	307	3,584	280	306
Total consignments released from the Warehouse	326	3,632	315	370

In 2020, SRC recorded a total of **1180** consignments, inclusive of containers and break bulk cargo which were transferred into the Government warehouse. **370** consignments were released from the warehouse, which is **55** more than 2019.

Table 84: Other Government Warehouse Activities for the Year 2020

Details	2020
Rent charges collected	SR 673,662.00
Fines collected	SR 20,209.47
Total rent charges and fines collected	SR 693,871.47
No. of disposals conducted	15

9.3.4 Auction and Public Sales

Table 85: Sales for the Years 2019 - 2020

Details	Amount Collected (SR)	
	2019	2020
Auction sales	125,500	137,009.00
Public Sale	1,258,925	889,512.00
Total	1,384,425	1,026,521.00

9.3.5 Investigation

The table below highlights the main activities undertaken by the Investigation Unit in 2020.

Table 86: Investigation Activities for the Years 2020

Tasks Performed	Outcomes
Number of verifications performed	142
Number of investigation cases conducted	150
Additional taxes collected	SR 113,844.00
Penalties collected	SR 123,037.47
Number of searches carried out on premises	2
Number of special operations conducted	-

Verifications were conducted during the months of January and February 2020 only due to the covid-19 pandemic and health restrictions put in place. The Investigation Unit recorded 150 cases for the year 2020 which is more than the 135 cases recorded in 2019. This is because cases of damaged and short shipped goods are being recently referred to Investigation Unit.

9.3.6 Post Clearance Audit

Table 87: Post Clearance Audit (PCA) Activities for the Year 2020

Tasks Performed	Outcomes
Number of cases completed	3
Number of cases pending	5
Revenue assessed by PCA	SR 457,611.32

9.3.7 Customs Offences

9.3.7.1 Under-Declaration

Table 88: Cases of Under-Declaration for the Year 2020

Location	No. of Cases
Post Office and Seaport	101

9.3.7.2 Misclassification of Goods

Table 89: Total Number of Misclassification Cases for the Year 2020

Location	No. of Cases
Post Office and Seaport	87

9.3.7.3 Undeclared Goods

Table 90: Total Number of Cases of Undeclared Goods for the Year 2020

Location	No. of Cases
Post Office and Seaport	7

9.3.7.4 Drug Seizures

Table 91: Narcotics Seizures for the Period 2018 – 2020

Location	Details	2018	2019	2020
		Quantity	Quantity	Quantity
Airport Cargo	Heroin	1,034 grams	974.47 grams	781.51 grams
	Cannabis Resin	-	484.52 grams	291.4 grams
	Cannabis	-	56.00 grams	3.62 grams
	Cocaine	-	-	280.00 grams
Airport Passenger Terminal	Heroin	7,048.48 grams	463.80 grams	-
	Cannabis Resin	2.60 grams	-	-
	Cannabis	7,436.60 grams	5,308.41 grams	-
	Cocaine	244.40 grams	2,994.25 grams	-
Post Office	Heroin	-	98.1 grams	-
	Cannabis Resin	-	-	20.03 grams
	Ecstasy	552.7 grams	-	1,104.32 grams
Seaport	Heroin	-	0.59 grams	-
	Cannabis Resin	-	0.56 grams	-
	Cannabis	-	0.10 grams	-
Boarding	Heroin	9.65 grams	2.6 grams	-
	Cannabis Resin	-	0.01 grams	-
	Cannabis	-	4.00 grams	180,322.30 grams

9.3.8 Other Initiatives

9.3.8.1 Training of Scanner Screeners

A country's effective & efficient border security is becoming increasingly important in today's global world of economy & trade. To ensure that these are maintained, it is the responsibility of Customs organizations to ensure that there is prevention in trading of illicit goods across borders, particularly upon entry. It is therefore, with utmost necessity that proper & gradual training is provided to staff working at various entry points to properly know how to detect such activities especially through the use of an x-ray scanner in their line of work.

Having undergone a five days' training, seventeen Customs officers had the opportunity to broaden their knowledge in the use of x-ray machines & analyzing x-ray images which enabled them to better perform early detection duties and helped in the detection of atrocious activities affecting the world of trade.



Customs Officers attending the Training for Screeners (Airport Cargo)

The group of Customs officers were also acquainted with the necessary safety education so that necessary precautions are observed when dealing with such equipment. Aside from these, the participants of the training were also equipped with the necessary skills that will allow them to:

- (i) successfully operate scanners using a Hi-Tray keyboard,
- (ii) develop the ability to carefully read and evaluate x-ray images, and
- (iii) understand how operators of an x-ray machine should conduct routine testing using CTP.

Following the very packed yet fruitful sessions, the participants' theoretical and practical abilities were put to the test where the successful participants later received their certificate.

9.3.8.2 Customs Online Brand Protection Training

Sixteen Customs Officers from the Seychelles Revenue Commission and two officers from the Seychelles Trade Department participated in a Customs Online Brand Protection Training for Hyundai and Kia parts - (Intellectual Property Rights). The aim of the training was to educate officers on how to spot and differentiate between a 'genuine' and a 'fake' vehicle spare part for Hyundai / Kia branded vehicles.



Photo 1: Representatives from Kia and Hyundai, the Commissioner of Customs presenting an Officer with her certificate.



Photo 2: Group photo of all Customs Officers participating in the training session.

After having completed the training, the participants had an idea of what to look for in order to differentiate between genuine and fake Hyundai / Kia spare parts. The participants also had a basic knowledge of the different vehicle parts, and how to differentiate the labels as well as the packaging types.

9.3.8.3 Customs Valuation Training

This is basic course is an international training that forms part of the World Customs Organizations (WCO) project to progress the TF Agenda within the Framework of the WCO Mercator Programme in the ESA Region. For the five-day training, two representatives from the WCO; Senior Technical Officer - Mr. Luximan Babajee and WCO Accredited Expert Trainer – Ms. Fridah Kimani, provided their assistance to the SRC by facilitating the training in Seychelles.



Ms. Fridah Kiman, Mr. Luximan Babajee, Mr. Paul Barrack and Customs Participants

Following this training, participants were not only expected to walk out with greater knowledge of Customs Valuation, but also with a better understanding of the structure of the World Trade Organization (WTO) Agreement on Customs Valuation. This in turn will help improve the ability of Customs Officers to better implement Valuation of Goods Regulation as part of S.I. 42 of 2014.

9.4 Inland Revenue

9.4.1 The Bond Unit

This unit maintains records of all goods entering private warehouses and transshipments, ensuring all requirements are met and duties and all other taxes are collected before delivery. Additionally, they oversee the operations of all duty-free shops, including receipt, tracking and the transfer of goods to and from the duty-free shops, ensuring they are adhering to customs duty-free laws and regulations, and also verify duty payments on dutiable sales.

9.4.1.1 Revenue Collection

Table 92: Revenue Collected by the Bond Unit for the Period 2019 – 2020

Month	2019 (SR)	2020 (SR)
January	173,624,216.10	128,760,924.71
February	109,864,551.12	147,803,978.09
March	103,663,642.39	101,504,560.66
April	102,400,119.86	73,690,425.89
May	102,699,631.67	72,186,346.13
June	111,904,434.20	88,891,368.81
July	97,011,030.50	81,583,296.06
August	109,996,446.90	101,317,169.77
September	113,502,359.05	79,323,756.68
October	99,566,915.63	86,538,765.09
November	114,624,388.75	96,797,491.89
December	104,331,546.46	89,523,104.84
Total	1,365,313,689.82	1,147,921,188.62

A total of **SR 1,147,921,188.62** was collected by Bond Unit for 2020. There has been a significant decrease of SR 217,392,501.20 compared to 2019 which represents a decrease of 15.92%. This was mainly due to the Covid 19 pandemic, which caused businesses to slow down, coupled with the ban on importation of vehicles.

Table 93: Collection of unpaid Bills of Entry in ASYCUDA World

2019 (SR)	2020 (SR)
133,950,094.48	112,759,412.31

There has been a decrease of SR 21,190,682.17 in collection compared to 2019. This represents a decline of 15.82%, mainly due to effective strategies put in place to monitor and manage the activities of bonded operators. SRC is focusing on identifying non-compliance at an early stage so appropriate actions may be taken in a timelier manner.

9.4.1.2 Active Bonded Warehouses

There were 64 active Bonded Warehouses in 2020, compared to 61 in 2019. These included three new bonded warehouses which were approved during the year.

Table 94: Active Bonded Warehouses for the Period 2019 – 2020

Category	2019	2020
Alcoholic Beverages	20	21
Alcoholic Beverages & Cigarettes	4	4
Cigarettes	1	1
Ship spares in Transit	11	12
Marine Salt	1	1
Motor Vehicles	14	15
Duty Free Goods and Cigarettes	2	2
Ship stores in transit	4	3
Boat engines	2	2
Consumables on aircrafts	2	2
Ship chandler	0	1
Total	61	64

9.4.1.3 Applications for Bonded Warehouse

During 2020, there was an opening balance of 3 applications which had not yet been approved. During the year, SRC received three new applications. Three (3) application were processed and approved. However, from the visits conducted by SRC, three applicants failed to provide all the relevant information required, thus approval was not granted.

Table 95: Applications for Bonded Warehouse

Description	Number
Opening balance end of 2019	3
New applications	1
Change of Management	2
Total applications received	6
Approved applications	3
Pending applications	3

9.4.1.4 Closure of Bonded Warehouse

A total of 4 bonded warehouse were closed during 2020, of which three were motor vehicle operators. This might have been due to the temporary ban on the importation of motor vehicles and restrictions in obtaining foreign currency.

Table 96: Number of Bonded Warehouses Closed in 2020

Authorized Goods	Quantity
Alcoholic Beverages	1
Motor Vehicles	3
Total	4

9.4.1.4 Monitoring Compliance

Spot-checks and Stock-Takes Conducted

In 2020, SRC conducted 28 stock-takes and 23 spot-checks. When compared to 2019, the frequency of the two compliance activities have declined by 40% and 14.8% respectively. This is generally because of the internal health measures SRC had put in place to prevent the spread of Covid-19.

Table 97: Number of Stock-Takes and Spot-Checks Conducted in 2020

Year	No. of Stock-Takes Conducted	No. of Spot-Checks Conducted
2019	42	27
2020	28	23

Reconciliations Conducted

SRC conducted a total of 16 reconciliations during 2020. However, only five of the reconciliations have been approved. The others are still under review.

9.4.2 The Concession Unit

The Concession Unit monitors and manages duty-free importations, including concessions granted for hotels, education, culture, tourism, sports, charities, churches, government, military, diplomatic missions and personnel, agriculture / fisheries, industry, and all other adhoc concessions. The unit also assists in conducting site visits of premises to verify the end-use of goods cleared as duty-free.

9.4.2.1 Spot Checks on Yachts

Table 98: Number of Spot Checks Conducted on Yachts for the Period 2019 - 2020

Year	Quantity
2019	22
2020	8

Spot checks on yachts decreased significantly in 2020 compared to 2019, due to health restrictions imposed following the outbreak of the Covid 19 pandemic. However, during the year, two additional spot checks were conducted on other temporary imports.

9.4.2.1 Revenue Collection

During the fiscal year 2020, revenue collection from yachts increased by **SR 1,536,337.95** due to more effective monitoring practices which were put in place. Collection on the sales of concessionary vehicles amounted to SR 1,662,602.08, which is 58.1% lower than the previous year.

Table 99: Revenue Collection for the Period 2019 - 2020

Description	2019 (SR)	2020 (SR)
Collection from yachts	649,126.00	2,185,463.95
Collection from concessionary vehicles	3,976,472.93	1,662,602.08
Collection from change in Customs procedure	-	373,617.48
Total	4,625,598.93	4,221,683.51

9.4.3 The Excise Unit

The Excise Unit deals with locally manufactured goods that attract Excise Tax, which are mainly tobacco and alcoholic beverage products.

There are a total of 12 local manufacturers, of which ten are alcoholic beverage manufacturers; nine are active and they produce Rum, Vodka, Liqueur, Alcopop, Cider, Stout and Beers. One is temporarily closed down.

Among those manufacturers, two are dealing in tobacco products. One is involved in the sales of cigarettes locally and the other is an offshore company, but which has been temporarily closed down.

9.4.3.1 Production of Locally Manufactured Excisable Goods

Table 100: Production of Locally Manufactured Alcohol for the Year 2020

Description	Quantity
Beer	3,785,193.48 Ltrs
Stout	887,284.80 Ltrs
Alcopop	940,905.07 Ltrs
Vodka/Rum (spirit)	214,460.02 Ltrs
Cider	28,042.56 Ltrs
Liqueur	75,445.80 Ltrs
Ethanol @83%	1,219.7 Ltrs

Table 101: Production of Locally Manufactured Tobacco for the Year 2020

Description	Quantity
Mahe King	56,489,200 Cigarette Sticks

9.4.3.2 Sales of Locally Manufactured Excisable Goods

Table 102: Sales of Locally Manufactured Alcohol for the Period 2018 - 2020

Description	2018 (SR)	2019 (SR)	2020 (SR)
Beer	4,857,050.56	5,144,704.80	3,774,604.23
Alcopop	946,348.78	1,073,694.03	647,822.28
Stout	769,406.40	901,555.20	892,138.60
Spirit (Vodka / Rum)	223,737.93	258,531.35	197,988.59
Cider	-	-	24,110.52
Liqueur < 15% alcohol	562.10	12.60	NIL
Liqueur > 15% alcohol	45801.40	57,443.15	37,319.705
Others	NIL	3,576.75	NIL

The decrease in the sales of liqueur of less than 15% alcohol and other spirituous alcoholic beverages is attributed to a stoppage in production.

Table 103: Sales of Locally Manufactured Tobacco for the Period 2018 - 2020

Year	2019 (SR)	2020 (SR)
Mahe King	37,956,600 Cigarette Sticks	47,740,600 Cigarette Sticks

9.4.3.3 Duty Free Sales of Locally Manufactured Excisable Goods

Table 104: Duty Free Sales of Alcohol for the Period 2018 - 2020

	2018	2019	2020
Spirits	39,026.435 Ltrs	153,225.75 Ltrs	1,197.20 Ltrs
Beers		1,839 Ltrs	120 Ltrs

The amount of spirit sold to the Airport STC Duty Free shop in 2020 represented less than 1% of the sales made the previous year. Beers represented only 6.5% of the sales made in 2019. This may be attributed to the decrease in international flights caused by the Covid-19 pandemic.

Table 105: Duty Free Sales of Tobacco for the Period 2018 - 2020

	2018	2019	2020
Tobacco Products	12,640,000 Cigarette Sticks	13,500,000 Cigarette Sticks	2,820,000 Cigarette Sticks

During 2020 the volume of cigarettes sold to STC Duty Free decreased by 10,680,000 cigarette sticks. This represents only 21% of the sales made the year before. This is again attributed to the decrease in international flights caused by the Covid-19 pandemic.

9.4.3.4 Revenue Collection

The table below provides details on Excise Tax collected on all local sales of excisable goods.

Table 106: Excise Tax Collected for the Period 2018 – 2020

	2018 (SR)	2019 (SR)	2020 (SR)
January	21,250,602.09	18,865,721.21	24,259,652.02
February	24,295,706.90	21,132,691.77	24,233,769.41
March	28,126,558.08	25,870,764.63	30,988,157.42
April	26,254,738.08	31,994,213.42	25,999,395.02
May	27,672,485.94	31,738,316.38	28,727,378.64
June	25,409,348.39	29,712,048.99	31,728,570.27
July	27,488,347.48	29,694,105.68	32,157,548.08
August	29,913,807.25	30,751,665.21	30,090,682.56
September	24,896,051.96	28,591,415.10	31,007,949.24
October	29,976,505.32	32,211,113.48	34,605,748.79
November	30,466,313.42	28,971,569.26	31,822,308.91
December	48,300,726.52	47,346,919.61	59,343,901.41
TOTAL	344,051,192.23	356,88,544.74	385,044,988.18

Table 107: Revenue Collection by Product Category for the Period 2018 – 2020

Year	Tobacco (SR)	Alcohol (SR)
2018	172,587,584.00	-
2019	152,723,756.00	204,016,236.74
2020	211,160,056.00	173,884,932.18

During 2020, a total of SR 19,630,490.96 was collected as sugar Tax on both non-alcoholic and alcoholic beverages manufactured locally.

Table 108: Collection of Sugar Tax on Locally Manufactured Goods for the Period 2019 – 2020

Year	Non-Alcoholic Products (SR)	Alcoholic Products (SR)	Total (SR)
2019	-	-	1,925,856.06
2020	19,015,289.84	615,201.12	19,630,490.96

9.4.3.5 Exportation of Locally Manufactured Excisable Goods

In 2019, a total of 90,383 Litres of alcoholic beverages were exported to five different countries, whereas in 2020, a total of 74,674.1 Litres of alcoholic beverages were exported to a total of eight different countries. In 2019, 1,069,710,000 cigarettes were exported. However, in 2020 no exportation was recorded from the free zone as the producer had temporarily closed the business.

Table 109: Exportation of Locally Manufactured Excisable Goods

Description	2018	2019	2020
Spirits	73,362.80 Litres	90,383 Litres	43,542.90 Litres
Liqueur	-	-	31,131.20 Litres
TOTAL	73,362.80 Litres	90,383 Litres	74,674.10 Litres
Tobacco Products	687,610,000 Cigarette Sticks	1,069,710,000 Cigarette Sticks	NIL

9.4.3 The Refund Unit

9.4.3.1 Status of Refund Cases

For the year 2020, it was observed that there was a reduction in the number of requests for refund received, compared to the previous two years. There was a total of 127 requests in 2020, 160 in 2019 and 234 in 2018. This represents a decrease of 107 (35.28%) of refund claims when compared to 2019.

Table 110: Status of Refund Cases for the Year 2020

Status	Number of Cases
Refund cases completed	91
Refund cases rejected	9
Refund cases referred to Domestic Tax	3
Refund cases forwarded to Investigation	4
Refund cases in query	19
Refund cases not yet processed	1
TOTAL	127

9.4.3.2 Refunds by Tax Type

Table 111: Refunds by Tax Type

Tax Type	Amount Refunded (SR)
Customs Duty	806,831.51
Value Added Tax (VAT)	2,497,321.74
Excise Tax	588,095.42
Poultry levy	9,201.38
Pet levy	123,760.00
Can levy	960.00
Glass levy	52,920.00
Sugar Tax	10,224.00
Deposit	114,364.57
Documentation charge	2,025.00
TOTAL	4,205,703.62



Signing of MoU – SRC, SPA, SMSA and VMA



HUMAN RESOURCE MANAGEMENT



10. HUMAN RESOURCE MANAGEMENT

10.1 Human Resource Profile

10.1.1 Establishment

Table 112: Employee Demographics by Post

Job Title	Number in Post as at December 2020
Commissioner General	1
Deputy Commissioner	1
Assistant/Commissioner	1
Director	10
Manager	24
Supervisor	53
Officers	264
Total	354

10.1.2 Employee Demographics by Division

Table 113: Employee Demographics – Commissioner General’s Office

Unit	Post Title	Filled	Vacant	Freeze
Secretariat	Revenue Commissioner	1	0	0
	Senior Executive Assistant	1	0	0
Internal Audit	Manager	1	0	0
	Internal Auditors	2	1	2
Legal	Director	0	0	1
	Interpretation & Advice Officer	1	0	1
	Objection & Appeal Officer	4	0	0
	Prosecution Officer	1	2	0
	International Tax Relation Officer	1	0	1
Total		12	3	5

Table 114: Employee Demographics – Deputy Commissioner General’s Office

Unit	Post Title	Filled	Vacant	Freeze
Secretariat	Deputy Commissioner	1	0	0
	Senior Office Assistant	1	0	0
Compliance Program and Policy	Director	1	0	0
	Senior Compliance program and policy Analyst	2	0	0
	Senior Statistician	1	0	0
	Statistician	0	0	1
Corporate Planning & Research	Director	0	0	1
	Senior Cooperate research & Planning	1	0	0
Taxpayer Education & Service Delivery	Director	1	0	0
	Taxpayer Education Officer	3	0	0
Information and Technology	Director	1	0	0
	IT Analyst & Programmer	0	1	0
	IT Technician	4	0	0
Total		16	1	2

Table 115: Employee Demographics – Support Services

Unit	Post Title	Filled	Vacant	Freeze
Secretariat	Director General	1	0	0
	Health & Safety Officer	0	0	1
	Director HR & HRD	1	0	0
Human Resources	HR Manager	0	0	0
	Supervisor	2	0	0
	HR Officer	4	1	0
HRD	Manager	1	0	0
	Supervisor	2	0	0
	HRD Officer	1	0	0
Administration	Manager	1	0	0
	Administrative Officer	7	0	0
	Driver	6	2	0
	Handyman	1	0	2
Total		25	6	3

Table 116: Employee Demographics – Tax Division

Unit	Post Title	Filled	Vacant	Freeze
Secretariat	Assistant Commissioner	0	1	0
	Officer Assistant	0	1	0
Secretariat	Director	1	0	0
Enforcement	Manager	1	0	0
	Tax Officer	18	0	1
Secretariat	Director	1	0	0
Intelligence	Manager	1	0	0
	Tax Officer	6	0	1
Large Audit	Manager	1	0	0
	Tax Officer	12	0	7
Medium Audit	Manager	1	0	0
	Tax Officer	11	0	2
Small Audit	Manager	1	0	0
	Tax Officer	4	0	0
Secretariat	Director	1	0	0
Registry	Manager	1	0	0
	Tax Officer	15	0	1
Returns Payment & Processing	Manager	1	0	0
	Tax Officer	15	2	1
Provision of Advice	Manager	1	0	0
	Tax Officer	15	0	5
Secretariat	Director	1	0	0
	Manager	1	0	0
Income Unit	Tax Officer	14	0	2
Cashier	Tax Officer	11	1	1
Total		125	5	21

Table 117: Employee Demographics – Customs Division

Unit	Post Title	Filled	Vacant	Freeze
Secretariat	Commissioner of Customs	1	0	0
	Office Assistant	1	0	0
Investigation	Manager	2	0	0
	Supervisor/ Senior Customs Officer	1	0	0
	Customs Officer	2	0	0
Post Clearance Audit	Manager	1	0	0
	Supervisor/ Senior Customs Officer	1	0	0
	Customs Officer	1	0	1
Secretariat	Director	1	0	0
Concession and Bonds	Manager	1	0	0
	Supervisor/ Senior Customs Officer	1	0	0
	Customs Officer	9	0	0
SITZ & Excise Tax	Manager	1	0	0
	Supervisor/ Senior Customs Officer	2	0	0
	Customs Officer	5	0	0
Recovery	Manager	0	0	1
	Supervisor/ Senior Customs Officer	1	0	0
	Customs Officer	1	0	1
Secretariat	Director	0	1	0
Passenger Terminal	Manager	1	0	0
	Supervisor/ Senior Customs Officer	4	0	0
	Customs Officer	33	0	7
Secretariat	Director	0	0	1
Entry Processing	Manager	1	0	0
	Supervisor / Senior Customs Officer	2	0	0
	Customs Officer	21	0	2
Examination Airport	Manager	1	0	0
	Supervisor / Senior Customs Officer	2	1	0
	Customs Officer	24	6	1
Secretariat	Director	0	0	1
Document Check	Manager	0	0	1
	Supervisor/ Senior Customs Officer	1	0	0
	Customs Officer	13	0	0
Amendment & Query	Manager	1	0	0
	Supervisor/ Senior Customs Officer	1	0	0
	Customs Officer	7	0	0
Customs Valuation, Rules and Origin	Manager	1	0	0
	Supervisor / Senior Customs Officer	1	0	0
	Customs Officer	4	0	0

Secretariat	Director	1	0	0
Examination Seaport	Manager	1	0	0
	Supervisor/ Senior Customs Officer	1	0	1
	Customs Officer	21	0	1
Boarding, Manifest and Export	Manager	1	0	0
	Supervisor/ Senior Customs Officer	1	0	0
	Customs Officer	10	0	0
Risk Assessment	Manager	1	0	0
	Supervisor	1	0	0
	Customs Officer	1	0	1
Total		189	8	19

10.1.3 Age and Gender Profile

Table 118: Employee Demographics by Age and Gender

Age Group	2019			2020		
	Male	Female	Total	Male	Female	Total
Below 25	12	38	50	7	36	43
25 to below 35	31	105	136	37	110	147
35 to below 45	10	67	77	21	80	100
45 to below 55	08	36	44	8	38	46
55 and over	07	9	16	8	10	18
Total	68	255	323	81	274	354

10.2 Recruitment

Table 119: Recruitment and Selection Process for 2020

Details	2019	2020
Number of vacant posts as of 1 st January	-	89
Number of posts advertised	-	60
Number of applications received	-	283
Number of interviews conducted	16	107
Number of Successful interviewers	8	60
Number of Unsuccessful Interviewers	13	47
Number of vacant posts as of 31 st December	-	36

10.2.1 Expenditures for Recruitment

Table 120: Expenditures for Recruitment

Details	2019	2020
Budget for recruitment at the start of Fiscal year	9,342,468.00	8,957,520.80
Budget use for recruitment in fiscal year	4,781,904.60	5,282,339.53
Budget for recruitment remained at end of fiscal year	4,560,563.40	3,675,181.27
Percentage of budget use in fiscal year	51.18%	58.98%
Percentage of budget remained at the end of fiscal year	48.82%	41.02%

10.3 Staff Development and Knowledge Management

The Human Resources and Development activities in 2019 were aimed at increasing employees' competence, skills and capability, design a dynamic professional workforce.

10.3.1 Training and Development

Table 121: Academic Courses

Name of Program	Number of Staff
Certificate Level	
Certificate in Office Management	2
Certificate in General Management	5
Certificate in Human Resource Management	2
Foundation Certificate in Bookkeeping	4
Total	13
Diploma Level	
Diploma in General Management	29
Diploma in Human Resource Management	1
Total	30
Association of Accounting Technician (AAT)	
AAT Level 2	7
AAT Level 3	4
Total	11
Association of Chartered Certified Accountants (ACCA)	
ACCA Level 1	6
Total	6
GRAND TOTAL	60

Table 122: In-House Trainings Conducted

Name of Program	Number of Staff
Induction Training	32
Basic Entry Level (Tax)	10
Basic Entry Level (Customs)	20
Customer Service	20
First Aid	74
Health and Safety	20

Table 123: Short Courses

Name of Program	Number of Staff
Excel Level 1 (Introduction)	22
Excel Level 2 (Intermediate)	20
Excel Level 3 (Advanced)	20
TOTAL	62

INFORMATION TECHNOLOGY



11. INFORMATION TECHNOLOGY

The principal functions of the Information Technology Support Services unit are to:

- Ensure 'business-as-usual' operations with respect to availability and management of IT resources;
- Ensure up-to-date strategy, plans and targets are in place for promoting the use of IT;
- Ensure IT security arrangements are robust, effective and guarantee:
 - user and data integrity;
 - site access security.

11.1 IT Projects

11.1.1 Strengthening our Internal Organization

11.1.1.1 Human Resource Information System

A replacement modern system (OrangeHRM) was successfully reviewed with the supplier's representative and accepted as a replacement for the current Human Resources Information System. Purchase was suspended over 2020 because of covid-19 but is intended to resume in 2021.

11.1.1.2 Incident Management System

An incident management system was rolled out to Administration, Transport, and Procurement to automate and simplify their work. This is the same system used by IT Support.

11.1.1.3 Dedicated Internet Broadband for E-Learning

With the spread of covid-19, a Dedicated Internet Broadband network was put in place across Seaport, Airport, Maison Collet and Unity House. This will enhance the capacity of HRD to hold web-based e-learning and webinars whilst minimizing the need for travel.

11.1.1.4 Enhance Data Security – USB Endpoint

With the exception of some 50 senior staff, all USB drives on all the remaining 300 pcs had their USB locked and managed centrally. This included monitoring of content uploaded and downloaded to ensure they complied with a subset of known work document types. As a result, the possibility of virus, malware being uploaded onto pcs and by proxy, migrating to our main servers has been greatly reduced.

11.1.2 Enhance and Promote Online / Electronic Services

11.1.2.1 Customs Auction Sales Website

With the health restrictions in place due to the covid-19 pandemic, SRC saw the need for introducing an online platform for auction sales. The site is being evolved to incorporate a second feature, namely for public sales.



Opening of the Grand Anse Praslin Office

OTHER INITIATIVES

“While the volume of consignments verified is pertinent, it is the quality of the inspection carried out that is paramount. Consequently, an efficient and effective Customs border control is extremely important for the security of our country”.



Mr Paul Barrack
Commissioner of Customs
Since 2018



12. OTHER INITIATIVES

12.1 Celebrating International Customs Day

To commemorate International Customs Day (ICD) the SRC organized a special mid-day mass late January, at the Cathedral of the Immaculate Conception. The mass saw the participation of a large crowd of people and was lively animated by staff from SRC's Customs Division.



Customs Officers leading the mass at the Cathedral

12.2 Customs Officers Trained in Using PPEs

To ensure that our Customs Officers are kept safe especially when dealing with incoming passengers by flight, the local Public Health Authority organized a series of training sessions to train workers from different authorities based at the Seychelles International Airport on how to correctly use PPEs.

A group of front line Customs Officers who are based at the airport terminal benefited from the practical training. The training was authority aimed at properly educating and training workers especially Customs officers on how to correctly use PPEs in preparation for the opening of the Seychelles International Airport with commercial flights; one of the many operations in Seychelles that had to cease due to the COVID-19 pandemic.



Customs Officers at the Airport Passenger Terminal undergoing training on how to use the PPEs.

For the training, two doctors were present where they briefed the officers on the possible transmission methods of the virus and the different preventive measures that need to be taken by each officer whilst on and off duty. Aside from the briefing, the group of Customs Officers underwent practical sessions as well to ensure that they know how to wear and maintain the PPEs.

12.3 Celebrating International Housekeeping Week

International Housekeeping Week is dedicated to honor and value the work, contribution and support provided by housekeepers. This year, International Housekeeping week was celebrated from the 13th to 19th September. To mark this special occasion, SRC had the pleasure of organizing a small surprise tea party in the honor of our full team of Housekeepers. As a first of its kind to be commemorated by SRC, the aim of the event was to show our lovely Tea Ladies how deeply SRC appreciates their immense contribution and support they bring to the organization



SRC Housekeepers celebrating their special day

As a special treat, all of the SRC Directors & Executives were charged with the responsibility of returning the favor by serving each of our tea ladies with some light refreshments. The SRC Commissioner General, Deputy Commissioner General and the Commissioner of Customs, also had the pleasure of giving each of the ladies a special token of appreciation comprising of a rose, a thank you card and a gift.

12.4 SRC staff undergo First Aid Training

In October 2020, the Seychelles Revenue Commission launched a journey to provide its staff with skills in basic first aid. Delivered by Mrs. Rose-Innes, ten in-house training sessions were successfully delivered in this field where well over fifty fascinated staff of the Seychelles Revenue Commission; ranging from its Taxation, Customs & Support Services Division benefited from it. The energetic and eye-opening sessions delivered by the instructor herself, consisted of presentations, class discussions as well as practical sessions where participants had to put into practice their newly acquired first aid and CPR skills.

With a very busy schedule, the topics covered throughout the sessions ranged from dealing with:

- External bleedings as a result of wounds, embedded objects, & amputation;
- Assisting to choking situations in both adults & infants;
- Administering lifesaving techniques such as CPR(Cardiopulmonary resuscitation);
- Dealing with allergic reactions; and
- The use of epi-pens amongst several others.



SRC staff putting in practice their newly acquired skills



All the participants, that followed-out the training, were later recognized with an attendance certificate for attending the Practical Course in Primary First Aid and CPR valid for a period of two years from the applicable training month.

12.5 Business Continuity and Disaster Recovery Management

It is part of the SRC strategy to improve our preparedness in ensuring continuity of operations, availability of critical resources and full recovery of business infrastructure and applications in the event of a disaster. A group of 11 participants from all divisions across SRC were identified to take part in the workshop on Business Continuity and Disaster Recovery Management, hosted by IMF Afritac South (Phase 1: 7th -18th September 2020). The ultimate goal was to assist SRC in developing the following:

- Business Continuity Plans (BCPs)
- A Disaster Recovery Plan (DRP)

Phase 2 of the mission was conducted in December 2020, whereby the facilitators assisted the SRC in finalizing 5 draft BCPs and their draft DRP.



Tax Agents and Accountants Forum – 6th March 2020

RESPONDING TO COVID-19



13. RESPONDING TO COVID – 19

The COVID- 19 pandemic presented and continues to present significant challenges for the Seychelles 'economy, businesses, workers and for the Seychelles Revenue Commission. As an organization, the resilience, agility and innovation of its staff enabled SRC to meet the challenges that unfolded during 2020.

13.1 Easing the burden on taxpayers and support businesses in meeting their tax obligations

In 2020, SRC played, and continues to play, a central role in the delivery of critical Government services to businesses and mitigate damage to the national economy. SRC developed and delivered key business support schemes at significant speed by re-engineering its processes, often within days of being announced by the Government. The following points are some of the support that were provided to taxpayers:

13.1.1 Revision of the Pay As You Go (PAYG) Installment of Tax Assessment Issued by SRC

SRC provided businesses with the opportunity to request for an amendment in the PAYG assessment and make the necessary adjustments in their provisional tax. Requests were reviewed and approved on a case-by-case basis. However, tourism related businesses were given an automatic six months extension to start payment, after which a revised provisional monthly amount was calculated based on estimated Profit and Loss statements. This took effect as of the 1st April 2020 for the applicable month of March.

13.1.2 Extended Lodgment Deadline

The deadline for businesses to lodge their Business Tax return was extended by a further three months, to the 30th June. Penalties were not applied on lodgments within the mentioned period.

1.1.3 Deferred Payment for Business Tax, Corporate Social Responsibility Tax (CSRT), Tourism Marketing Tax (TMT) and Non-Monetary Benefits Tax

Businesses that faced financial difficulty to meet the payment deadline had the opportunity to request for payment by installment as per an agreed payment plan for up to 6 months. Requests were approved on a case-by-case basis, except for tourism-related businesses which were automatically deferred up to September 2020. Penalties were not applied on deferrals.

13.1.3 Settling of Tax Arrears

Tourism-related businesses had the opportunity to settle previous years' tax arrears with no applicable penalties provided a repayment plan was already in place. These businesses also had to renegotiate a new repayment plan with SRC.

13.2 Safeguarding the health and safety of taxpayers and staff

SRC put in place certain measures to minimize the risk of spreading the Covid 19 pandemic.

- All clients are requested to wear a mask and practice social distancing when visiting any SRC offices.
- All visitors have to undergo the screening process prior to entering any SRC offices; this comprises of temperature checks and registration in a visitor's book.
- SRC put in place drop-boxes for submission of returns and payments by cheques at various SRC offices.
- SRC encouraged taxpayers to make use of the e-service facilities (for both lodgment and payment).
- Importers / clearing agents were encouraged to make use of the pre-lodgment and pre-payment facilities.
- A dedicated email address was used for submission of all documents, which are then directed to the responsible officers.



SRC staff bringing the Christmas spirit to the office



FINANCIAL STATEMENT



14. FINANCIAL STATEMENT

Table...: Statement of Cash Receipts and Payments for the year ended 31 December 2020

In Thousands of SR	Budget (SR'000)	Treasury Actual (SR'000)	Variance (SR'000)	Previous Year Actual (SR'000)
RECEIPTS				
Allocations / Appropriations	136,131.90	125,647.60	10,484.30	121,722.70
Grants Received	0	0	0	0
Total Receipts	136,131.90	125,647.60	10,484.30	121,722.70
PAYMENTS				
Wages & Salaries	100,665.08	90,369.00	10,296.08	84,108.87
Office Expenses	10,452.22	10,361.78	90.44	11,475.05
Transportation & Travel	1,017.93	999.35	18.58	2,302.97
Maintenance & Repairs	2,144.23	2,124.31	19.92	2,057.59
Other use of Goods & Services	19,895.19	19,844.12	51.07	20,024.13
Total Recurrent Expenditure	134,174.65	123,698.56	104,76.096	119,968.61
Grant Expenses	-	-	-	-
Non-Financial Assets				
Machinery & Equipment	1,957.25	1,949.04	8.21	1,754.09
Total Capital Expenditure	1,957.25	1,949.04	8.21	1,754.09