

**S.I. 66 of 2012**

**BUSINESS TAX ACT**

*(Act 28 of 2009)*

**Business Tax (Amendment of Schedules) Regulations, 2012**

In exercise of the powers conferred by section 81 of the Business Tax Act 2009, the President acting as the Minister of Finance, Trade and Investment makes the following Regulations —

1. These Regulations may be cited as the Business Tax (Amendment of Schedules) Regulations, 2012.

Citation

2. The First Schedule of the Business Tax Act is amended by —

Amendment of  
S.I. 27 of 2010 as  
last amended by  
S.I. 12 of 2012

- (a) repealing in item 1(a)(ii) the figure “33%” and substituting therefor the figure “30%”;
- (b) repealing in item 1(b)(iii) the figure “33%” and substituting therefor the figure “30%”;
- (c) adding after item 1(b) the following new item —
  - “(c) in the case of telecommunications service providers, banks, insurance companies, alcohol and tobacco manufacturers —
    - (i) 25% on the first SCR1,000,000 of taxable income; and
    - (ii) 33% on the remainder;

- (d) in case of company listed in the Seychelles Securities exchange 25% of the taxable income on the shares issued;
- (e) by repealing in item 3(a) the figure “15%,” and inserting between item (a) and (b) the following—
  - (i) 15 %; or
  - (ii) The rate applicable under a taxation agreement entered between the Government of Seychelles and a Government of a foreign country.”;

3. The Second Schedule of the Business Tax Act is amended by—

- (a) repealing item 14;
- (b) renumbering items 15 to 32 as items 13 to 31 respectively;

4. The Fourth Schedule of the Business Tax Act is amended by repealing all the items and substituting therefor the following—

- “(1) Building contractor;
- (2) Maintenance contractor;
- (3) Mechanic (motor vehicle, marine or refrigeration);
- (4) Hirer or operator of plant, equipment including sea vessels, motor vehicle used for the transportation of goods and for towing;
- (5) Hirer of Public omnibus.”;

5. The Sixth Schedule of the Business Tax Act is amended by adding after item 12 Barbados, the following —

|    | Country | Signed On                     | Gazette Reference                                         | Date of Entry into Force      | 1 <sup>st</sup> Taxable Year of Effect | Non-Revocation Period |
|----|---------|-------------------------------|-----------------------------------------------------------|-------------------------------|----------------------------------------|-----------------------|
| 13 | Qatar   | 1 <sup>st</sup> July 2006     | Gazetted on 21/08/06 (S.I 34 of 2006)                     | 10 <sup>th</sup> April 2007   | 1 <sup>st</sup> January 2008           | 5 years               |
| 14 | Bahrain | 24 <sup>th</sup> April 2010   | Gazetted on 27/12/11 (S.I. 97 of 2011)                    | 3 <sup>rd</sup> February 2012 | 1 <sup>st</sup> January 2013           | 5 years               |
| 15 | Zambia  | 7 <sup>th</sup> December 2011 | Gazetted on 31 <sup>st</sup> January 2011 (S.I 5 of 2011) | 4 <sup>th</sup> June 2012     | 1 <sup>st</sup> January 2013           | 5 years               |
| 16 | Monaco  | 4 <sup>th</sup> December 2010 | Gazetted on 29/08/11 (S.I 57 of 2011)                     | 1 <sup>st</sup> January 2013  | 1 <sup>st</sup> January 2014           | 5 years               |

6. The Seventh Schedule of the Business Tax Act is amended —

(a) by repealing in item 1 —

- a. 'Exclusive Shop' and 'Duty Free Shop';
- b. the numbering of items 4 and 5 and substituting therefor the numbers 2 and 3;

(b) by repealing items 6 and 7 and substituting therefor the following items —

“4. Residential dwelling —

- (i) the rate payable by a person deriving income from the rental or leasing of a building or part of a building used exclusively for residential purposes is 15% of the gross rental income;

- (ii) the tax shall be payable on or before the 21<sup>st</sup> day of the month following the month in which the liability falls due.
- (iii) The tax payable in respect of the rental income is exempt from any provisions of this Act."

**5. Licensees under the Mutual Fund and Hedge Fund Act, 2008**

The rate payable by a licensee registered under the Mutual Fund and Hedge Fund Act, 2008 in respect of income shall be the aggregate of the following —

- (a) 10% of fees in respect of new mutual fund licences;
- (b) 5% of fees in respect of Annual renewal of mutual fund licences and all other fees under that Act.

**6. Licensees under the Securities Act 2007 —**

- (a) The rate payable by a licensee under the Securities Act in respect assessable income is 1.5%;
- (b) The rate of withholding tax made by a licensee referred to in subsection (a) is 0%.

**7. Businesses liable to Corporate Social Responsibility Tax**

The rate payable by a business with a turnover of SCR1,000,000 or over in respect of Corporate Social Responsibility Tax is 0.5% on the total turnover;

**8. Company Listed under Seychelles Securities Exchange**

The rate payable by a company listed under the Seychelles Securities Exchange is 25% on their taxable income;

**9. Private Educational Institution**

The rate payable by a private educational institution is 15% on its taxable income;

**10. Businesses liable to Tourism Marketing Tax**

The rate of Tourism Marketing Tax payable by tourism operators listed under the eighth schedule, banks, insurers and telecommunication service providers with a turnover of SCR1,000,000 or over in respect of Tourism marketing is 0.5% on the total turnover;

**11. Private Medical Service Provider**

The rate payable by a private medical service provider is 15% on the taxable income.”.

7. The Schedules of the Business Tax Act are amended by adding after the Seventh Schedule the following new Schedule —

**“ EIGHTH SCHEDULE**

**SPECIAL RATE OF TAX, SPECIAL DEDUCTION AND  
ACCELERATED DEPRECIATION**

“Agricultural processor” means a person licensed and registered with the relevant authority for the transformation of Agricultural products by a process of value added for the local market.

“Farming entity” means a person other than an individual engaged in the production of livestock, vegetables, flowers or other crops, (floriculture and horticultural crop);

“Fisheries Processor” means a person licensed and registered with the relevant authority for the transformation of fish and marine products by a process of value added for the local market.

“licensed accommodation” means a café, hotel, restaurant and self-catering establishment licensed under the Licences (Accommodation, Catering and Entertainment Establishments) Regulations, 2011.

**1. Special Rate of Tax**

The businesses set out below are subject to special rate of tax as specified—

| Relevant person/businesses                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Rate                                                                    |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|
| <ul style="list-style-type: none"><li>• Farming entities</li><li>• Agricultural processors</li><li>• Agricultural exporters</li><li>• Boat owners</li><li>• Fisheries processors</li><li>• Fisheries exporters</li><li>• A person issued with a license as an importer/retailer operating as an Exclusive Shop authorised by the Government</li><li>• A person issued with a license as an importer/retailer operating as a Duty Free Shop authorised by the Government</li><li>• A person carrying on the business of—<ul style="list-style-type: none"><li>• hotel, guest house or self-catering establishment</li><li>• café or restaurant</li><li>• fixed or rotary wing passenger air transport services in respect of all domestic flights</li></ul></li></ul> | 0% of the first R250,000 of taxable income; and at 15% on the remainder |

|                                                                                                                                                                                                                                                                                                                                                                                                              |  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| <ul style="list-style-type: none"><li>• domestic ferry services for the transport of freight or passengers</li><li>• boat or yacht charter (including liveaboard)</li><li>• car hirer operator</li><li>• underwater diver operator or dive centre</li><li>• water sports operator</li><li>• Travel Agent</li><li>• Tour Operator</li><li>• Tour and or Tourist Guide</li><li>• equestrian operator</li></ul> |  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|

## 2. Special deduction on Taxable Income

### PART I

The total amount of deductions allowed from taxable income for a tax year shall be 200% of the actual or qualifying expenditure. The amount qualifying for the deductions shall be 5% of the turnover or the actual expenditure incurred for marketing and promotion whichever is lower, for the following businesses —

| Relevant Persons/Businesses |
|-----------------------------|
| Farming entities            |
| Agricultural processors     |

Agricultural exporters

Boat owners

Fisheries processors

A person carrying on the business of—

- hotel, guest house or self-catering establishment
- café or restaurant
- fixed or rotary wing passenger air transport services in respect of all domestic flights
- domestic ferry services for the transport of freight or passenger
- boat or yacht charter (including liveaboard)
- car hirer operator
- underwater dive operator of dive centre
- water sports operator
- Travel Agent
- Tour and or Tourist Guide
- equestrian operator
- gambling/casino operator

## PART II

3. The total amount of deductions allowable for a business for training certified by the Seychelles Tourism Board shall be 150% of the actual expenditure incurred.

**PART III**

4. Subject to the Income Tax being paid, the total amount of deductions allowed from taxable income of businesses set out below shall be 200% on emoluments paid by an employer to a qualified graduate of Seychelles Institute of Technology, Farmers Training Centers, Maritime Training Centre, Seychelles Tourism Academy in respect of 12 months full time employment.

**Relevant person/businesses**

A person carrying on the business of—

- hotel, guest house or self-catering establishment
- café or restaurant
- fixed or rotary wing passenger air transport services in respect of all domestic flights
- domestic ferry services for the transport of freight or passenger
- boat or yacht charter (including liveaboard)
- car hirer operator
- underwater dive operator of dive centre
- water sports operator
- Travel Agent
- Tour Operator
- Tour and/or Tourist Guide
- equestrian operator
- gambling/casino operator

**PART IV**

5. Subject to the Income Tax being paid, the total amount of deductions allowed from taxable income of businesses set out below shall be 150% on emoluments paid by an employer to qualifying part time students of Seychelles Institute of Technology, Farmers Training Centers, Maritime Training Centre, Seychelles Tourism Academy in respect of 12 months full time employment.

| <b>Relevant person/businesses</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>A person carrying on the business of—</p> <ul style="list-style-type: none"><li>• hotel, guest house or self-catering establishment</li><li>• café or restaurant</li><li>• fixed or rotary wing passenger air transport services in respect of all domestic flights</li><li>• domestic ferry services for the transport of freight or passenger</li><li>• boat or yacht charter (including liveaboard)</li><li>• car hirer operator</li><li>• underwater dive operator of dive centre</li><li>• water sports operator</li><li>• Travel Agent</li><li>• Tour Operator</li><li>• Tour and or Tourist Guide</li><li>• equestrian operator</li><li>• gambling/casino operator</li></ul> |

**PART V**

The total amount of deductions allowed from the taxable income of a licensed accommodation in respect of a musician under a contract of service shall be 125% of the actual amount paid to the musician.

**6. Accelerated Depreciation****PART I**

The rate of depreciation allowable on capital investments for farming and fisheries other than buildings, as specified below —

| <b>Relevant Persons/Businesses</b> | <b>Year</b> | <b>Rate -%</b> |
|------------------------------------|-------------|----------------|
| Farming entities                   | 1           | 45             |
| Agricultural processors            | 2           | 40             |
| Agricultural exporters             | 3           | 30             |
| Boat owners                        | 4           | 20             |
| Fisheries processors               | 5           | 10             |
| Fisheries exporters                |             |                |

**PART II****7. The rate of depreciation allowable on capital investment for tourism operators other than buildings, as specified below —**

| <b>Relevant persons/Business</b>       | <b>Year</b> | <b>Rate - %</b> |
|----------------------------------------|-------------|-----------------|
| A person carrying on the business of — | 1           | 45              |

|                                                                                            |   |    |
|--------------------------------------------------------------------------------------------|---|----|
| • hotel, guest house or self-catering establishment                                        | 2 | 40 |
| • café or restaurant                                                                       | 3 | 30 |
| • fixed or rotary wing passenger air transport services in respect of all domestic flights | 4 | 20 |
| • domestic ferry services for the transport of freight or passenger                        | 5 | 10 |
| • boat or yacht charter (including liveaboard)                                             |   |    |
| • car hirer operator                                                                       |   |    |
| • underwater dive operator of dive centre                                                  |   |    |
| • water sports operator                                                                    |   |    |
| • Travel Agent                                                                             |   |    |
| • Tour Operator                                                                            |   |    |
| • Tour and or Tourist Guide                                                                |   |    |
| • equestrian operator                                                                      |   |    |
| • gambling/casino operator                                                                 |   |    |

#### NINTH SCHEDULE

1. The allowable deduction to a Business for a tax year under section 14(3) (a) is 3% of the annual turnover of the Business or the actual expenditure incurred whichever is lower.

**TENTH SCHEDULE  
PRESUMPTIVE TAX**

1. A small business with the turnover of less than SCR1,000,000 shall be subject to presumptive tax unless otherwise authorized by the Revenue Commissioner.
2. The presumptive tax payable by a small business is 1.5% on the annual turnover.
3. A small business shall lodge the annual return in the specified form together with the payment within 3 months at the end of the calendar year.
4. A small business liable for presumptive tax shall be subject to cash basis accounting.
5. For the purpose of this Schedule "small business" means a business which is not registered under the VAT Act 2010.

**MADE this 28th day of December, 2012.**

**JAMES A. MICHEL  
PRESIDENT**

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