

2023

Annual REPORT



**Seychelles
Revenue
Commission**

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Message from the Chairman of the SRC Governing Board

On behalf of the Seychelles Revenue Commission (SRC) Governing Board, I am delighted to present the Annual Report for the fiscal year 2023. This past year has been marked by both dynamic opportunities and distinct challenges, during which we tirelessly executed innovative strategies outlined in our Strategic Plan 2023-2025.

Initiated in late 2022, our strategic plan serves as a comprehensive guide for the SRC, harmonizing with the National Development Strategy while furnishing a meticulous framework for our operations, resource allocation, and performance evaluation. We are gratified that our endeavors throughout this year have significantly propelled us toward our strategic objectives.

I take immense pride in the overall performance of our organization in 2023. SRC has achieved remarkable progress, particularly in digitalization and internal process refinement, which directly translated into financial gains, with revenue collection increasing by SR 738.35 million compared to 2022. Moreover, our endeavors to cultivate a culture of compliance through taxpayer education and enhanced services, including public awareness campaigns and dedicated service centers, have notably enriched the taxpayer experience. Furthermore, our substantial investments in staff development through comprehensive training programs have bolstered capabilities and upheld professionalism. However, we remain steadfast in our pursuit of continuous improvement.

Areas for further enhancement include fostering stronger inter-governmental cooperation, particularly in data sharing. Additionally, we are actively devising strategies to confront debt management challenges and further curtail revenue leakage. The Board acknowledges that the realization of performance objectives demands unwavering dedication and collaboration. We are confident that with the Board's strategic guidance and support, alongside meticulous adherence to our strategic plan and the implementation of forthcoming initiatives for 2024, the SRC can attain even greater heights in the years ahead.

The SRC's accomplishments would not have been attainable without the unwavering dedication and expertise of its staff. Throughout 2023, our 366 employees exhibited unwavering resilience and commitment. Their dedication, combined with ongoing modernization endeavors, has ensured the efficient fulfillment of our mandate.

The SRC Board maintains full confidence in the SRC's capabilities and remains steadfast in providing robust strategic direction and governance. We consider it both a privilege and an honor to be entrusted with significant responsibilities. In conclusion, I extend my heartfelt gratitude to all SRC employees for their unwavering commitment and exceptional performance. I also express sincere appreciation to compliant taxpayers, traders, and other stakeholders for their invaluable contribution to Seychelles' progress and transformation.

MR. CHRYSTOLD CHETTY
CHAIRMAN OF THE SRC BOARD



Message from the Acting Commissioner General

As the Acting Commissioner General of the Seychelles Revenue Commission (SRC), I am honored to present the Annual Report for the fiscal year 2023. This year, the SRC is proud to report achieving a total tax collection of SR 7.8 billion, amounting to 96% of the projected revenue for the year, with a stable collection cost of 2.0. This accomplishment reflects the dedication of our staff and the success of our strategic initiatives, implemented despite ongoing challenges such as budgetary constraints and increased international obligations.

This year also marked the commencement of our three-year strategic plan 2023-2025, during which we have dedicated significant resources to strengthening internal processes and maximizing revenue collection by ensuring that individuals and businesses fulfilled their tax and customs obligations responsibly as well as improving on our service deliveries. We have achieved significant milestones this year, including the reduction of cash flow adjustment errors, and the implementation of the Registered Exporters (REX) System. Furthermore, we launched a comprehensive Compliance Improvement Plan, with the aim of strengthening the four main pillars of compliance; namely registration, filing, accurate reporting and payment. However, a decrease in compliance rate was observed for the year. Through a thorough evaluation, we identified areas where the plan needed improvement. These valuable lessons will inform our 2024 strategies, with a particular focus on ensuring officers have the time and resources necessary to effectively address these weaknesses.

Our service delivery model remains agile and responsive, catering to the evolving needs of taxpayers and importers. We intensified efforts to enhance tax and customs education through targeted outreach programs and awareness campaigns. Notably, the introduction of a tax module in collaboration with the School of Business Studies is expected to be instrumental in further improving tax literacy from a young age. Recognizing the growing demand for digital services, we embarked on a journey to enhance our online offerings by leveraging process automation to facilitate self-service capabilities. The development of a new Tax Management System (TMS) and various enhancements to ASYCUDA World underscore our commitment to leveraging technology for improved efficiency and compliance. We successfully launched the registration, filing, payment and accounting modules for TMS this year, all of which are now live.

Additionally, the Asycuda excise bonded warehouse, e-manifest, and express courier modules are also operational. The successful launch of the TMS and ASYCUDA World modules represents a significant step forward in automating processes and improving efficiency.

I would like to express my sincere gratitude to all SRC stakeholders for their consistent support and collaboration. Your trust and partnership have been instrumental in our achievements this year. We are committed to continuing to work closely with you to build a stronger, more efficient, and taxpayer-friendly tax administration system for the benefit of Seychelles.

Leading the SRC during this time of growth and transformation has been a rewarding experience. I extend my heartfelt appreciation to our dedicated staff, whose commitment drives the success of our organization. I also express gratitude to the SRC Governing Board for their leadership and support. Additionally, I thank taxpayers and importers for their compliance efforts, which contribute to the integrity of our tax and customs systems. With our continued dedication and collaboration, I am confident that we will overcome all challenges and achieve our goals for the prosperity of Seychelles.

MR. FRED MOREL
ACTING COMMISSIONER GENERAL





SRC AT A GLANCE



REVENUE COLLECTED

2021: SR 6.5 Billion
2022: SR 7.04 Billion
2023: SR 7.79 Billion

TAXPAYERS REGISTERED

2021: 19, 993
2022: 20, 622
2023: 21, 879



CESSATION RECORDED

2021: 882
2022: 712
2023: 464

COST OF COLLECTION

2021: 1.95
2022: 1.95
2023: 2.0



COLLECTION AS A % OF BUDGET

2021: 80%
2022: 85.1%
2023: 96%

TAX COLLECTION TO GDP

2021: 31.0%
2022: 24.93%
2023: 27.54%





ON-TIME FILING RATE (BUSINESS TAX)

2021: 58%

2022: 72%

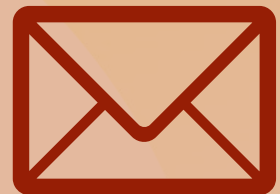
2023: 65%

LETTERS ISSUED TO NON-FILERS

2021: 9, 005

2022: 7, 934

2023: 7, 933



NO. OF OUTSTANDING BUSINESS TAX RETURNS

2021: 5,551

2022: 1, 105

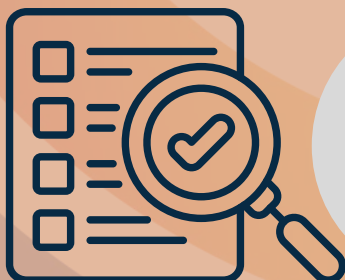
2023: 345

OBJECTION CASES FILED

2021: 35

2022: 75

2023: 48



NO. OF AUDITS CONDUCTED

2021: 274

2022: 209

2023: 525

ARREARS COLLECTED

2021: SR 195, 239, 813

2022: SR 309, 368, 867

2023: SR 239, 175, 019



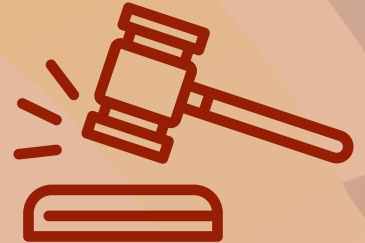


OUTSTANDING COLLECTIBLE DEBT

2021: SR 458,887,590
2022: SR 489,262,824
2023: SR 512, 759, 997

NO. OF CASES IN PROSECUTION (Tax & Customs)

2021: 19
2022: 11
2023: 22

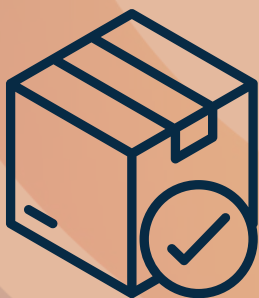


PASSENGERS EXAMINED AT THE AIRPORT

2021: 9,923
2022: 13,050
2023: 13, 572

VERIFICATIONS CONDUCTED AT THE SEAPORT

2021: 8,089
2022: 7, 812
2023: 9, 378



PARCELS CLEARED

2021: 64,993
2022: 88,389
2023: 248, 908

STAFFING ACROSS SRC

2021: 362
2022: 368
2023: 366





ABOUT US

The Seychelles Revenue Commission's (SRC) main responsibility through the administration of revenue laws is to support the economy of the republic of Seychelles by collecting taxes and facilitating trade.

Our Mandate

- 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.
- Exchange information in terms of any tax agreement or treaty.



Vision

To be a modern, robust and innovative revenue administration for ease of doing business whilst meeting the highest international standards.

Mission

Building trust through a well governed, customer-oriented and transparent processes to facilitate trade and optimize revenue collection for the sustainable well-being of Seychelles

Values

P Professionalism

R Resilience

O Ownership

F Fairness

I Integrity

T Transparency

T Trust



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 the revenue laws which are administered by the SRC.

SRC administers & collects the following taxes;

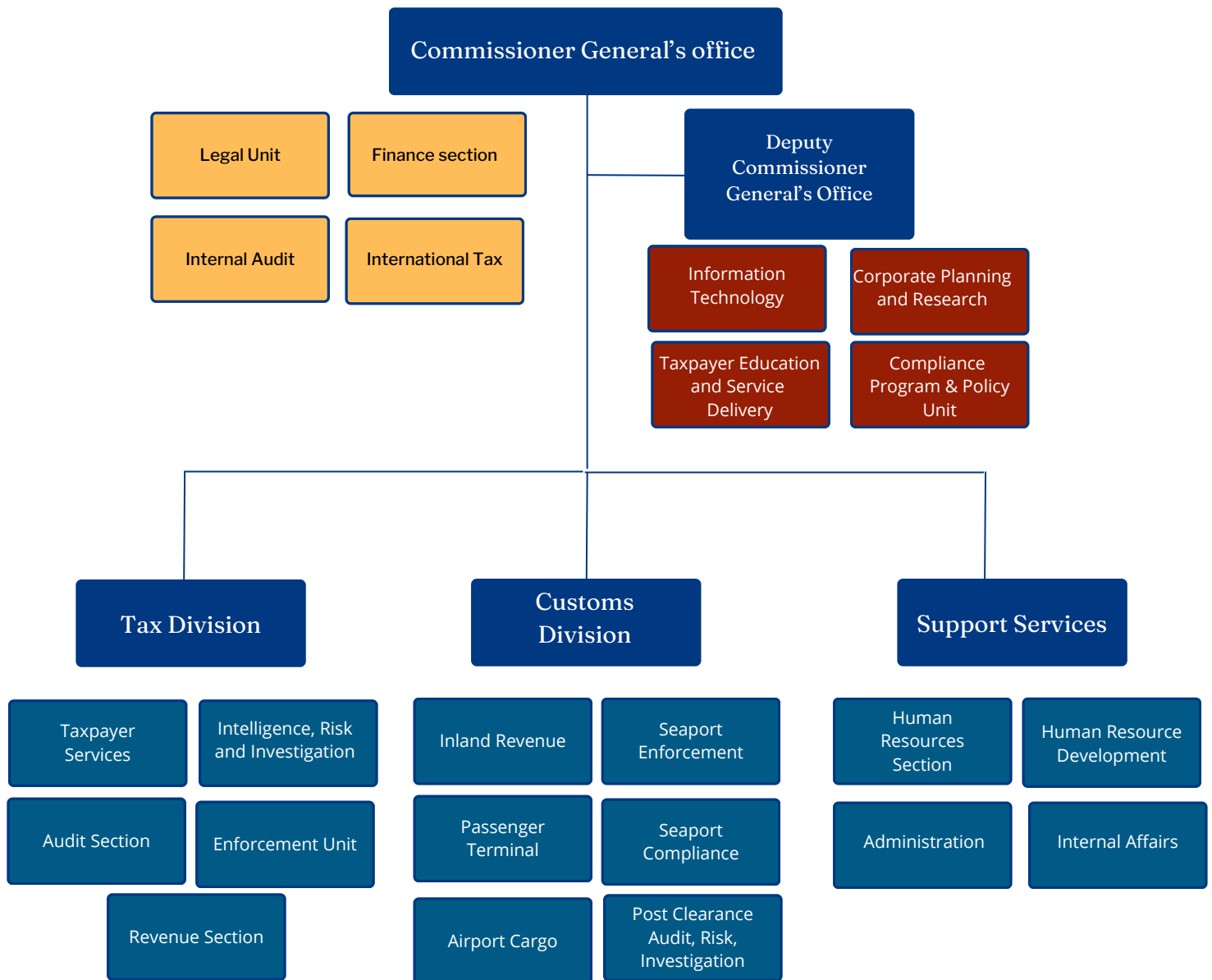
01. Value Added Tax
02. Business Tax
03. Presumptive Tax
04. Income & Non-Monetary Benefits Tax
05. Tourism Marketing Tax
06. Immovable Property Tax
07. Excise Tax
08. Customs Duties
09. Tourism Environmental sustainability Levy
10. Accommodation Turnover Tax

STRATEGIC OBJECTIVES



- **Maximize revenue collection by strengthening internal processes, debt management and suppressing non-compliance.**
- **Empower and enable all taxpayers to timely meet their obligations through innovative processes and trade facilitation initiatives.**
- **Enhance Border security and strengthen detection to proactively identify criminal activities**
- **Improve efficiency and enhance compliance with our international commitments.**
- **Cultivate a well-equipped, resilient, committed and engaged workforce to further improve public trust.**

OUR ORGANISATIONAL STRUCTURE



THE MANAGEMENT TEAM

SENIOR MANAGEMENT



Vacant

Commissioner
General



Mr. Fred Morel

Deputy Commissioner
General



Mr. Paul Barrack

Commissioner of
Customs



Miss Gayathri Chetty

Commissioner of
Tax



Ms. Christelle Betsy

Director General for
Support Services

SECRETARIAT



**Ms. Roseline
Lepathy**

Director- Compliance
Program and Policy



Ms. Sheryl Barra

Director- Taxpayer
Education & Service
Delivery



Mrs. Anna Holstein

Director- Human Resources
& Human Resources
Development



**Ms. Catherine
Ombima**

Director- Legal

VACANT

Director Corporate Planning and Research.
Director -IT

TAX DIVISION



Mrs. Fabiola Alcindor
Director -
Enforcement



Mrs. Kristina Telemaque
Director - Audit

Vacant

Director Revenue

Director - Taxpayer
Services

CUSTOMS DIVISION



Mr. Francois Ally
Director - Seaport
Enforcement



Ms. Sandra Laurence
Acting Director -
Seaport Compliance



Mrs. Cindy Blakemore
Director- Inland Revenue



Ms. Genila Bonnelame
Manager - Airport
Terminal



Mrs. Simone Didon
Acting Director - Airport
Cargo



COPORATE GOVERNANCE

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 January 2023 to December 2023, the SRC Board was chaired by Mr. Chrystold Chetty. The other Board Members were:

- Mr. Serge Durup
- Mr. Charles Morin
- Ms. Cillia Mangroo
- Mr. Patrick Payet
- Ms. Zenabe Daman
- Ms. Ginny Elizabeth

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:

- Human Resource and Remuneration 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 composition

Committee	Members
Human Resources Committee	Mr. Chrystold Chetty (Chairperson / Board Member)
	Mr. Charles Morin (Board Member)
	Ms. Christelle Betsy (Director General - Support Services)
	Mrs. Helen Maiche (External consultant)
	Mrs. Emmaline Camille (External Consultant)
Audit and Risk Committee	Ms. Ginny Elizabeth (Chairperson/ Board Member)
	Mr. Patrick Payet (Board Member)
	Ms. Annielle Desaubin (Head of Accounts)
	Ms. Roseline Lepathy (Director- Compliance Program and Policy)

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 7 strategic meetings and 11 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: Attendance of Board members at board meetings

Board Membera	No. of meetings attended (/18)	Board Fees 2023 (SR)	Duration of appointment
Mr. Chrystold Chetty	18	54, 876	3 years
Mr. Patrick Payet	11	45, 600	3 years
Ms. Cilia Mangroo	15	45, 600	3 years
Mr. Serge Durup	16	45, 600	3 years
Mr. Charles Morin	15	45, 600	3 years
Ms. Zenabe Daman	9	45, 600	3 years
Ms. Ginny Elizabeth	11	45, 600	3 years





REVENUE COLLECTION

5.1 Overview of revenue collection for the year 2023

Chart 1: An overview

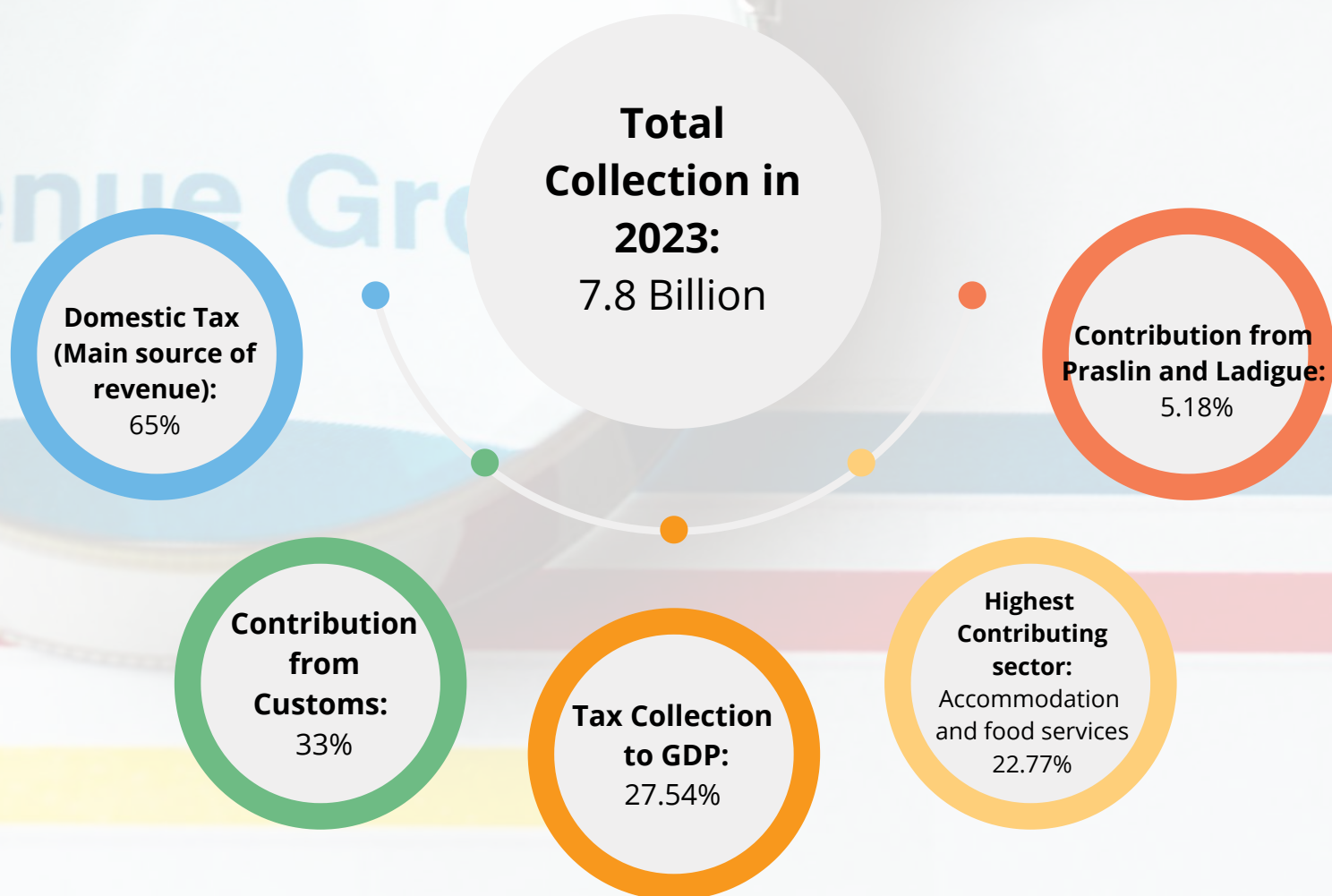


Table 3: Revenue Report for the fiscal year 2023 (SRC Millions)

	Total collection 2022	Total collection 2023	Variance	Published Budget 2023	End of year budget 2023	Variance	Total collection 2023 difference with published budget	Total collection 2023 difference with EOY Budget
Main Tax Line								
Income Tax	1, 085.67	1,190.00	104.33	1,223.26	1,214.83	(8.44)	(33.26)	(24.82)
Customs Duties	250. 33	255.01	4.68	340.77	340.89	0.12	(85.76)	(85.87)
Excise Tax	1, 415. 82	1,426.48	10.67	1,689.54	1,476.66	(212.87)	(263.05)	(50.18)
Business Tax	1, 188. 75	1,576.85	388.09	1,852.14	1,618.05	(234.09)	(275.30)	(41.20)
CSRT Arrears	10. 35	4.87	(5.49)	-	5.30	5.30	4.87	(0.43)
TMT	82. 12	108.96	26.85	74.18	87.73	13.55	34.78	21.23
VAT	2, 967. 23	3,002.39	35.16	3,345.94	3,117.67	(228.28)	(343.55)	(115.28)
Presumptive Tax	18. 62	24.18	5.56	-	-	-	24.18	24.18
Tourism Environmental Sustainability Tax	-	60.41	60.41	162.00	64.98	(97.02)	(101.59)	(4.58)
Accommodation Turnover Tax	-	102.10	102.10	118.00	125.79	7.79	(15.90)	(23.69)
GST Arrears	0. 66	0.65	(0.00)	-	-	-	0.65	0.65
Property Tax	29. 27	35.27	6.00	50.00	35.56	(14.44)	(14.73)	(0.29)
Total Main Tax line receipts	7, 048. 82	7,787.17	738.35	8,855.84	8,087.45	(768.38)	(1,068.67)	(300.28)
SLA	-	-	-	-	-	-	-	-
Other Non- Tax	127. 67	105.53	(22.14)	-	-	-	105.53	105.53
SFF Arrears	11. 56	11.58	0.02	-	-	-	11.58	11.58
Unidentified items	17. 69	65.89	48.20	-	-	-	-	-
Court deposit	(0. 14)	-	0.14	-	-	-	-	-
Total non- tax receipts	156. 78	183.00	26.23	-	-	-	117.11	117.11
Total	7, 205. 59	7,970.17	764.58	8,855.84	8,087.45	(768.38)	(951.56)	(183.17)

The SRC collected SR 7.8 billion in fiscal year 2023, showing a surplus of SR 738.35 million compared to 2022, driven by the country's economic recovery post-pandemic. However, this falls short of the SR 8.1 billion forecast, resulting in a deficit of SR 183.17 million. Most tax lines underperformed, notably VAT (SR 115.28 million), customs duties (SR 85.87 million), and excise tax (SR 50.18 million). Conversely, GST arrears (SR 0.65 million), TMT (SR 21.23 million), and presumptive tax (SR 24.18 million) exceeded revenue forecasts.

Table 4: Revenue collection for the years 2018-2023

Main Tax Line	2018	2019	2020	2021	2022	2023
Income Tax	965.10	974.98	1,023.23	1,030.13	1,085.67	1,190.00
Customs Duties	318.72	317.60	239.89	194.13	250.33	255.01
Excise Tax	1,280.51	1,385.44	1,268.09	1,207.81	1,415.82	1,426.48
Business Tax	1,363.77	1,384.73	1,193.11	1,439.37	1,188.75	1,576.85
Presumptive Tax	12.72	12.20	10.79	16.65	18.62	24.18
CSRT	106.26	108.75	101.87	61.10	10.35	4.87
TMT	70.17	71.45	61.51	59.90	82.12	108.96
VAT	2,518.03	2,589.43	2,113.02	2,323.44	2,967.23	3,002.39
TESL		-	-	-	-	60.41
ATT		-	-	-	-	102.10
GST Arrears	2.64	2.92	1.74	2.36	0.66	0.65
Property Tax	-		0.79	44.68	29.27	35.27
Total	6,637.92	6,847.50	6,014.05	6,379.56	7,048.82	7,787.17
Growth from previous year	6.29%	3.16%	-12.17%	6.08%	10.50%	10.27%

Chart 2: Revenue Proportion for the Year 2023

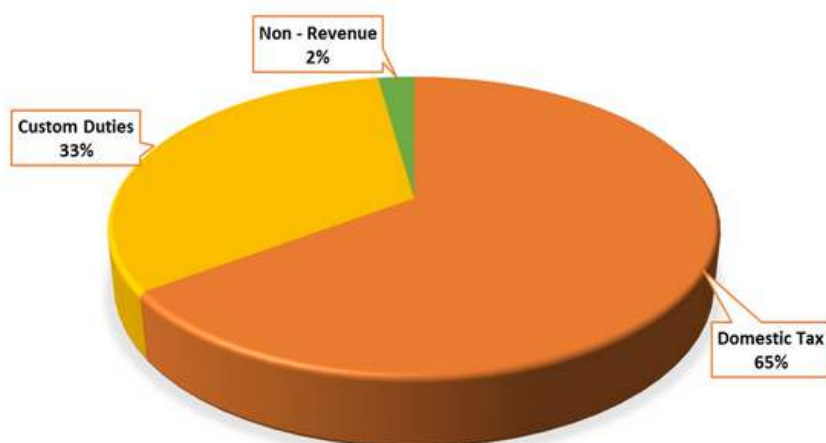
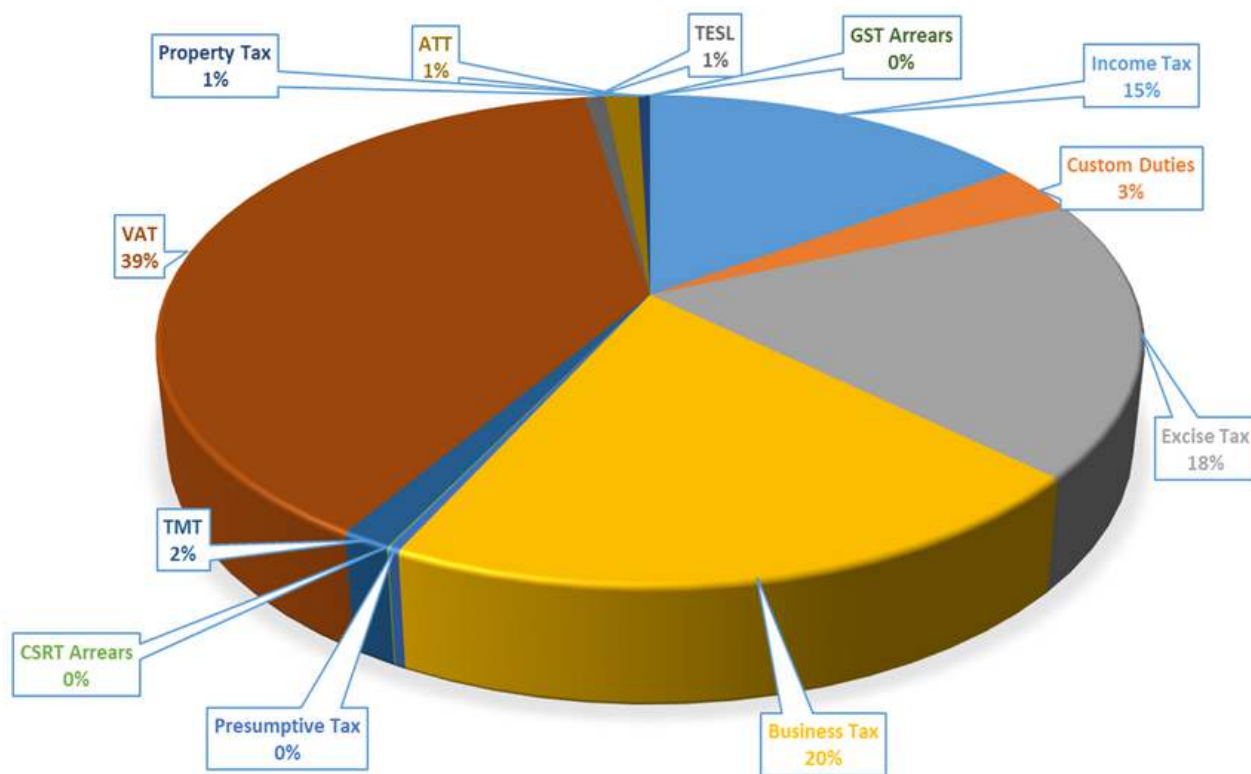


Chart 2 illustrates revenue collection by the three main categories, namely Domestic Taxes, Customs Duties and Non-Tax Revenue.

Domestic Tax remains our main contributor of revenue with a contribution of 65% for the year, Custom Duties accumulated 33%, and Non-Tax Revenue contributed to 2%.

5.2 Segmentation of Domestic Taxes

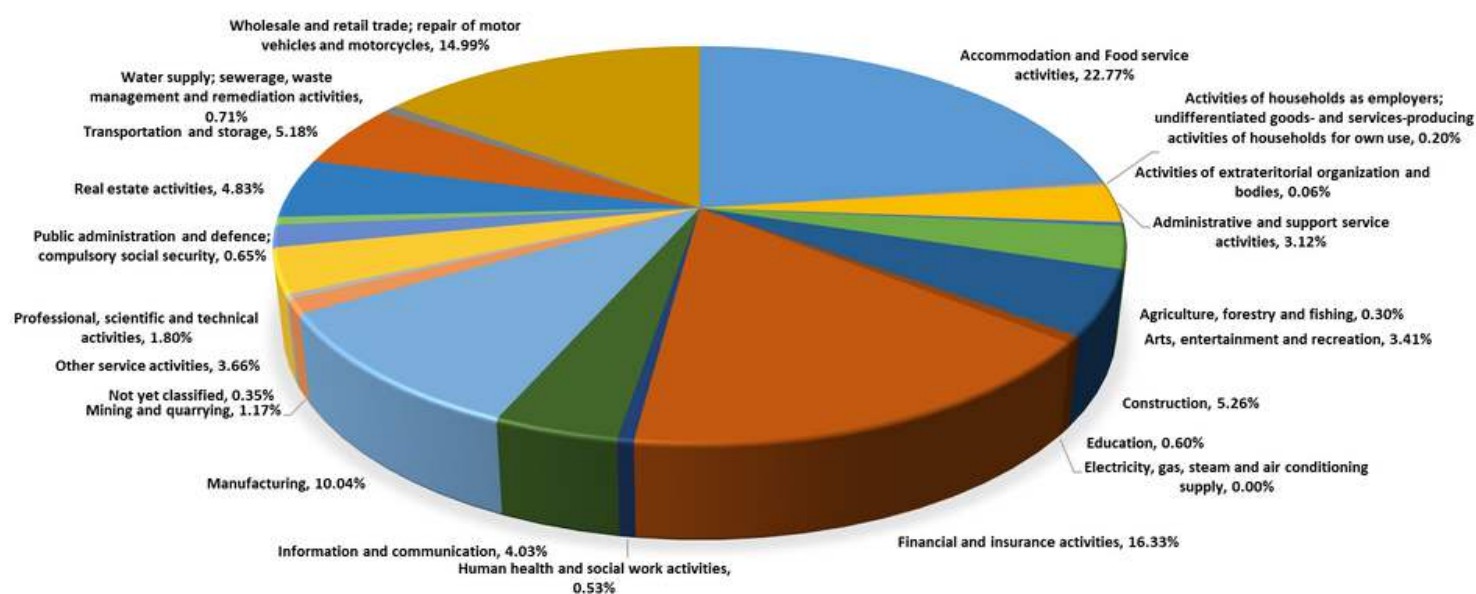
Chart 3: Main tax collection overview



Value Added Tax remains the main contributor towards total collection with a total contribution of 39%

5.3 Collection by Sector

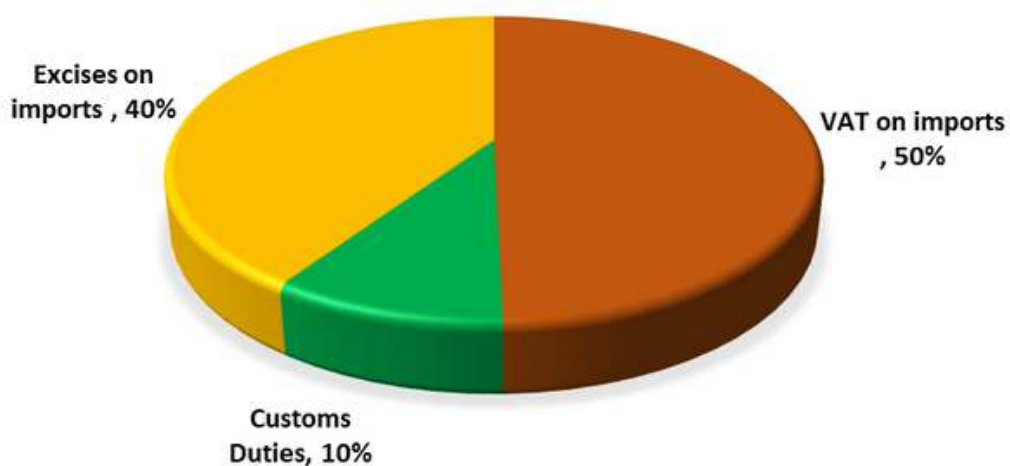
Chart 4: Sectoral Collection



Accommodation and food services activities stands as the highest contributing sector for revenue collection at 22.77%, followed by the financial and insurance activities and wholesale and retail trade; repair of motor vehicles and motorcycles at 16.33% and 14.99% respectively.

5.4 Segmentation of Customs Revenue

Chart 5: Segmentation of Customs Revenue Collection



For the year under review, VAT on imports contributed to 47% of revenue collection at Customs. Excise on imports amounted to 43% and Customs Duties 12%.

5.5 Geographical segmentation of tax collection

Figure 1: Tax Contribution by islands

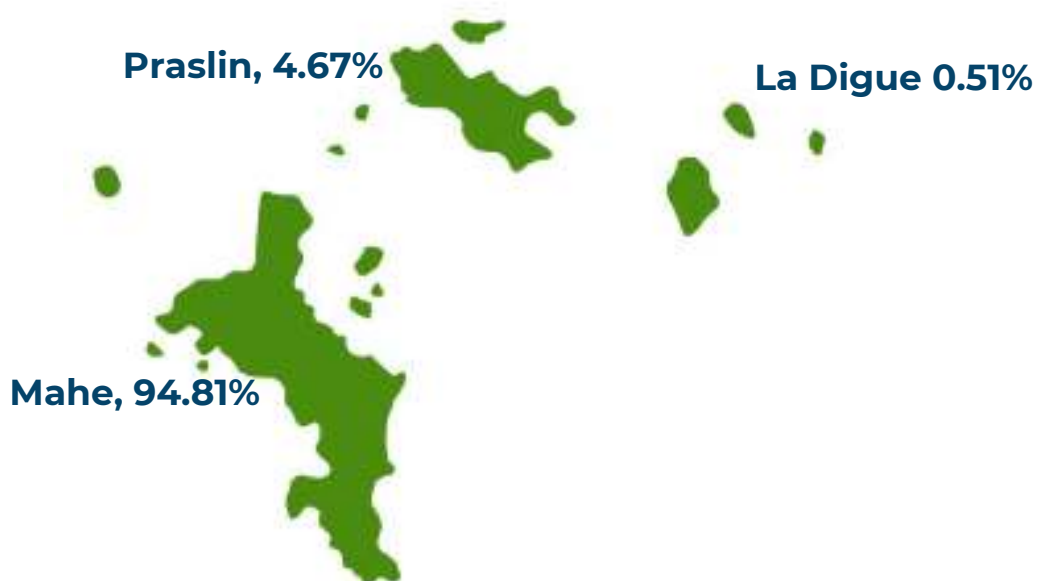


Chart 6: Tax Contribution by Geographical Location for the Year 2023



5.6 Business Tax

Table 5: Business Tax Performance for the Year 2023 (SR Millions)

Main Tax Line	Total Collection 2022	Total Collection 2023	Variance	Published Budget 2023	End of year Budget 2023	Variance	Total collection 2023 difference with PUB Budget	Total Collection 2023 difference with EOY Budget
Company	1,009.81	1,379.05	369.25	1,572.38	1,381.60	(190.78)	(193.33)	(2.54)
Individual	38.26	62.76	24.50	98.03	73.02	(25.01)	(35.27)	(10.25)
Partnership & Others	19.44	30.36	10.92	30.36	28.45	(1.92)	(0.01)	1.91
Withholding Tax	99.65	79.54	(20.10)	124.67	110.94	(13.73)	(45.13)	(31.40)
Residential rent	21.60	25.13	3.53	26.70	24.05	(2.65)	(1.57)	1.08
Total Business tax receipt	1,188.75	1,576.842	388.09	1,852.14	1,618.05	(234.09)	(275.30)	(41.21)

Business Tax performance was below forecast SR 41.2 million for the year under review.

5.5.1 Breakdown of Business Tax Receipts by entity type

Table 6: Business Tax Receipts by Entity Type for the Years 2018 - 2023

Main Tax Line	2018	2019	2020	2021	2022	2023
Company	1,155.31	1,160.08	1,015.77	1,201.31	1,009.81	1,379.05
Individual	37.03	37.77	36.02	74.17	38.26	62.76
Partnership & Others	15.95	18.34	16.84	21.21	19.44	30.36
Withholding Tax	96.47	103.68	102.84	122.42	99.65	79.54
Residential rent	59.00	64.86	21.63	20.26	21.60	25.13
Total Business tax receipt	1,363.77	1,384.73	1,193.11	1,439.37	1,188.75	1,576.85

Collection under business tax has increased by 32% when compared with the fiscal year 2022.

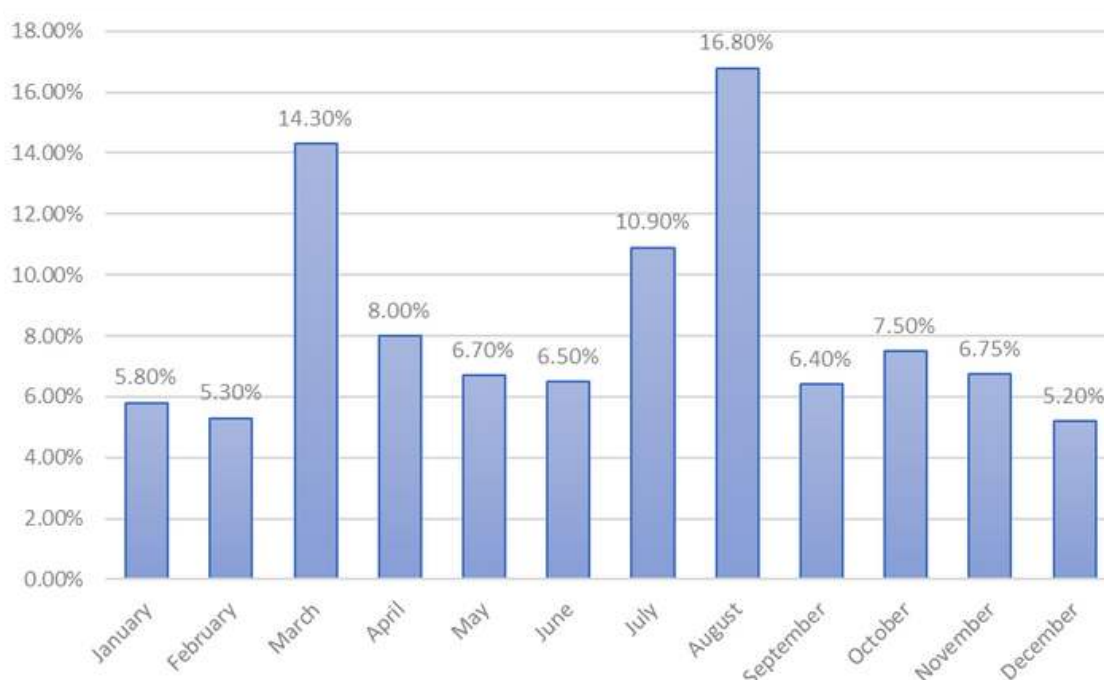
5.5.2 Breakdown of Business Tax Receipts by tax type

Table 7: Business Tax Receipts for the Years 2018 - 2023

Main Tax Line	2018	2019	2020	2021	2022	2023
PAYG Instalment	699.94	673.35	664.01	586.10	686.79	614.22
Business Tax	477.55	509.40	375.00	693.74	373.35	843.36
PAYG Specified Business	30.72	33.43	29.54	16.84	7.36	8.10
Withholding Tax	96.47	103.68	102.84	122.42	99.65	79.54
Residential Rent	59.00	64.86	21.63	20.62	21.60	25.13
Others	0.09	0.01	0.09	-	-	6.48
Total	1,363.77	1,384.73	1,193.11	1,439.37	1,188.75	1,576.85

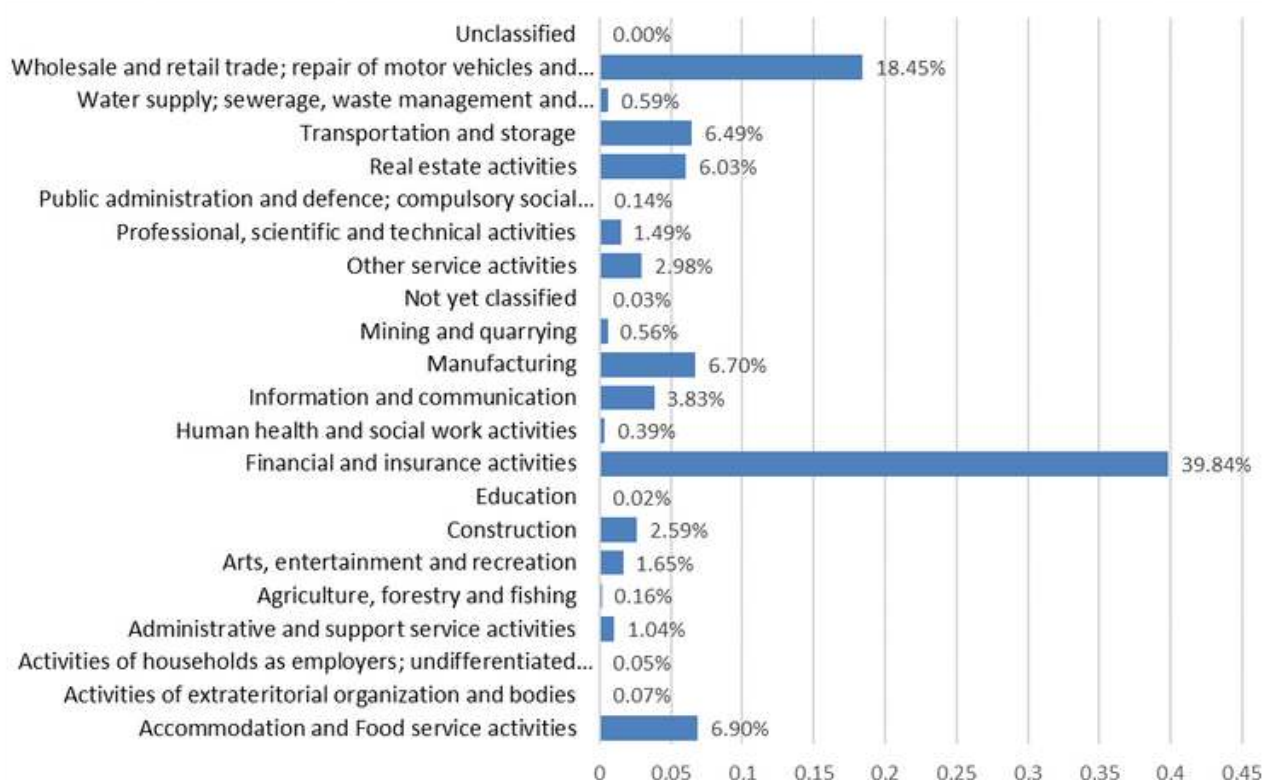
5.5.3 Monthly Business Tax Collection

Chart 7: Business Tax Collection by Month



5.5.4 Breakdown of Business Tax Receipts by sector

Chart 8: Business Tax Receipts by sector for the Year 2023



The financial and insurance sector is the largest contributors of Business Tax, with a contribution of 39%. The wholesale and retail trade, repair of motor vehicles and motor cycle contributed to 18.4%, followed by accommodation and food services at 6.9%.

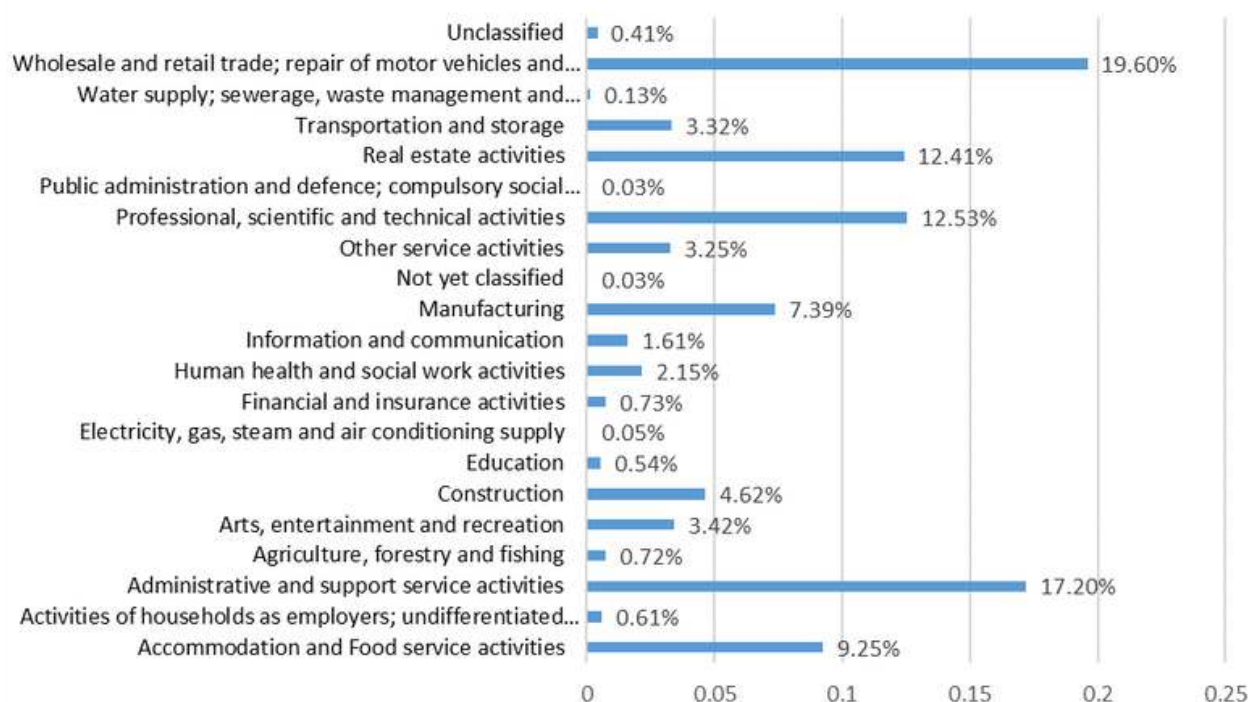
5.55 Breakdown of Presumptive Tax

Table 8: Collection of Presumptive Tax for the Years 2018 - 2023 (SR millions)

Entity type	2018	2019	2020	2021	2022	2023
Company	1.76	2.43	1.25	2.78	2.93	2.55
Individual	8.55	7.57	7.58	11.35	12.73	17.79
Partnership	2.38	2.19	1.94	2.51	2.94	3.83
Trust	0.03	0.01	0.01	0.01	0.02	0.01
Total	12.72	12.2	10.79	16.65	18.62	24.18

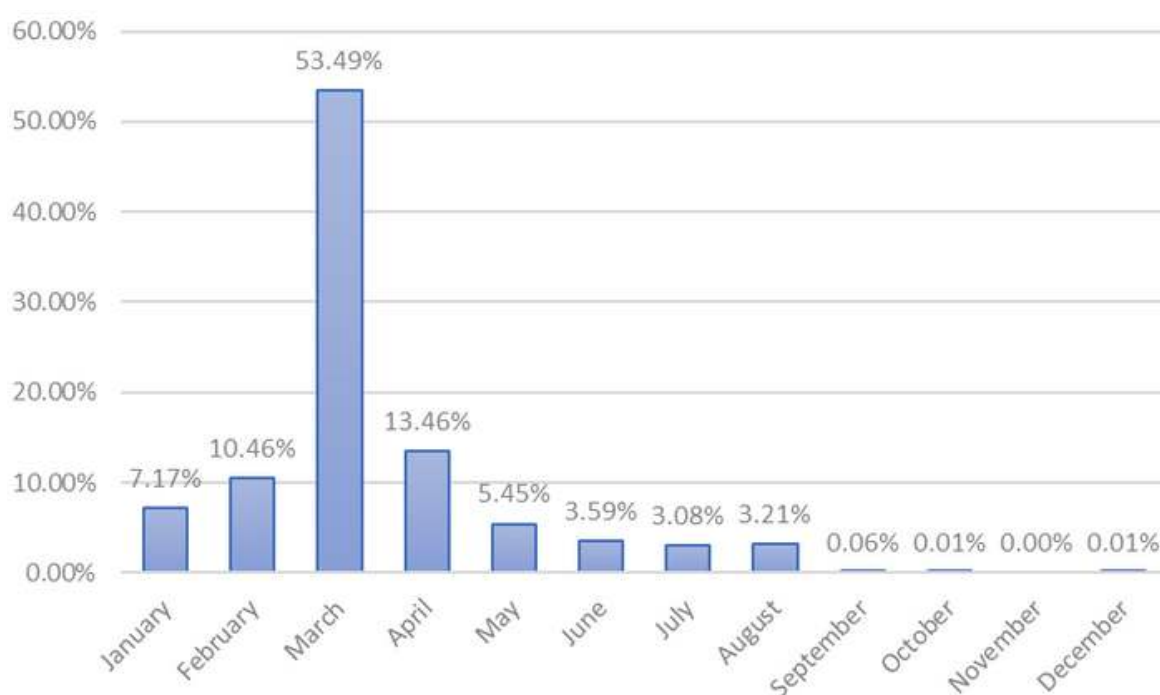
The revenue collected in 2023 has increased by 30% compared to 2022

Chart 9: Breakdown of Presumptive Tax by sector for the Year 2023



Presumptive Tax was predominantly led by wholesale and retail trade; repair of motor vehicles and motor cycles, with a contribution of 19.6%. The administrative and support services activities contributed 17.2% and the professional and scientific and technical activities produced a 12.4% share.

Chart 10: Presumptive Tax Monthly Collection



5.7 Corporate Social Responsibility and Tourism Marketing Tax

Table 9: CSRT Arrears and TMT Performance for the Year 2023 (SR Millions)

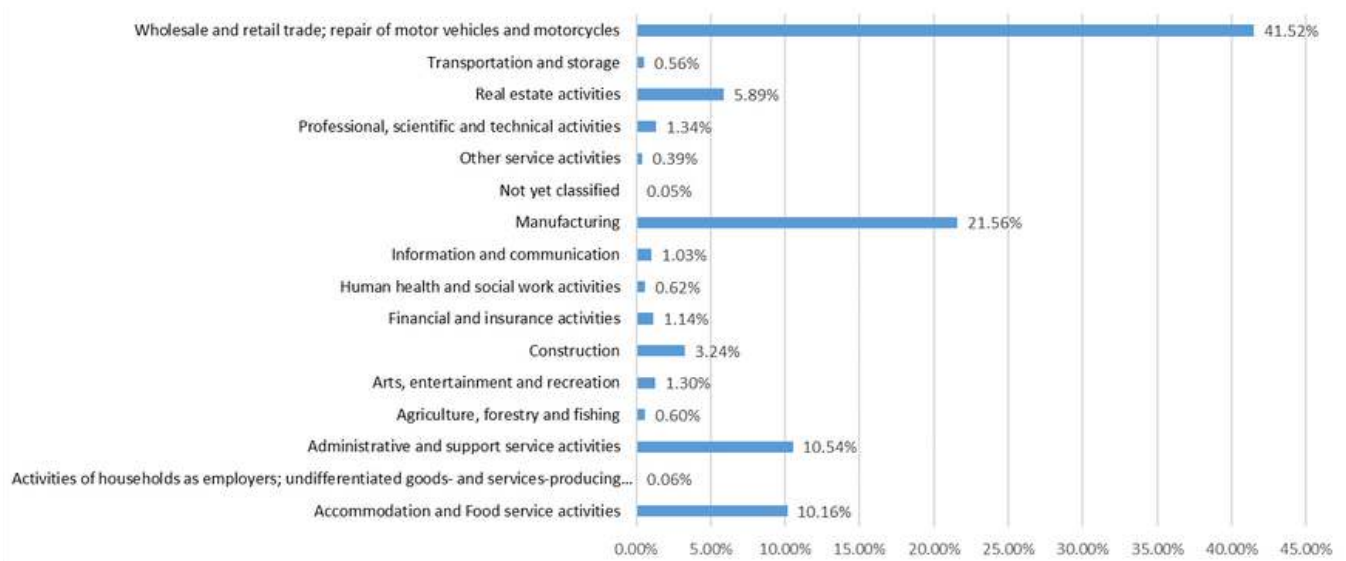
Main Tax Line	Total Collection 2022	Total Collection 2023	Variance	Published Budget 2023	End of year Budget 2023	Variance	Total collection 2023 difference with PUB Budget	Total Collection 2023 difference with EOY Budget
CSRT Arrears	10.35	4.87	-5.49	0.00	5.30	5.30	4.87	-0.43
TMT	82.12	108.96	26.85	74.18	87.73	13.55	34.78	21.23

Table 10: Collection of CSRT Arrears and TMT for the Years 2018 - 2023 (SR Millions)

Entity type	2018	2019	2020	2021	2022	2023
CSRT Arrears	106.26	108.75	101.87	61.1	10.35	4.87
TMT	70.17	71.45	61.51	59.9	82.12	108.96

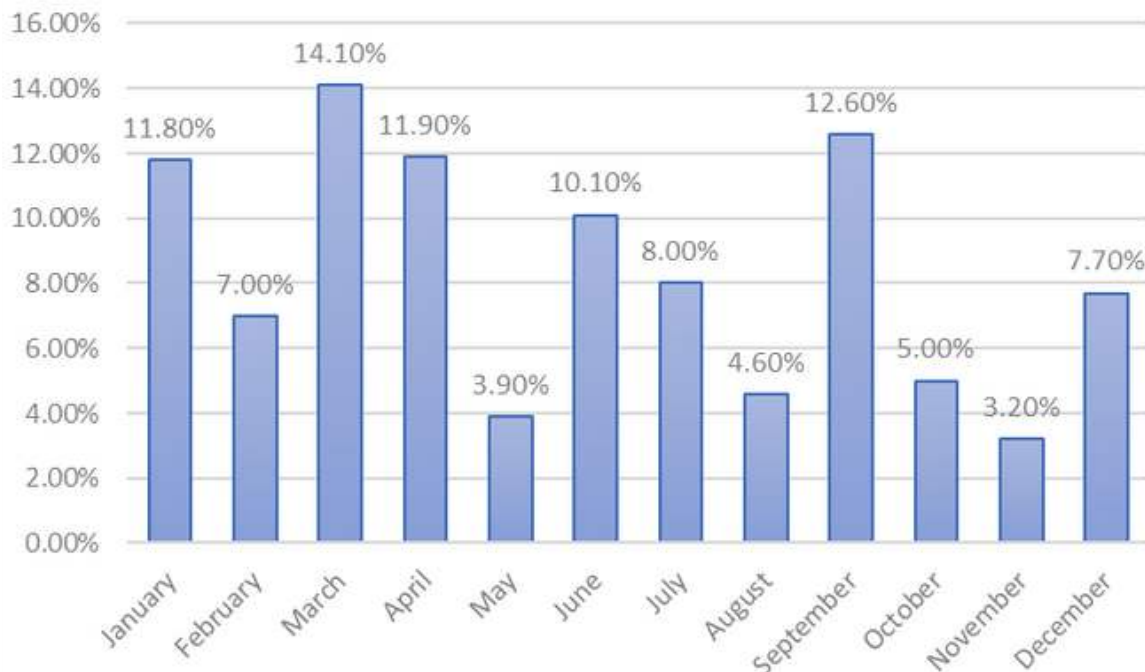
CSRT Arrears recorded a decrease of 53% in collection when compared with the fiscal year 2022, whereas TMT increased by 33%. TMT also recorded a surplus of SR 21.23 million.

Chart 11: Breakdown of CSRT by sector for the Year 2023



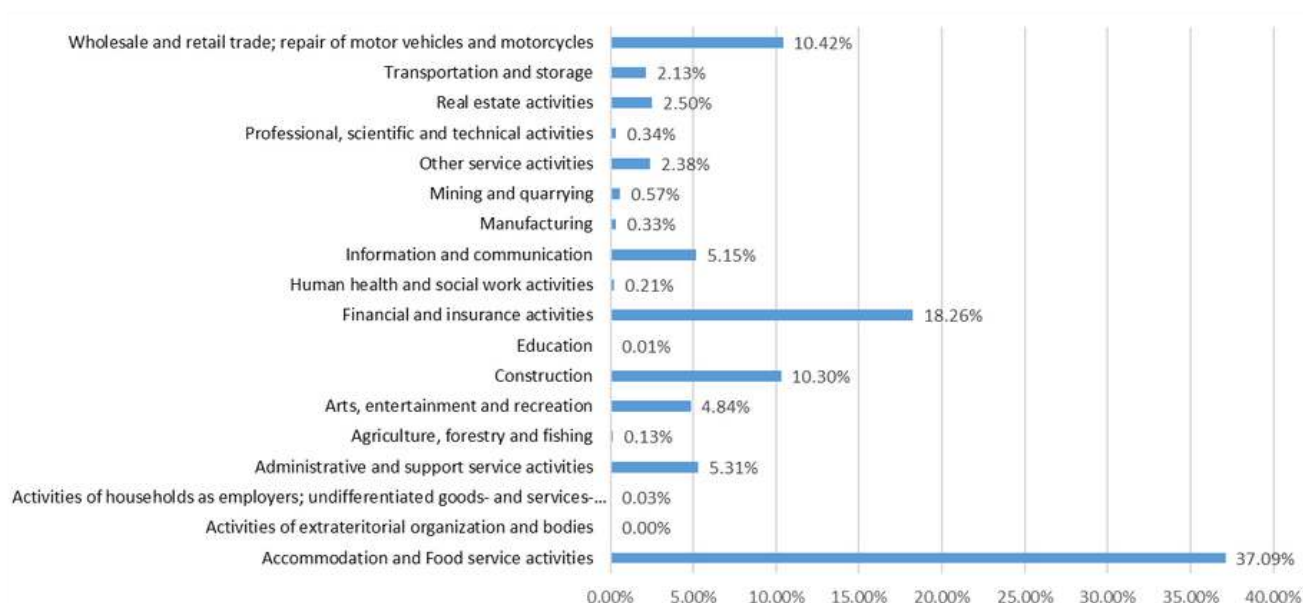
The wholesale and retail trade; repair of motor vehicles and motor cycles sector produced the most income under CSRT arrears, accounting for 41.5%, followed by the manufacturing sector, which contributed 21.56%.

Chart 12: CSRT Arrears Monthly Collection



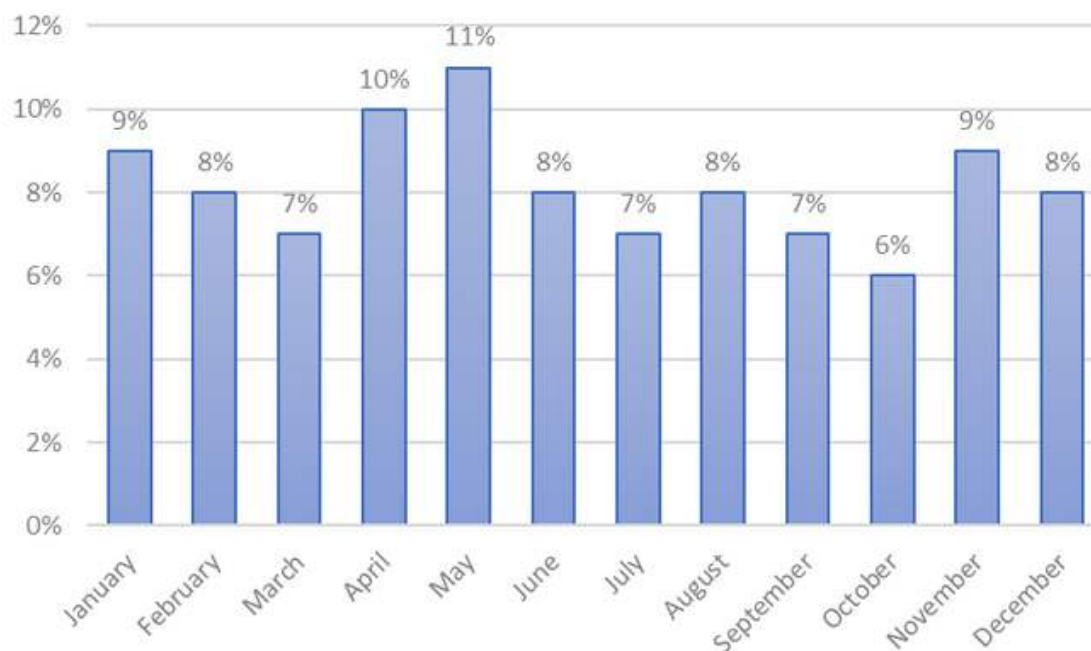
Revenue collection for CSRT Arrears was highest during the month of March, at 14.1%.

Chart 13: Breakdown of TMT by sector for the Year 2023



The accommodation and food services industry accounted for 37.09% of TMT income, followed by financial and insurance activities, which contributed 18.26%.

Chart 14: TMT Monthly Collection



The largest proportion of TMT was collected in the month of December at 14%.

5.8 Income & Non-Monetary Benefits Tax

Table 11: INMBT Performance for the Year 2023 (SR Millions)

	Total Collection 2022	Total Collection 2023	Variance	Published Budget 2023	End of year Budget 2023	Variance	Total collection 2023 difference with PUB Budget	Total Collection 2023 difference with EOY Budget
Government	245.20	266.24	20.93	300.63	274.58	(26.05)	(34.39)	(8.34)
Other Public Sector	98.84	139.62	40.77	97.00	151.99	54.99	42.61	(12.38)
Private	741.53	784.15	42.63	825.63	788.26	(37.38)	(41.48)	(4.10)
Total Income	1,085.67	1,190.00	104.33	1,223.26	1,214.83	(8.44)	(33.26)	(24.82)

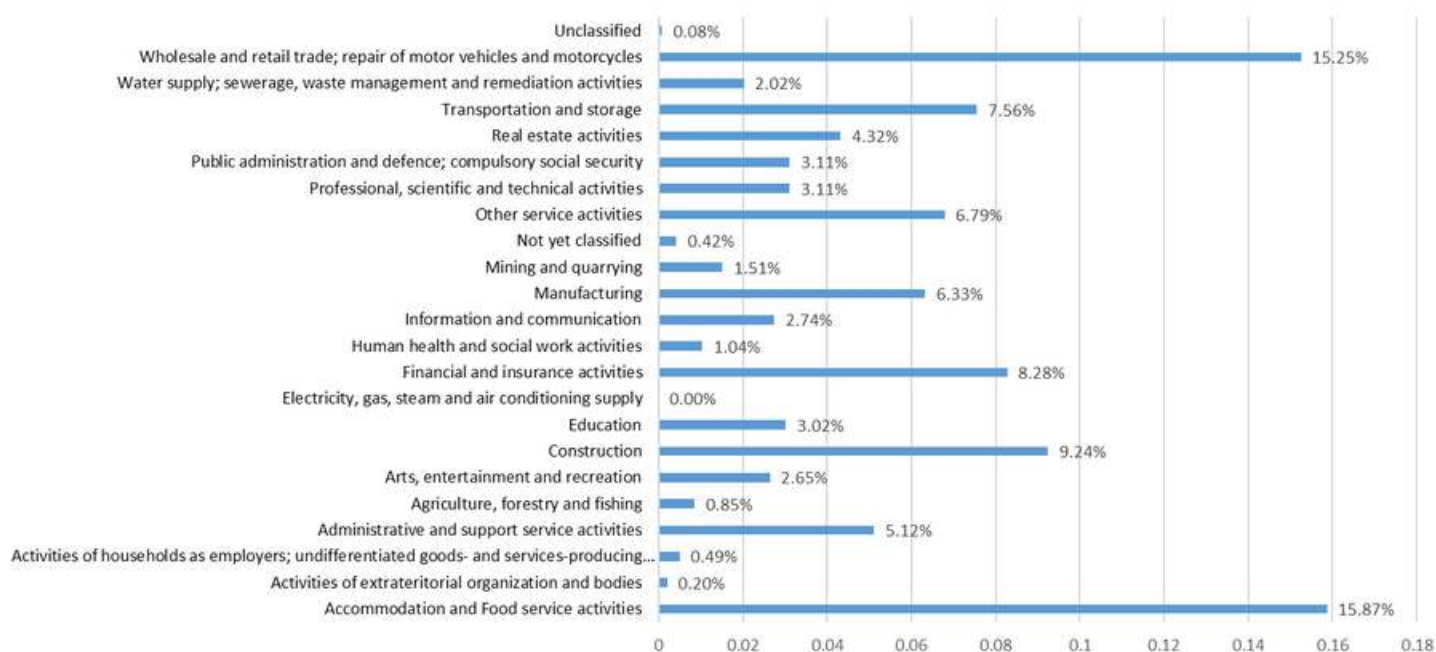
Actual collection of INMBT was lower than the end of year forecast, with a negative variance of SR 24.82 million. The Government, public sector and the private sectors underperformed by SR SRC 8.34 million, SR 12.38 million and SR 4.1 million respectively.

Table 12: INMBT by Sector for the Years 2018 - 2023 (SR Millions)

Sector	2018	2019	2020	2021	2022	2023
Government	235.93	211.35	242.26	256.48	245.30	266.24
Other public sector	122.01	122.73	113.34	93.54	98.84	139.62
Private	607.159	640.899	667.633	680.112	741.53	784.153
Total income tax collection	965.10	974.98	1,023.23	1,030.13	1085.67	1,190.00

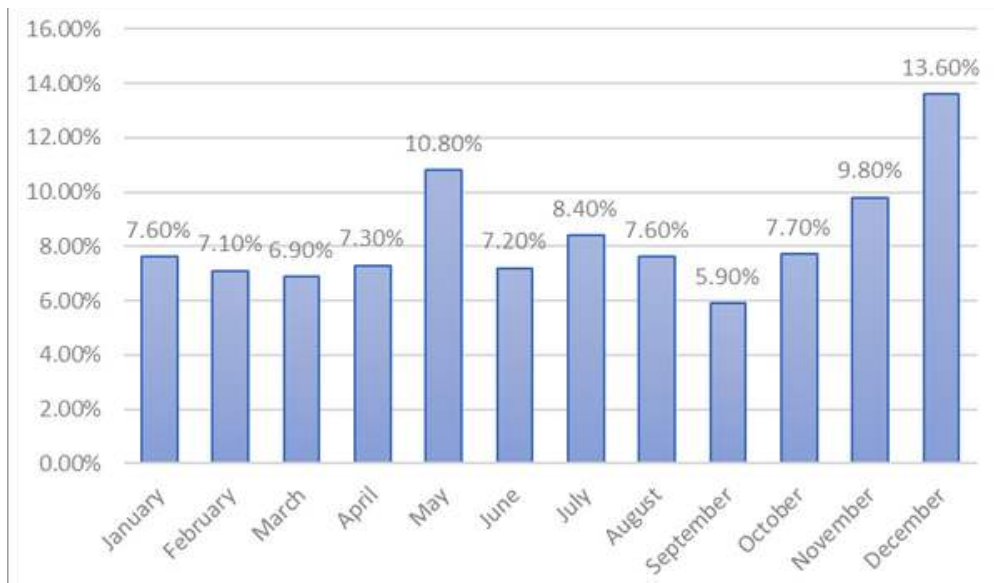
The analysis indicates an increase of 9.6% when compared to 2022.

Chart 15: Breakdown of INMBT by sector for the Year 2023



The accommodation and food services sector is the country's top contributor to Income Tax, with a total contribution of 15.8%, followed by wholesale and retail trade; repairs of motor vehicles and motor cycles at 15.25%.

Chart 16: INMBT Monthly Collection: INMBT Monthly Collection



SRC recorded a higher collection for INMBT in the month of December (13.6%).

5.9 Value Added Tax (VAT)

Table 13: Value Added Tax Performance for the Year 2023 (SR Millions)

	Total Collection 2022	Total Collection 2023	Variance	Published Budget 2023	End of year Budget 2023	Variance	Total collection 2023 difference with PUB Budget	Total Collection 2023 difference with EOY Budget
VAT Domestic	1,855.36	1,712.29	(143.07)	2,158.12	1,834.57	(323.55)	(445.83)	(122.28)
VAT Import	1,111.87	1,290.09	178.23	1,187.82	1,283.09	95.27	102.27	7.00
Total VAT Receipts	2,967.23	3,002.39	35.16	3,345.94	3,117.67	(228.28)	(343.55)	(115.28)

Value Added Tax performed below its forecasted budget by SR 115.28 million. The target was set at SR 3.1 billion, compared to the actual collection which amounted to SR 3 billion. VAT Domestic yielded a negative variance of SR 122.28 million whereas VAT Import recorded a surplus of SR 7 million.

Table 14: Collection of VAT (Domestic) by Industry for the Years 2019 - 2023 (SR Millions)

VAT Sector	2019	2020	2021	2022	2023
LMG - Alcohol	79.25	78.88	81.54	94.99	91.06
LMG - Tobacco	30.55	35.76	37.83	32.99	27.71
Construction	93.97	79.22	96.38	85.00	134.99
Tourism	862.68	501.74	601.61	934.92	654.45
Finance & Insurance	43.71	68.95	87.66	72.53	82.40
ICT & Telecom	115.68	113.46	131.28	153.67	146.90
Real Estate	59.09	44.29	48.86	77.83	-34.28
Wholesale Retails	156.02	139.13	170.98	180.96	206.43
Others	145.6	141.85	174.14	222.47	402.64
Total	1,586.55	1,203.28	1,430.27	1,844.36	1712.29

VAT collection has decreased from SR 1.8 billion in 2022 to SR 1.7 billion in 2023 indicating a decrease of 7%.

Chart 17: Breakdown of VAT by sector for the Year 2023

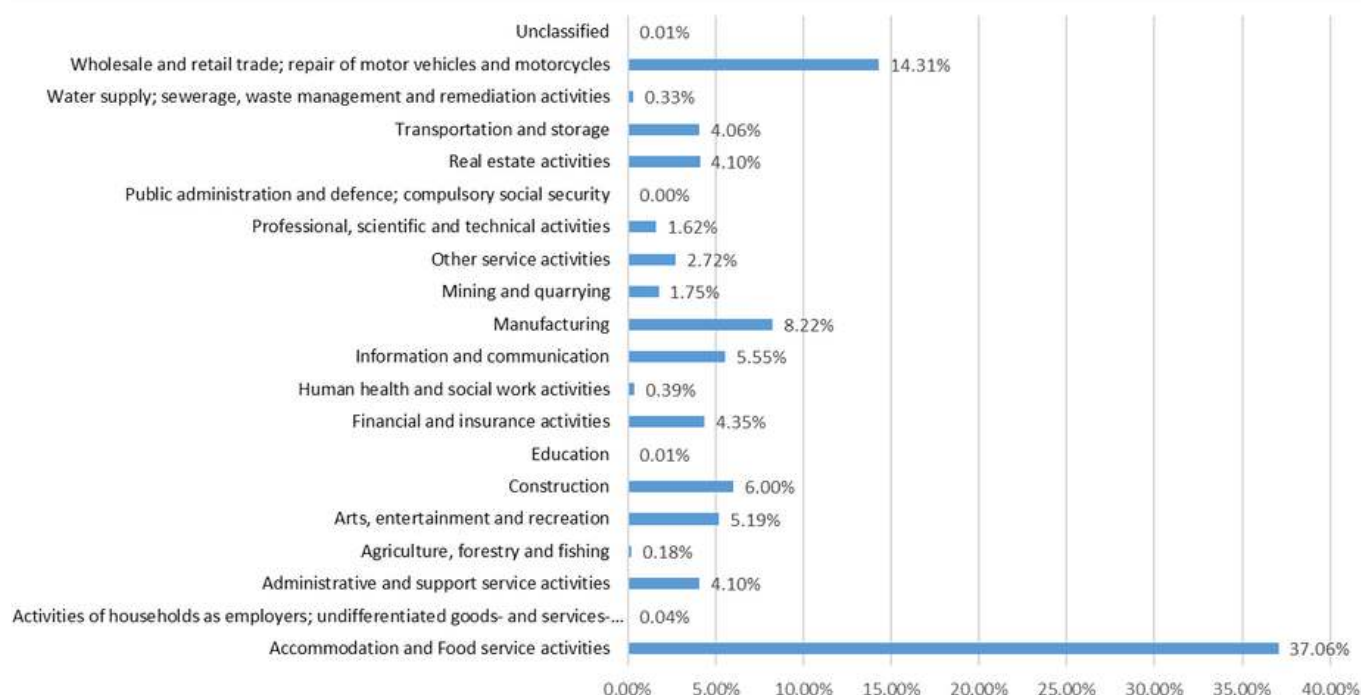


Chart 18: Value Added Tax Monthly Collection

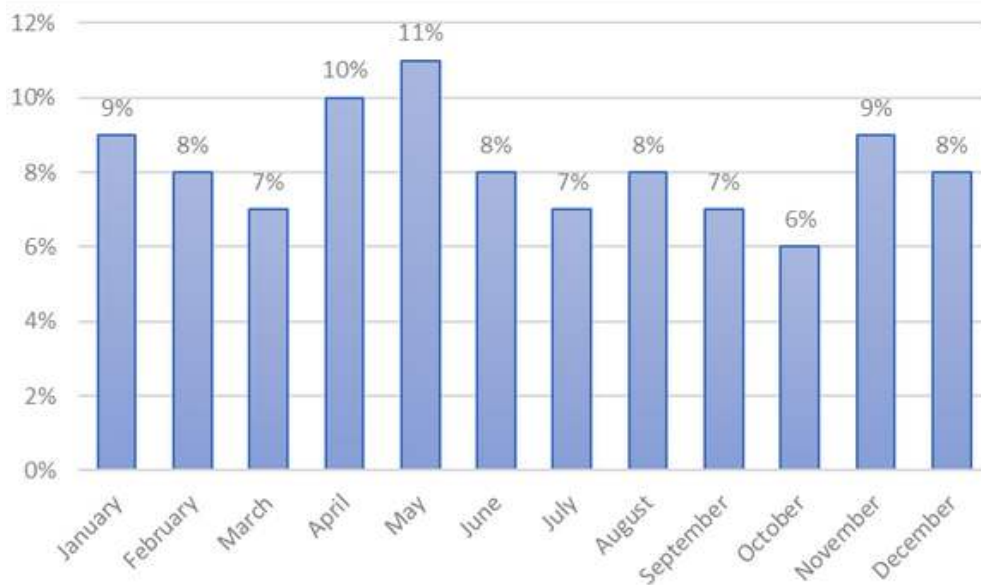


Table 15: VAT Exemption and Deferred Payment for the Year 2023 (SR Millions)

2023	
Deferred Payment	2,146.14
VAT Exemption	794.63

5.10 Excise Tax

Table 16: Excise Tax Performance for the Year 2023 (SR Millions)

	Total Collection 2022	Total Collection 2023	Variance	Published Budget 2023	End of year Budget 2023	Variance	Total collection 2023 difference with PUB Budget	Total Collection 2023 difference with EOY Budget
LMG Alcohol	198.05	169.17	(28.88)	218.72	201.06	(17.66)	(49.55)	(31.89)
LMG Tobacco	182.43	172.92	(9.51)	224.92	190.71	(34.20)	(51.99)	(17.79)
LMG Sugar Tax	25.66	30.20	4.54	28.75	26.82	(1.92)	1.45	3.38
Sub-total Excise-LMG	406.14	372.29	(33.85)	472.38	418.60	(53.78)	(100.09)	(46.31)
Import Alcohol	230.67	237.53	6.87	310.65	233.06	(77.59)	(73.12)	4.47
Petroleum	639.89	638.99	(0.90)	728.44	647.22	(81.23)	(89.46)	(8.23)
Motor Vehicles	106.62	139.72	33.10	144.97	144.92	(0.05)	(5.24)	(5.20)
Import Tobacco	3.81	2.83	(0.98)	4.96	2.88	(2.09)	(2.13)	(0.05)
Import Beverages sugar Tax	28.69	35.12	6.43	28.13	29.99	1.86	6.99	5.13
Sub-Total Excise Import	1,009.68	1,054.19	44.52	1,217.15	1,058.07	(159.09)	(162.96)	(3.87)
Total Excise receipt	1,415.82	1,426.48	10.67	1,689.54	1,476.66	(212.87)	(263.05)	(50.18)

Table 17: Collection of Excise Tax by Product for the Years 2018 -2023 (SR Millions)

	2018	2019	2020	2021	2022	2023
LMG Alcohol	173.92	188.49	174.00	168.71	198.05	169.17
LMG Tobacco	160.37	159.21	195.98	195.56	182.43	172.92
LMG Sugar Tax	-	-	-	-	-	30.20
Sub-total Excise-LMG	334.29	351.30	392.82	387.25	406.14	372.29
Import Alcohol	208.38	230.52	198.21	188.77	230.67	237.53
Petroleum	609.23	628.40	551.6	575.62	639.89	638.99
Motor Vehicles	122.73	148.37	97.61	32.53	106.62	139.72
Import Tobacco	5.88	5.00	6.47	3.79	3.81	2.83
Import Beverages sugar Tax	-	21.84	21.39	19.85	28.69	35.12
Sub-Total Excise Import	946.22	1034.13	875.27	820.57	1,009.68	1,054.19
Total	1,280.51	1,385.44	1,268.09	1,207.81	1,415.82	1,426.48

Locally manufactured alcohol contributed towards 55.11% of the domestic tax component under Excise tax, while locally manufactured tobacco contributed 44.03%.

5.11 Immovable Property Tax

Table 18: Collection of Immovable Property Tax for the Year 2023 (SR Millions)

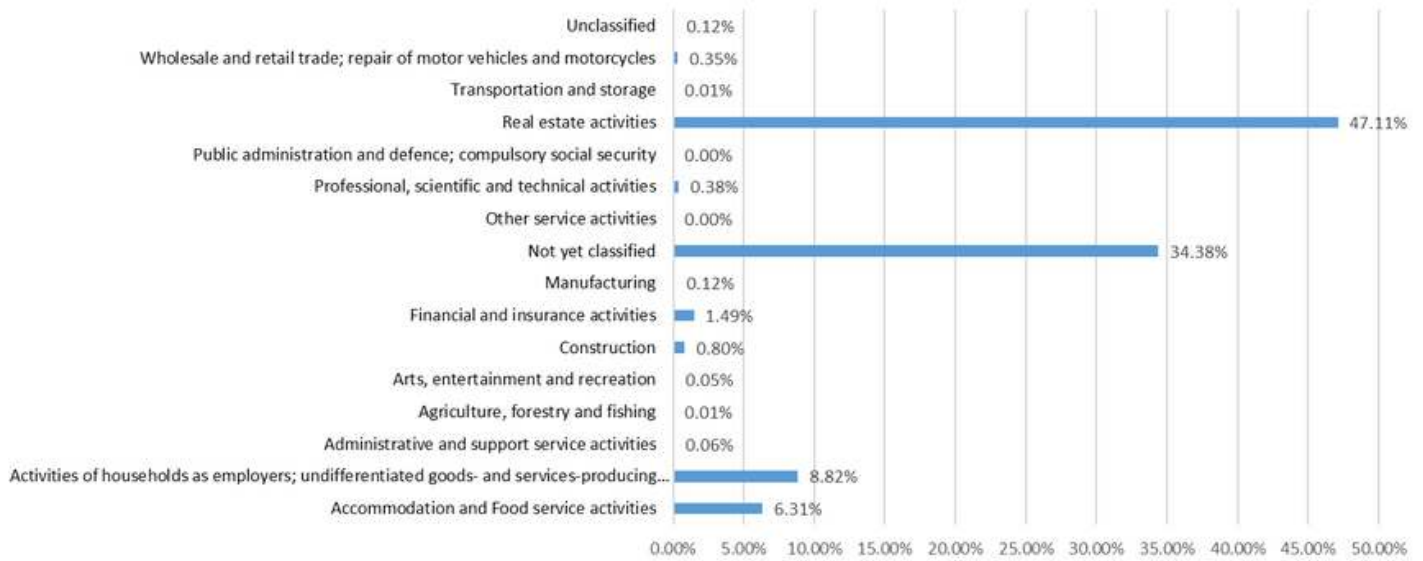
	Total Collection 2022	Total Collection 2023	Variance	Published Budget 2023	End of year Budget 2023	Variance	Total collection 2023 difference with PUB Budget	Total Collection 2023 difference with EOY Budget
Immovable Property Tax	29.27	35.27	6	50.00	35.56	(14.44)	(14.73)	(0.29)

Table 19: Collection of Immovable Property Tax for the Years 2018 - 2023 (SR Millions)

	2018	2019	2020	2021	2022	2023
Immovable Property Tax	-	-	0.79	44.68	29.27	35.27

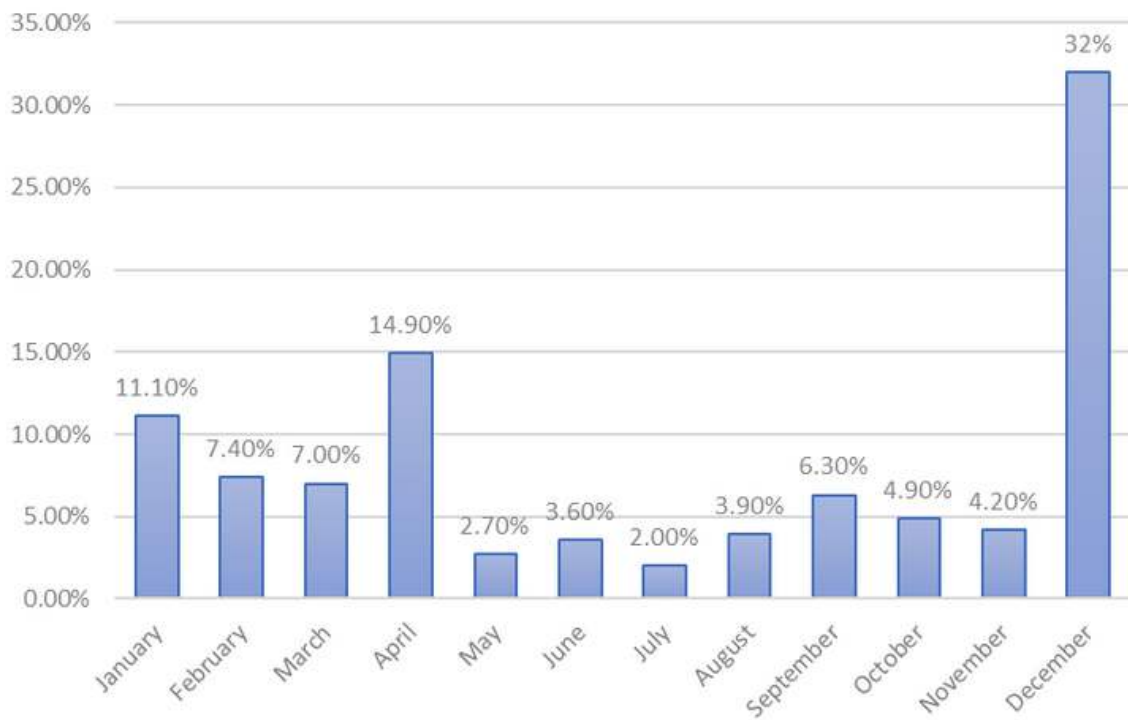
The revenue collected for the fiscal year 2023 has increased by 20% compared to the fiscal year 2022.

Chart 19: Breakdown of Immovable Property Tax by sector for the Year 2023



Real Estate activities sector is the main contributor for Immovable Property Tax with a total contribution of 47.11%

Chart 20: Immovable Property Tax Monthly Collection



5.12 Accommodation Turnover tax

Table 20: Collection of Accommodation turnover tax for the year 2023 (SR Millions)

	Total Collection 2022	Total Collection 2023	Variance	Published Budget 2023	End of year Budget 2023	Variance	Total collection 2023 difference with PUB Budget	Total Collection 2023 difference with EOY Budget
Immovable Property Tax	-	102.10	102.10	118.00	125.79	7.79	(15.90)	(23.69)

Table 21: Collection of Immovable Property Tax for the Years 2018- 2023 (SR Millions)

	2018	2019	2020	2021	2022	2023
Immovable Property Tax	-	-	-	-	-	102.10

Chart 21: Accommodation Turnover Tax by sector for the year 2023

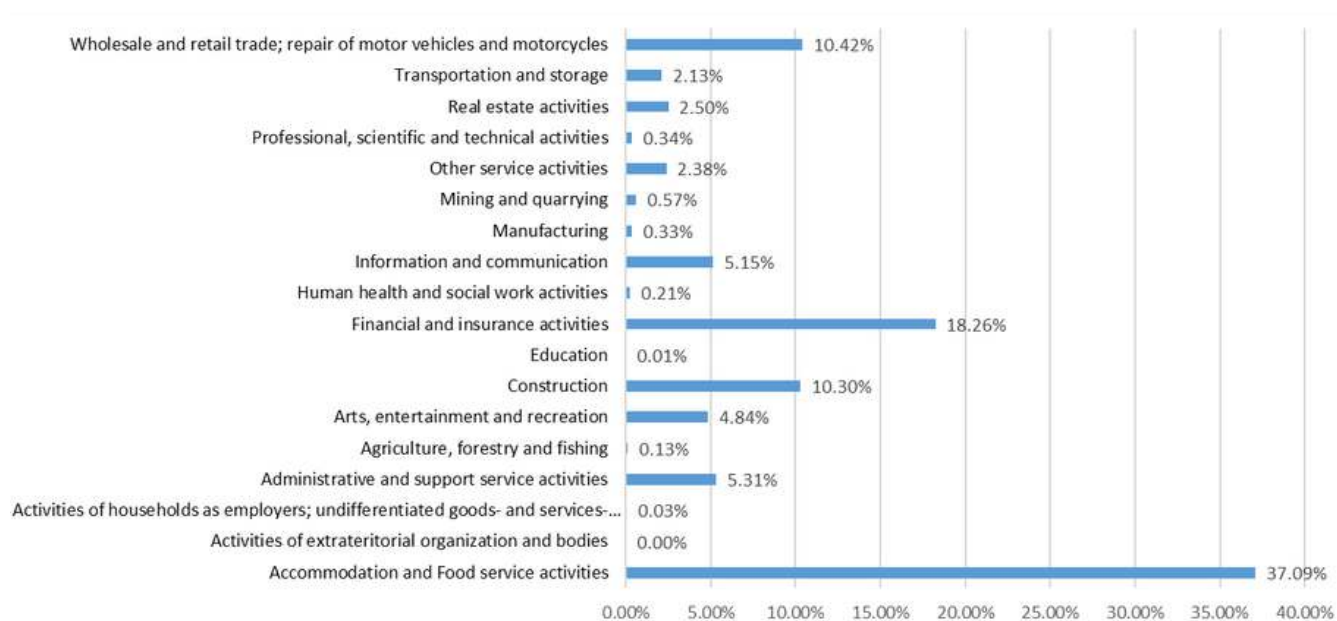
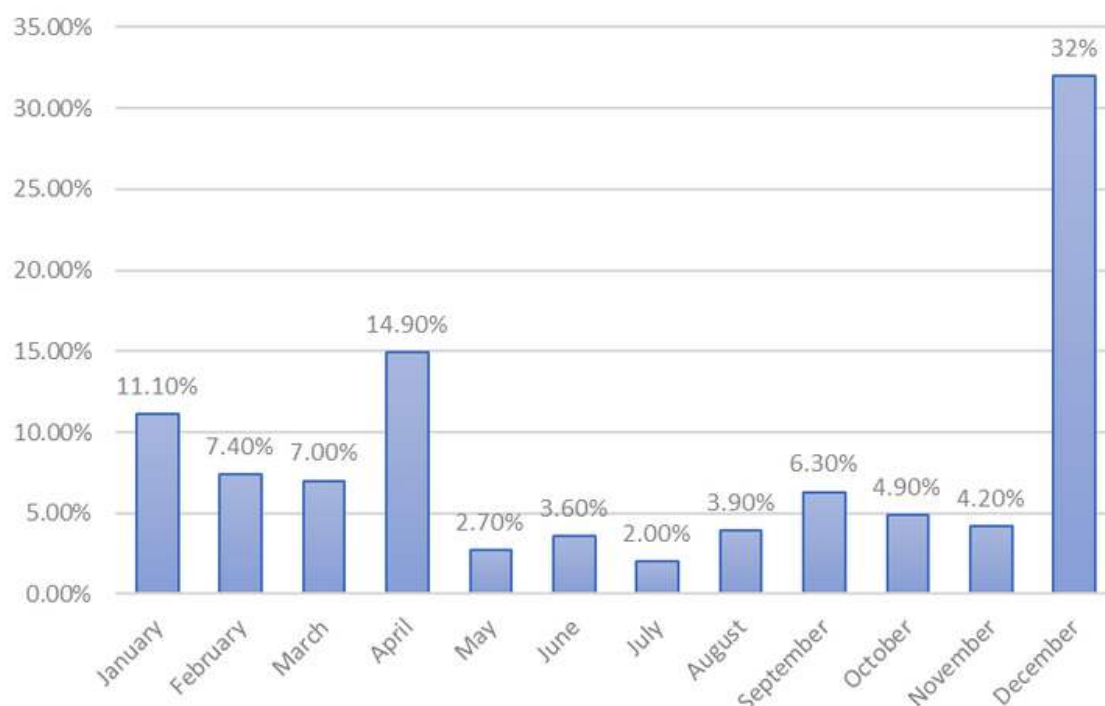


Chart 22: Accommodation Turnover Tax Monthly Collection



5.13 Tourism Environmental Sustainability Levy

Table 22: Collection of TESL for the year 2023 (SR Millions)

	Total Collection 2022	Total Collection 2023	Variance	Published Budget 2023	End of year Budget 2023	Variance	Total collection 2023 difference with PUB Budget	Total Collection 2023 difference with EOY Budget
TESL	-	60.41	60.41	162.00	64.98	(97.02)	(101.59)	(4.58)

Table 23: Collection of TESL for the Years 2018 - 2023 (SR Millions)

	2018	2019	2020	2021	2022	2023
TESL	-	-	-	-	-	60.41

Chart 23: TESL by sector for the year 2023

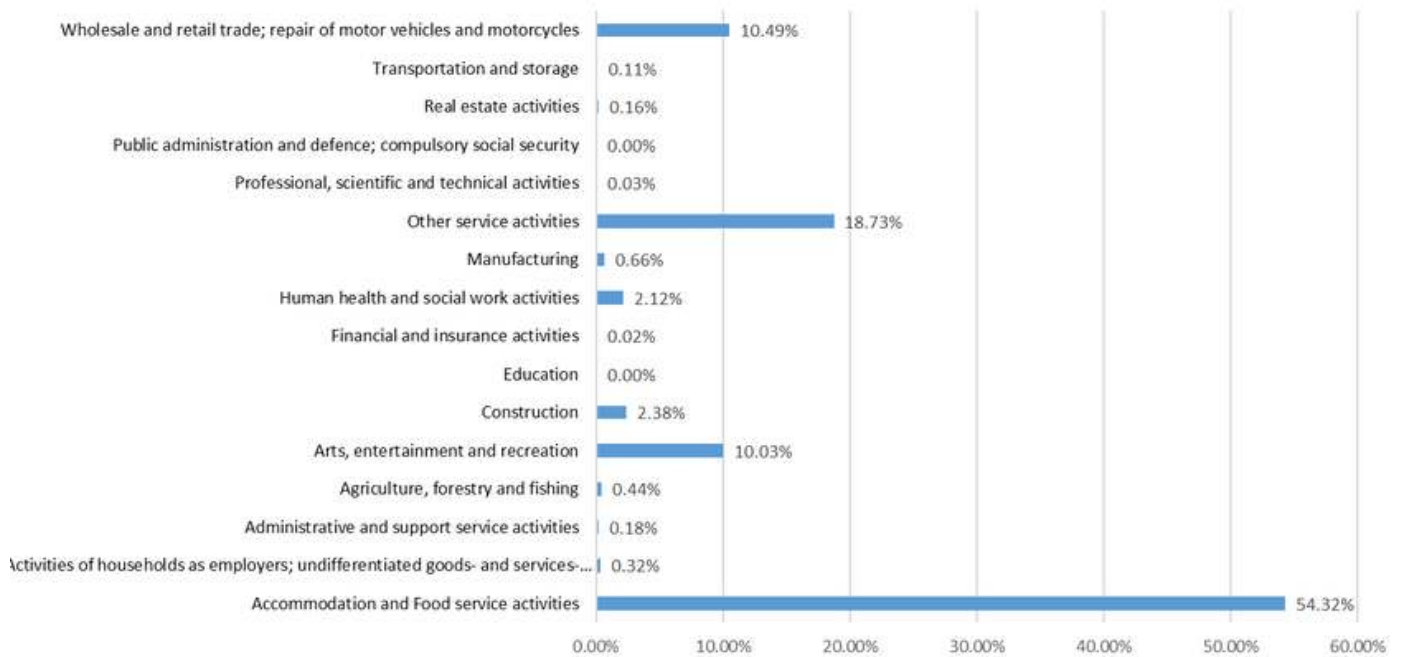
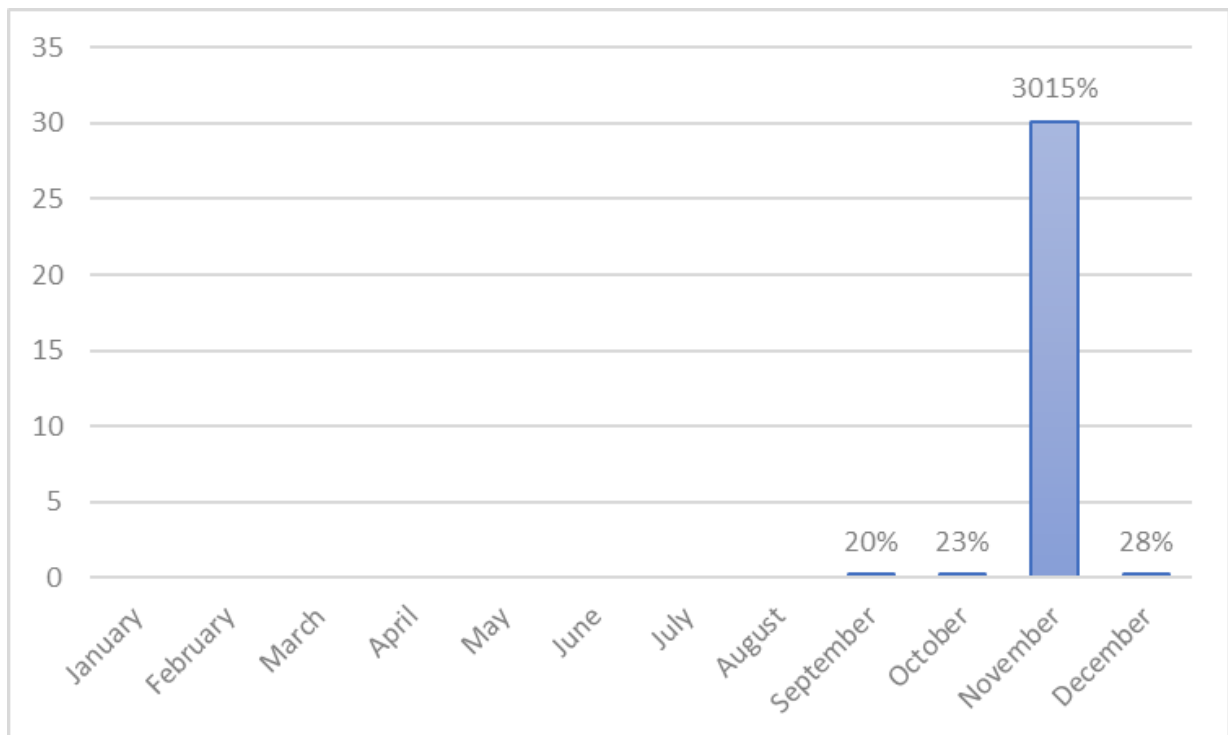


Chart 24: TESL Monthly Collection



5.14 Goods and Services Tax Arrears

Table 24: Collection of GST Arrears for the Year 2023 (SR Millions)

	Total Collection 2022	Total Collection 2023	Variance	Published Budget 2023	End of year Budget 2023	Variance	Total collection 2023 difference with PUB Budget	Total Collection 2023 difference with EOY Budget
GST Arrears	0.66	0.65	(0.00)	-	-	-	0.65	0.65

SRC managed to collect SR 0.65 million in 2023, indicating a decrease of 1.5% compared to 2022.

Table 25: Collection of GST Arrears for the Years 2018 - 2023 (SR Millions)

	2018	2019	2020	2021	2022	2023
GST Arrears	2.64	2.92	1.74	2.36	0.66	0.65

Chart 25: Breakdown of GST Arrears by sector for the Year 2023

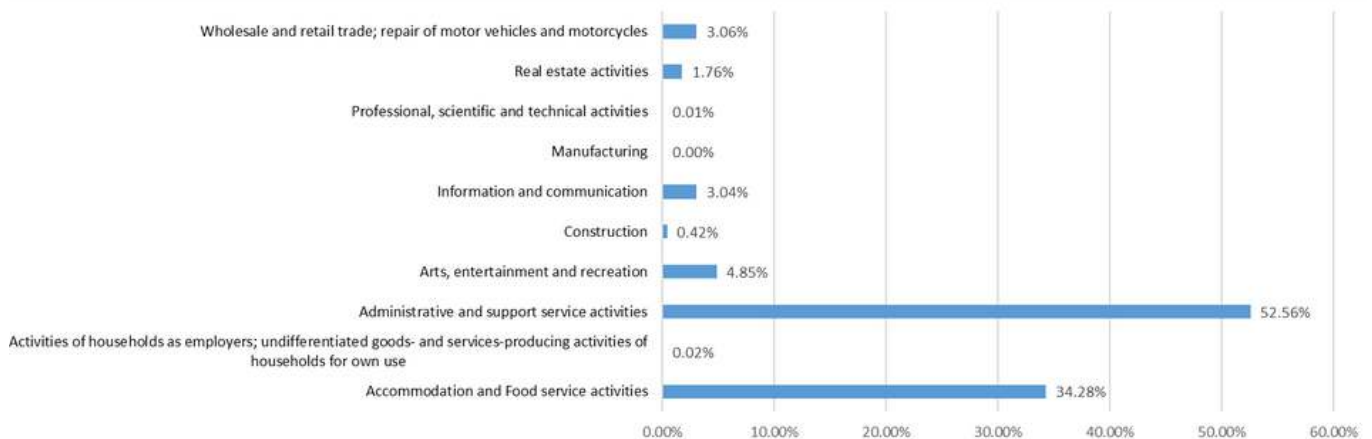
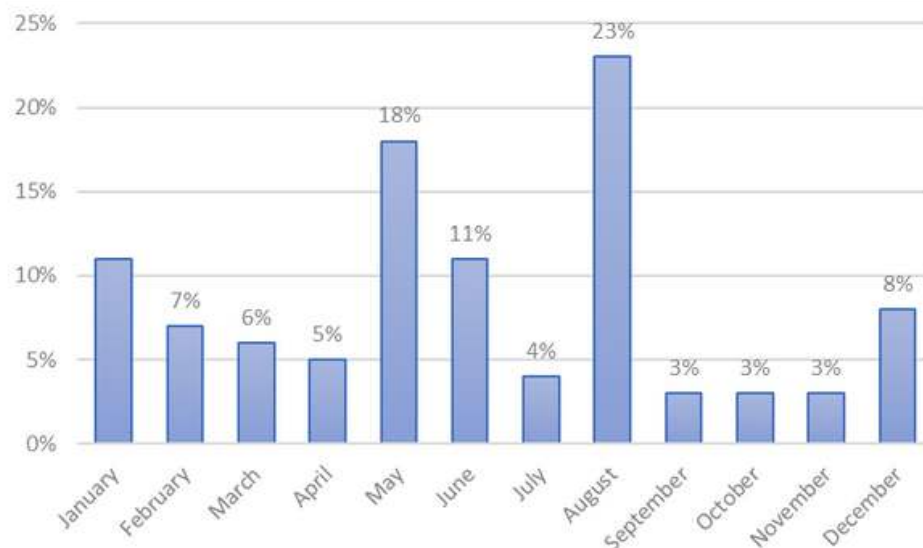


Chart 26: GST Arrears Monthly Collection



5.15 Customs Duties

Table 26: Collection of Customs Duties for the Year 2023 (SR Millions)

	Total Collection 2022	Total Collection 2023	Variance	Published Budget 2023	End of year Budget 2023	Variance	Total collection 2023 difference with PUB Budget	Total Collection 2023 difference with EOY Budget
Alcohol	107.30	90.44	(16.86)	126.33	103.14	(23.18)	(35.88)	(12.70)
Textiles	7.14	7.60	0.46	7.68	7.36	(0.32)	(0.08)	0.24
Motor Vehicles	-	-	-	-	-	-	-	-
Tobacco	3.25	1.78	(1.46)	4.14	2.08	(2.06)	(2.36)	(0.29)
Foodstuff	12.46	10.70	(1.76)	13.68	11.83	(1.85)	(2.98)	(1.13)
Others	120.18	144.49	24.30	188.95	216.48	27.53	(44.46)	(71.99)
Total Receipts	250.33	255.01	4.68	340.77	340.89	0.12	(85.76)	(85.87)

Table 27 Collection of Customs Duties for the Years 2018 - 2023 (SR Millions)

	2018	2019	2020	2021	2022	2023
Alcohol	128.27	109.99	79.36	68.65	107.3	90.44
Petroleum	-	-	-	-	-	-
Textiles	14.55	7.18	7.07	7.38	7.14	7.60
Motor Vehicles	0.83	-	-	-	-	-
Tobacco	2.14	2.32	3.11	2.45	3.25	1.78
Foodstuff	10.96	12.64	13.66	11.70	12.46	10.70
Others	161.96	185.48	136.70	103.95	120.18	144.49
Total	318.72	317.60	239.89	194.13	250.33	255.01

5.15 Other Non-tax Revenue

Table 28: Collection of Other Non-Tax Revenue for the Years 2018 - 2023 (SR Millions)

	2018	2019	2020	2021	2022	2023
SLA	194.01	202.89	195.01	-	-	-
Other fines and fees	167.05	141.78	133.81	108.29	127.67	105.83
SFF Arrears	207.61	2.8	10.46	11.31	11.56	11.58
Unidentified Items	6.10	6.26	(1.37)	4.19	17.69	65.89
Court deposit	-	(0.14)	(0.14)	(0.14)	(0.14)	-
Total	574.77	353.58	337.78	123.65	156.78	183.30

SRC collected SR 183.3 million which signifies a 17% increase when compared against the SR 156.78 million collected in 2022, this includes an increase of SR 48.2 million of items being unclassified for this year.

5.16 Refunds

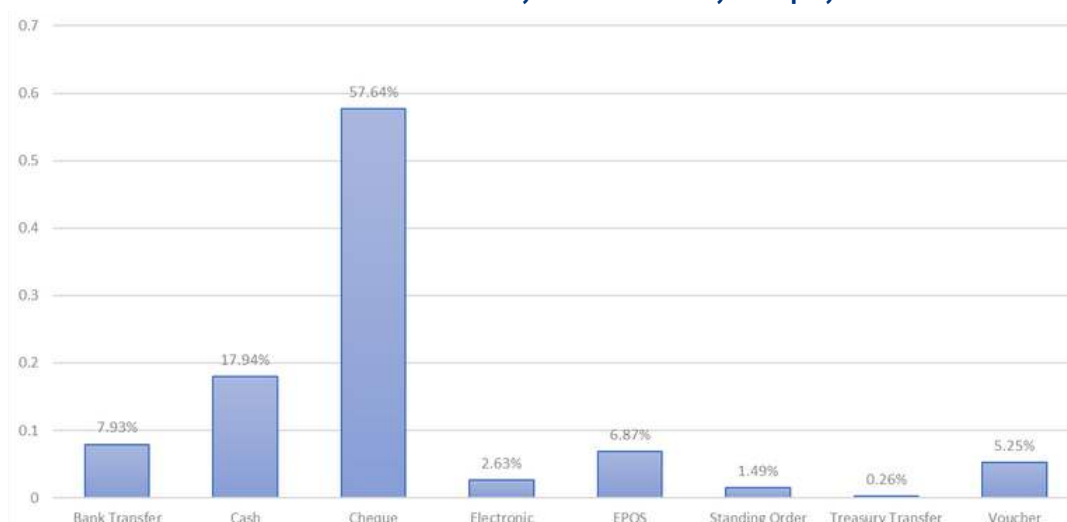
Table 29: Refunds Issued from 2019-2023 (SR Millions)

Year	Income Tax	Customs Duties	Excise Tax	Business Tax	CSRT	TMT	VAT	Presumptive Tax	IPT	Environmental levy	Hotel turnover tax	Total Refund
2019	3.54	2.65	141.08	143.52	0.09	-	85.24	5.08	-	-	-	381.20
2020	3.41	1.05	127.71	96.56	0.07	0.20	116.92	6.23	-	-	-	352.15
2021	3.20	1.26	91.63	88.81	0.12	0.04	116.19	3.81	-	-	-	305.06
2022	4.24	1.24	125.24	198.69	1.33	0.88	125.15	3.22	-	-	-	460.00
2023	1.25	1.62	128.86	107.21	0.07	0.00	302.17	1.34	0.01	-	1.68	544.22

SRC issued a total of SR 544.2 million in refunds for the year 2023, representing an increase of 18.3% compared to 2022.

5.17 Mode of Payment

Chart 27: Methods of Payment used by Taxpayers





ENGAGING WITH STAKEHOLDERS



SECONDARY SCHOOL PRESENTATION

To create awareness about the roles of customs and its importance to the country a series of presentations were organized across various secondary schools on Mahe, Praslin and Ladigue. The presentations were delivered by the directors and managers from the customs division. The target group for the presentations were the S4 and S5 students. Apart from creating the awareness, these presentations were to also develop their interest in the field of customs in line with the SRC Strategic Plan.

SRC's strategic objective 2.1 is to.. Design and implement proactive, innovative and targeted education and awareness programs.



" I am proud to say that over the past three years, we have had several productive engagements with various sectors of the taxpaying community and other partners. We significantly increased our efforts towards improving tax and customs education through a number of outreach programs and tailored sensitization campaigns. "

Mr. Fred Morel



SRC holds PIT education session with employees of DBS

On March 16, 2023 a group of employees from the Development Bank of Seychelles, had the opportunity to refresh their knowledge about the Progressive Income Tax system. This was done through an insightful presentation delivered at the Bank itself by officers from the SRC's Taxpayer Education and Service Delivery Unit. Throughout the session, the participants were also briefed on some of the recent changes made to the Income and Non-Monetary Benefit Tax law.



SRC holds lodgment outreach at Anse Royale.

Ahead of the upcoming tax deadline of 31st March for lodgment of Business and Presumptive tax returns for the year 2022 and for prior years, and as an effort to promote voluntary compliance, a team from SRC was stationed at the Anse Royale District Administration office on Tuesday 20th and Wednesday 21st, ready to assist taxpayer to fulfill their tax obligations



Seychelles Fishing Authority benefits from Tax and Customs awareness.

To improve on tax and customs awareness and compliance, key officers from the commission had the opportunity to host an informative session with 12 officers from Seychelles Fishing Authority. The session covered domestic taxes, revenue laws, customs procedures, concessions and exemptions that the sector receives.

Lodgement outreach.

As is the case every year, SRC organized the lodgment outreach program, whereby officers are brought closer to taxpayers to provide assistance for them to lodge their business and presumptive tax returns. This year the activity started earlier than 2022r due to the data clean up exercise. SRC also offered other services such as payments of taxes due, registration and cancellation of business, advice and any other related queries. For this year the activity started on the inner islands instead of the main island Mahe. The activity started on La Digue on the 1st and 2nd February and the delegation moved to Praslin on the 3rd and 4th of February.



Customs tax awareness session at CBS

A group of approximately 12 people are seated along a long table covered with a light blue cloth in a large conference room. The room has large windows with yellow curtains in the background. On the right side of the image, a man is standing at a wooden podium, addressing the group. The foreground shows the back of several chairs and a table with a white cloth, indicating the perspective is from the audience.

SRC Holds Transfer Pricing Awareness session

SRC hosted an awareness session on transfer pricing to educate stakeholders about what the topic entails, and to further build awareness within the local market. the session provided more clarity about how the companies will need to pay their taxes in Seychelles and how increased monitoring will need to be done to prevent tax avoidance initiatives



Trade division and SRC meets boat owners on Praslin

On March 18th, two representatives from SRC joined in on a discussion held with cargo vessel owners based on Praslin. The aim of the meeting was to educate and discuss on the fuel exemption and concession introduced on the 1st oct 2022, for inner islands licensed cargo operators. As per S.I 108 of 2022, the concession made available to this specific group of boatowners is at a rate of 25% of the applicable excise rate. On the day key representatives from the Trade Department and SRC used the setting to provide boat owners with more clarity on the regulation, and answered any queries that the operators had about the concession.



SRC and SBSA Meets

Key representatives from the SBSA met with key representatives across the organization and discussed on the support SRC will be providing to the Seychelles Business Studies Academy for development of its new taxation module to be implemented as from 2024. Following the meeting SRC will also be hosting a Basic Entry Level training session for the benefit of the lecturers of the institution to provide basic information about the Seychelles tax system and its implementation



SRC Holds meeting with local excise manufacturers

SRCs Excise unit held a meeting on the 23rd and 24th Feb with local excise manufacturers. The aim of the meeting was to educate and bring awareness to manufacturers with regards to the new Excise tax act that was approved by the National assembly. In the meeting, issues of registration, record-keeping, building alteration, and cancellation of licenses were covered.



SRC joins the department of Trade and stakeholders to address the issue of commercial cargo at passenger terminal,

This week SRC together with the Department of Trade, Air Seychelles and the SCAA, conducted a press conference to address the issue of passengers travelling with commercial cargo as checked luggage at the passenger terminal. The interview was attended the P.S for Trade department Mr. Francis Lebon, who also announced that an administrative fee of SCR500 will be applicable per checked baggage containing commercial goods arriving at the passenger terminal.



SRC holds tax and customs awareness session with diplomats and consular.

As part of SRC's ongoing tax and customs awareness program, SRC met with a group of 21 diplomats and consular, including their representatives providing clarity on the excise tax fuel return and refund processes, in addition to addressing issues with receipt, VAT Refunds and others it also covered procedures they need to follow upon importation by both sea and flight.



ITU holds workshop for financial institutions

The SRC is implementing a new Automatic Exchange of Information. The workshop was to have these institutions familiarize themselves with the new portal the session saw 15 participants from the financial services sector. They had the opportunity to register their institutions as part of SRC's test program.



MONITORING TAX OPERATIONS

7.1 Registration Compliance

7.1.1 Registered Taxpayer

Table 30 : Taxpayer registration for the period 2022-2023

Year	Opening Balance	New Registration	Closed files	Closing Balance
2022	22, 095	2, 099	712	23, 482
2023	23, 482	1,991	464	24, 899

7.1.2 Business Registration

The 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 31 : Comparative figures for new business registration by entity type

Month	2022	2023	Variance %
Sole Trader	1,335	1, 168	-12.5
Partnership	371	346	-6.7
Goernment	4	1	-75
Company	254	117	-54
Association / non- taxpayers	3	9	200
IBC	109	204	87
IPT	31	66	113
Total	2,107	1, 911	-9.3

7.1.3 VAT Registration

Currently, the mandatory VAT registration threshold is SR 2 million, based on the business annual taxable supplies. Any person with annual taxable supplies of less than SR 2 million can register on a voluntary basis. There has been an increase of 23% in the total number of new VAT registration in 2023 compared to 2022.

Table 32 : Comparative figures for new business registration by entity type

Entity type	2022			2023			Growth %
	Voluntary registration	Compulsory Registration	Total	Voluntary registration	Compulsory Registration	Total	
Sole Trader	19	37	56	17	19	36	-36%
Partnership	8	15	23	2	16	18	-22%
Company	23	46	29	20	60	80	64%
Others	0	1	1	0	0	0	-
Total	50	99	109	39	95	134	23%

7.1.4 Cessation of Business

Table 33 : Comparative figures for cessation of business by entity type

Entity type	2022	2023
Sole Trader	534	351
Partnership	119	89
Investment	0	3
Government	0	-
Company	48	15
Association / non- taxpayers	0	-
IBC	0	-
IPT	11	6
Total	712	464

7.2 Filing Compliance

7.2.1 Business and Presumptive Tax Returns

Table 34 : On time filing of tax returns (Business tax and presumptive tax)

Details	Applicable year 2022	Applicable year 2023
Number of returns expected	12, 000	13, 648
Number of returns filed on time	8, 650	8, 855
On-time filing rate	72%	65%
Outstanding returns	1, 105	345
Late lodgement	2, 245	4, 448

7.2.1 Value Added Tax returns

Table 35: On time filing of VAT returns

Details	Applicable year 2022	Applicable year 2023
Number of returns expected	20, 970	17,575
Number of returns filed on time	11, 023	13,986
On-time filing rate	52. 57%	79%
Outstanding returns	7, 060	1, 433
Late lodgement	2, 887	2, 156

The remaining 21% was accounted for by a total of 2,156 late lodgments of VAT returns, and 1, 433 that were still outstanding.

7.3 Refunds

7.3.1 Refund notifications for business/ presumptive tax

Table 36: Refund notifications issued

Details	2022	2023
Number of self-assessed/ presumptive tax notifications issued	13, 281	12, 483
Number of refunds processed	622	419
Amount refunded	SR 119, 902, 948.58	SR 99, 657, 113. 43

7.3.2 VAT Refund Claims

Table 37: VAT Refund claims for the years 2022-2023

Details	2022	2023
Number of refund claims received	522	335
Number of refunds processed	72	63
Amount refunded	SR 134, 201, 049.23	SR 213, 166, 038. 31

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

Table 38: VAT Refund claims for the years 2022-2023

Month	% VAT Refunds processed within time frame	% VAT Refunds processed after time frame
January	50	50
February	0	100
March	60	40
April	62.5	37.5
May	83	17
June	17	83
July	11	89
August	0	100
September	0	100
October	100	0
November	50%	50%
December	75%	25%

VAT refunds in 2023 were generally below the service standards. 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 SR 10, 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

7.3.3.1 Refund on Excise tax on fuel

Table 39: Excise tax fuel refund for tourism

Details	Amount
Number of refund claims processed	141
Total amount refunded	SR 80,040, 492. 29
Number of pending claims with revenue section	10
Total amount due for refund	SR 6, 876, 112.10

Table 40: Excise tax fuel refund for Boat owners

Details	Amount
Number of refund claims processed	2, 591
Total amount refunded	SR 34, 945, 885. 02
Number of pending claims with revenue section	0
Total amount due for refund	0

7.3.3.2 Other refunds

Table 41: Refund of customs duties, excise tax, levy and vat on imports & embassies

Details	Amount
Number of refund claims processed	405
Total amount refunded as per revenue log book	SR 5, 783, 914.99

7.3.3.3 Overpayment of income tax

Table 42: Overpayment of income tax for the year 2023

Details	Amount
Number of refund claims processed	20
Total amount refunded	SR 835, 995. 25
Number of pending claims with revenue section	4
Total amount due for refund	SR 47, 863. 06

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 DTAAs that stipulate that expatriate employees should not be taxed differently compared to a citizen of Seychelles.

Table 43: Refund claims under DTAA for the year 2023

Details	Amount
Number of refund claims processed	12
Total amount refunded	SR 327, 740. 84
Pending claims due to insufficient documentation	7

7.4 VAT Deferred Payment

Table 44: VAT Deferred Payment for the years 2023

Details	Number of applications
Number of VAT Deferred payment applications processed	329
Total applications approved	229

7.5 Dealing with Non- compliance to tax laws

7.5.1 Non- filers

SRC issued a total of 7,933 reminder letters for submission of returns. 19% of taxpayers filed their declarations after being issued with the letter. Taxpayers who do not respond to reminder letters are issued with a notice of assessment.

Table 45: Letters Issued to Non Filers 2022-2023

	2022		2023	
	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	373	185	322	47
Business/ presumptive tax	7, 561	2, 671	7, 611	1, 506
Total	7, 934	2, 856	7, 933	1, 553

7.5.2 Field and desk audits

As a means of improving compliance, during the year 2023 the Seychelles Revenue Commission continued to strengthen its intelligence and audit functions.

Table 46: Number of field and desk audits conducted

Details	2022	2023
Field Audit	163	461
Desk Audit	46	64
Total	209	525

SRC conducts audits as part of its operations to fight against non-compliance. The Audit Unit managed to complete a total of 525 audits in 2023.. Audits are inclusive of both field and desk audits.

Table 47: Audit outcome for the period 2022-2023

Tax type	2022		2023	
	No. of cases	Amount (SR)	No. of cases	Amount (SR)
Business tax	45	29, 516, 651	59	262, 771, 028
CSRT	56	12, 467, 452	47	8, 820, 248
GST	1	450, 698	1	0
Income Tax	45	15, 136, 637	22	62, 612, 363
SSC	0	0	0	0
TMT	11	1, 243, 754	14	2, 978, 853
VAT	23	64, 598,734	20	189, 205, 563
Withholding Tax	5	1, 208, 967	1	81, 529
Total	186	124, 622, 893	164	526, 469, 584

The audit outcome at the end of 2023 amounted to SR 526, 469, 5854. This represents an increase compared to the fiscal year 2022. The highest contributor was Business Tax, with a total of 59 cases, amounting to SR262, 771, 028.

Table 48: Tax yields from assessments for the period 2022-2023

Tax type	2022	2023
Business tax	69, 043, 122.96	23, 099, 812. 31
CSRT	11, 358, 529. 01	3, 936, 791. 98
GST	5, 450, 127. 68	2, 637. 21
Income Tax	31, 611, 933. 61	46, 165, 665. 94
TMT	1, 109, 886. 62	448, 052. 94
VAT	40, 637, 456. 09	49, 750, 291. 04
Withholding Tax	298, 130. 96	-
Total	159, 509, 186. 93	123, 403, 251. 42

Table 49 : Intelligence activities for the years 2022-2023

Intelligence activities	2022	2023
Number of cases referred to audit	155	157
Number of cases referred to registration	25	8

The Intelligence Unit within SRC, is responsible for identifying, analyzing and assessing areas of risk for audit purposes. In 2023, the Intelligence Unit referred a total of 157 cases to the Audit Section and 8 to the Registration Unit.

7.6 Objections and Appeals

The Revenue Administration Act 2009 makes provision for taxpayers to object to an assessment. Table 48 shows the objections by tax types.

Table 50: Objections by tax types for the years 2022-2023

Tax type	Cases Lodged				Cases determined			
	2022		2023		2022		2023	
	No.	Amount (SR)	No.	Amount (SR)	No.	Amount (SR)	No.	Amount (SR)
Business tax	15	83,263,427.32	16	55,028,015.57	16	53,159,584.34	15	90,743,341.32
Presumptive Tax	5	92,780.98	1	43,278.88	-	-	6	134,310.85
TMT	3	418,243.10	3	280,153.72	3	267,886.05	3	575,541.96
CSRT	14	11,195,909.97	12	2,213,660.87	11	2,713,783.71	16	8,481,539.45
VAT	18	56,726,806.45	8	45,698,731.65	3	1,040,201.63	9	45,290,591.56
Customs duty	-	-	0	0	-	-	0	-
Excise Tax	-	-	0	0	-	-	0	-
INMBT	-	-	6	3,736,575.20	-	-	6	4,242,640.27
GST	-	-	0	0	-	-	0	-
SSF	-	-	0	0	-	-	0	-
Withholding Tax	-	-	0	0	1	157,120.55	0	-
Immovable property tax	17	1,646,617.83	0	0	16	-	0	-
PAYG- Residential Rent			2	624,758.32			3	429,872.77
Total	75	153,343,785.65	48	107,625,174.21	50	57,339,576.28	58	149,897,838.18

In 2023, a total of 58 objection cases were determined, amounting to SR 149,897,838.18

Table 51: Status of appeal cases for the period 2022-2023

Tax type	Cases Lodged				Cases determined			
	2022		2023		2022		2023	
	No.	Amount (SR)	No.	Amount (SR)	No.	Amount (SR)	No.	Amount (SR)
Business tax	4	1,274,362.14	3	19,783,424.38				
Presumptive Tax	-	-	-	-				
TMT	-	-	-	-				
CSRT	4	1,500,064.69	1	135,641.68				
VAT	1	610,359.37	1	476,619.10				
Customs duty	-	-			The revenue tribunal has not issued any decision on any defense submitted by SRC			
Excise Tax	-	-						
INMBT	-	-						
GST	1	1,118,271.02						
SSF	-	-						
Withholding Tax	-	-			The revenue tribunal has not issued any decision on any defense submitted by SRC			
Immovable property tax	-	-						
Total	10	4,503,057.22	5					

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 52: Status of cases at the court of appeal for the period 2022-2023

Tax type	2022		2023	
	Number	Amount (SR)	Number	Amount (SR)
Cases received	-	-	-	-
Cases not eligible	-	-	-	-
Cases finalized	1	1, 411, 820. 20	-	-
cases for processing	-	-	-	-

7.7 Debt collection

The 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 2023, the total collectible debts amounted to SR 512,759,997.57, which is SR 15,944,647.07 more than in 2022.

Table 53:Collectible and uncollectible debts for the period 2022-2023

Tax type		Amount	
		2022 (SR)	2023 (SR)
Total Debt		1, 304, 958, 574. 83	1, 289, 013, 927. 76
Uncollectible Debt	Objection cases	190, 793, 296. 58	129, 679, 657. 22
	Possible write - off cases	229, 753, 221. 63	229, 753, 221.64
	cases at revenue tribunal	89, 653, 590. 58	94, 977, 159. 40
	cases in prosecution	305, 495, 641. 69	321, 843, 891. 93
	Total uncollectible debt	815, 695, 750. 48	776, 253, 930. 19
Collectible debt	Cases for enforcement action	489, 262, 824. 35	512, 759, 997. 57

Table 54: New Assessments Received from RPU, EAU, and Audit for the period 2022-2023

Tax type	No. of cases	Amount 2022	No. of cases	Amount 2023
Business tax	2, 232	430, 774, 232. 94	1, 169	303, 861, 827.05
Presumptive Tax	2, 788	17, 766, 366. 55	2, 061	11, 030, 381. 98
GST Assessments	143	7, 528, 112. 30	120	4, 788, 104. 18
Withholding Tax	1	39, 252.97	-	-
SSF Arrears	-	-	-	-
Income Tax	64	25, 514, 293. 20	130	50, 500, 765. 98
VAT Audit	71	55, 347, 880. 26	82	40, 213, 952. 77
VAT Default	-	-	-	-
CSRT	178	17, 820, 351. 57	288	6, 490, 089.01
TMT	8	1, 355, 521. 30	75	1, 898, 056. 78
Immovable Property	406	52, 283, 923. 38	470	32, 730, 110. 46
Total	5, 891	608, 429, 934. 47	4, 395	451, 513, 288. 21

7.7.2 Debt pursuit

Debt pursuit is part of the SRC's Enforcement Strategy which basically prevents the accumulation of current debts. 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 Court.

Table 55: Debt pursuit for the year 2023

Month	Assessments received	Primary Tax	Additional	Waiver/ Amendment	Payment	Balance
January	286	27, 429, 751. 77	2, 724, 195. 58	655, 718. 45	6, 662, 796. 74	22, 835, 432. 16
February	476	41, 093,436. 58	3, 153, 673. 67	15, 200, 683. 64	3, 910, 979. 04	25, 135, 447.57
March	339	8, 014, 200. 43	9, 866, 443. 37	5, 827, 702. 06	1, 881, 121. 73	10, 171, 820. 01
April	242	11, 775, 145. 48	1, 977, 282. 60	1, 345, 125. 74	8,804, 995.65	3, 602, 306. 69
May	117	62, 694, 699. 10	4, 519, 261. 79	19, 205, 178. 67	5, 026, 312. 13	42,982, 470. 09
June	248	70, 440, 368. 05	15, 678, 405. 56	13, 695, 647. 16	22, 779, 344. 44	49, 679, 782. 01
July	427	45, 311, 399. 68	7, 662, 641. 09	13, 743, 842. 98	280, 017, 108. 12	11, 213, 089. 67
August	749	20, 360, 192. 12	9, 009, 315. 60	-	1, 550, 945. 05	27, 818, 562. 67
September	979	23, 842,251. 27	6, 937, 050.24	2, 931, 786. 56	17, 806, 112. 93	10, 041, 402.02
October	194	31, 239,234. 40	915, 765. 69	4, 945, 407. 80	22, 837, 869. 67	4, 371, 722. 14
November	155	16, 481, 469. 05	2, 346, 931. 69	4, 729, 852. 52	8, 905, 134. 97	5, 193, 413. 25
Decmber	183	27, 897, 035. 03	143, 138. 85	3, 513, 084. 20	474, 663. 12	24, 052, 426. 56
Total	4, 495	386, 579, 182. 96	64,934,105. 73	85, 758, 029. 78	128, 657, 383. 59	237, 097, 874. 84

The strategy to prevent new debts from accumulating remains an SRC priority. This is done through a small unit in Enforcement called Debt Pursuit. As seen in table 52, a total of 4, 030 cases were recorded, amounting to SR386. 5 million of primary tax.

The Enforcement Section will continue to recover the debts through other actions to prevent further accumulation.

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 56: Arears collected for the years 2021-2023

Year	Amunt (SR)
2021	195, 239, 813. 50
2022	309, 368, 867. 37
2023	239, 175, 019. 45

Table 57 further breaks down the collection of arrears by tax type for the years 2022 and 2023

Table 57: Arrears collected for the period 2022-2023 by tax type

Tax type	2022	2023
Business tax	249, 940, 927. 86	198, 505, 960. 44
Presumptive Tax	5, 411, 550. 06	3, 457, 473. 03
GST Assessment	4, 745, 374. 98	2, 742, 112. 36
Withholding Tax	85, 022. 39	310, 892, 64
SSF Arrears	114, 182. 90	-
Income Tax	7, 226, 250. 87	3, 226, 647. 28
Value Added Tax	15, 983, 949. 74	6, 409, 573. 50
Corporate Social Responsibility Tax	12, 058, 831. 31	3, 150, 438. 10
Tourism Marketing Tax	3, 081, 528. 41	1, 159, 921. 64
Immovable property tax	10, 721, 249.08	20, 212, 110. 46
Total	309, 368, 867. 37	239, 175, 019. 45

The total collection of arears recorded as at 31st December 2023 amounted to SR 239, 175, 019. 45, with the biggest contributor being the Business Tax (SR 198.5 million) followed by Immovable property tax (SR 20 million) and VAT (SR 6 million).

7.7.4 Recovery Actions

The Enforcement Unit is responsible for collecting arrears from debtors by enforcing recovery actions. Table 56 highlights SRC's efforts for the years 2022 and 2023 in collecting outstanding debts.

Table 58: Recovery Actions for the period 2022-2023 by tax type

Recovery actions taken	2022	Amount	2023	Amount (SR)
Fieldwork	15	-	26	
Notice to attend	113	-	138	
Payment by installments	147	20.8m	158	23.9m
Section 24 notice	54	23.4m	15	1.9m
Searches - Bank- Immigration/ SLA/ Land	159	-	158	
Compromise agreements			45	5.01m
Prosecution	12	29.4m	10	23.5m

7.7.5 Debt to Revenue collection Ratio**Table 59: Undisputed tax debt to revenue collection ration for the years 2022-2023**

Details	2022	2023
Collectible Debt	489,262,824.35	512,759,997.57
Total Tax Collection	7,048,816,381.76	7,787,170,666.45
Debt collection efficiency ratio	6.94%	6.58%

7.7.6 Age of collectible tax debt**Table 60: Age of collectible tax debt as at 31s December 2023**

Length of time	Amount (SR)
Less than 3 months	500,301.59
3 - 6 months	90,192,663.90
6- 12 months	74,248,016.83
More than 12 months	1,127,573,247.01
Total	1,289,514,229.33

Table 60 exhibits the collectible debt segmented by age of debt. 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 2023, debts more than 12months old amounted to SR 1, 127, 573, 247. 01.

7.8 Prosecution

Table 61: Status of prosecution for the years 2022-2023

Tax type	2022		2023	
	Number	Amount (SR)	Number	Amount (SR)
No. of cases under prosecution	11	217, 916, 667. 51	22	254, 357, 826. 80
No. of cases where judgement has been given	1	0	2	24, 729, 599. 11
No. of cases where compromise was reached	15	33, 522, 429.88	4	2, 116, 040. 01
Total	27	251, 439, 097. 39	29	281, 203, 465. 89

Table 62: Court rulings for the period 2022-2023

Entity type	2022		2023	
	Number	Amount (SR)	Number	Amount (SR)
Company	-	-	1	23, 724, 472. 74
Partnership	-	-	-	-
Sole trader	1	700, 429. 37	1	1, 005, 126. 37
Total	1	700, 429. 37	2	24, 729, 599. 11

7.9 Tax Clearance

Table 63: Tax Clearance certificates issued for the years 2022-2023

Details	Number of applications received	
	2022	2023
Number of applications received	1, 200	1, 207
Number of cases pending	72	17
Number of cases declined	8	34
Number of tax clearance issued	1, 120	1, 156



INTERNATIONAL TAXATION

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:

- Exchange of Information on Request ("EOIR");
- Automatic Exchange of Information AEOI (Common Reporting Standards(CRS)) for financial institutions;
- Country by Country reporting for multinationals under CbC Multilateral Competent Authority Agreement; and
- 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 the dispute resolution mechanism (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 The role of the International Tax Unit.

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. The Unit comprises of one Manager and four 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 peer reviews for other jurisdictions.

Throughout the year, 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.

8.3 Countering Harmful Tax Practices

The goal for BEPS Action 5 is to revamp the work on harmful tax practices with apriority 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).

8.4 Exchange of Information upon request

Table 64: Number of Requests for Exchange of information

Year	Total Requests Received	Total Requests dealt with	Balance Brought forward
2017	80	72	8
2018	26	13	13
2019	97	24	73
2020	58	51	7
2021	62	53	9
2022	34	27	7
2023	34	30	11

Table 65: Total number of EOI Cases closed as a measurement of the number of days taken

Details	2021		2022		2023	
	No. of cases	%	No. of cases	%	No. of cases	%
Total Requests	62		34		30	
Case less than or 90 days	58	93.55%	34	100%	27	90%
Cases more than 90 days and less than 180 days	4	6.45%	0	0	3	10%
Cases over 180 days and less than 365 days	0	-	0	0	0	-
Cases more than 365 days	0	-	0	0	0	-

Table 65: Total number of EOI Cases for Banking, accounting information, beneficial ownership and legal ownership information

	Banking			Accounting Information			Beneficial Ownership			Legal Ownership		
	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023
Requested	28	10	9	42	16	16	39	14	14	42	16	16
Declined	0	0	0	0	0	0	0	0		0	0	
Not known in Seychelles	0	1	0	4	1	0	4	0		4	1	
Considered	28	9	9	38	15	16	35	14	14	38	15	16
Provided	14	1	5	17	7	10	25	12	11	17	7	13
No bank account in Seychelles	14	8	0	-	-	-	-	-		-	-	
Information not provided	14	8	0	21	8	1	10	2		21	8	
Success Rate (%)	50	11	100%	45	47	91%	71	86	100%	45	47	100%

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 66.

Table 66: Outgoing requests for exchange of information

Year	Outgoing Requests	Responses received	Remaining Balance
2020	7	3	4
2021	1	0	1
2022	7	6	1
2023	2	1	1

8.5 Automatic Exchange of Information (AEOI) & the Common Reporting Standard (CRS)

The Common Reporting Standard (CRS), developed in response to the G20 request and approved by the OECD Council on 15th 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 Administrative 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.

Table 67: Incoming files and outgoing requests for CRS files for the years 2018- 2023

Year	Incoming files	Outgoing Requests
2018	115	92
2019	166	97
2020	170	63
2021	208	694
2022	246	528
2023	225	214

The statistics can be further broken down to the number of receiving partners and sending partners considering the total files as per Tables 69 and 70 below:

Table 68: Number of receiving and sending partners for the years 2018- 2023

Year	No. of Receiving Partners	No. of Sending Partners
2018	64	44
2019	67	60
2020	75	45
2021	71	69
2022	82	71
2023	73	80

8.6 Automatic Exchange of information (AEOI): Country by Country Reporting (CbCR)

Seychelles is a party to the Convention on Mutual Administration Assistance in Tax matters, and also signed the multilateral agreement for competent authorities for exchange of COUNTRY-BY-COUNTRY REPORTS (CbC MCAA) on 9th July 2019. Country by country reports is a requirement under BEPS Action 13- Transfer pricing documentation and Country-by-Country (CbC) Reporting. In 2022, Seychelles acquired a new system and thus has been able to receive CBC files from other jurisdictions.

Table 69: CbCR Files received for the year 2023

Year	No. of Receiving Partners	Number of files received
2023	22	46

Table 70: Number of CbCR notifications received for the years 2020-2023

Year	No.
2020	14
2021	11
2022	16
2023	31



TRADE FACILITATION, BORDER PROTECTION & INLAND REVENUE

9.2 Trade Facilitation and Border Protection

The primary goal of trade facilitation is to help make trade across borders (imports and exports) faster, cheaper and more predictable, whilst ensuring its safety and security. In terms of focus, it is about simplifying and harmonizing formalities, procedures and the related exchange of information and documents between the various partners involved



Registered Exporters(REX)System.

The customs Division in collaboration with the Trade Division organized a workshop on the 7th February at the care house in the presence of staff from the trade division to present the new REX system. REX system is a system of self certification of origin introduced by the EU, in replacement to the form A origin certificates. The rex system will take effect on 1st July 2023, to replace EUR1 Certificate for all exporters who export to European union. The exporters will register online to the EU website it is to simplify export formalities by allowing the registered exporter to certify the preferential origin themselves, by including a specific declaration using invoices or other commercial documents.



SRC Welcomes new technical advisor for customs.

Mr. Jarrod Smith worked on a 3 month contract with the division to review the operations of the airport passenger terminal and airport cargo. He provided on-site support and practical hands on guidance training to ensure development and improvement in customs related standard operating procedures, legislations and policies in place. He also provided guidance and support to investigation, intelligence gathering, post clearance audit and risk management.



SRC hosts 1st Indian Ocean Islands Customs Committee Meeting

SRC hosted the 1st meeting at the conference centre of the Seychelles Savoy Resort and SPA in Beau Vallon. The meeting, attended by key representatives from Reunion, Comoros, Mauritius, Madagascar and Seychelles, aimed at enhancing regional dialogue to provide Indian Ocean Island states with a platform for regional engagement pertaining to Customs related issues, and to facilitate the implementation of projects of common interest, coordinate good customs practices, to enhance border security and to facilitate trade.



COMESA

Seychelles welcomed the Comesa delegation for the first COMESA-Seychelles Joint Technical Team meeting on COMESA's Electronic Certificate of Origin project. The meeting focused on digitalization and implementation of the Trade Facilitation program, to increase intra-regional trade flow of goods, persons and services by reducing the costs, delays of imports/ exports at specific border through reduction of non-tariff barriers, implementation of the WTO TFA and improvements of coordinated border management



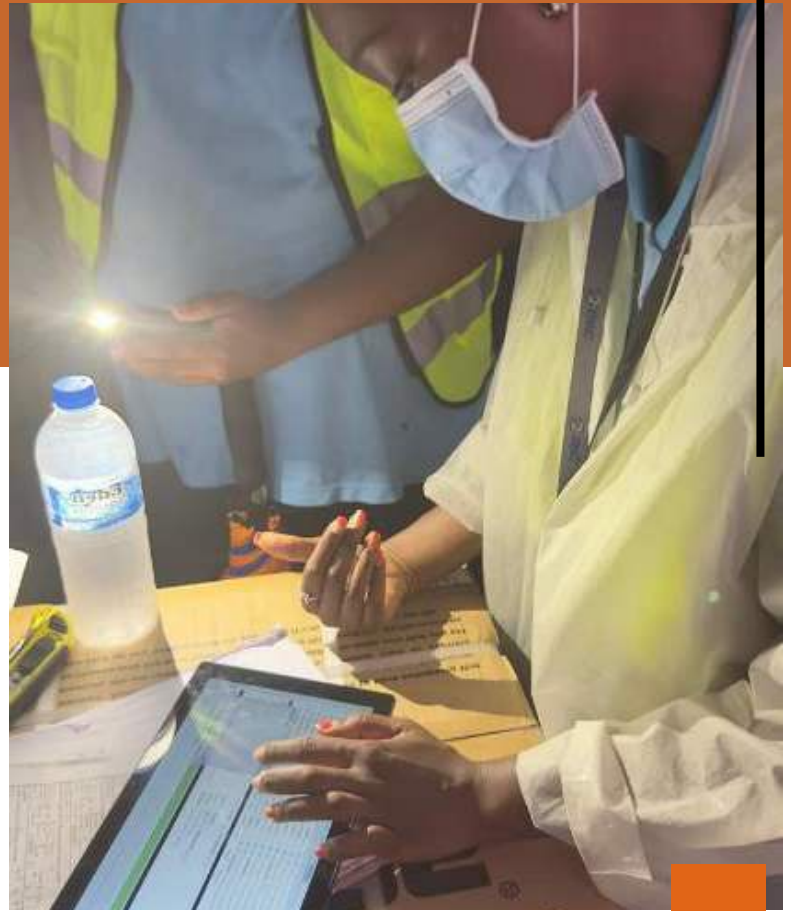
Workshop on identifying counterfeit spare parts

Customs officers attended a training organized by Hyundai Mobis Group in Seychelles and Mauritius related to identifying counterfeit spare parts. The training discussed concerning surge in counterfeit spare parts being distributed within the Seychelles market and ways to detect counterfeit parts versus genuine ones.



SRC Officer strained to enhance border protection against trafficking of narcotics.

Following the ongoing collaboration between Seychelles' customs and French Customs Authority of the Reunion Island, last week, as part of its strategy to strengthen border protection a group of 15 staff members from the SRC attended a training dedicated against the fight of narcotics within the Indian Ocean.



Seaport prepares to start paperless journey for inspections

SRC conducted a study to determine the feasibility of conducting inspections without the use of papers at the customs sea[ort area. The project lined up with the SRC's strategy to move its operation digitally follows the successful implementation of the paperless pilot project held this year at the airport cargo. As part of the phased implementation, tablets will be provided to customs to gather seamless real-time data exchange between parties at the port to enable the timely release of goods. The system also aims to improve service delivery at the port.

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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 71 : Registration of Manifests for the Years 2020 - 2023

Details	2020	2021	2022	2023
Registered manifest as per arrival date	184	341	483	577
Bill of lading recorded	10, 349	21,801	23,832	25, 724
Containers discharged	35, 379	31, 598	27, 252	26, 864

There was an increase of 19% in manifests registered in the system in 2023 compared to 2022. The number of containers which were discharged in 2023 decreased by 1.4% compared to 2022.

9.2.2 Processing of Bills of Entry

9.2.2.1 Processing of BOEs - Seaport Operations

Table 72 : BOEs Registered at Seaport for the Years 2022 - 2023

Details	Declaration type	No. of BOEs Registered	
		2022	2023
EXPORTS	EX 1	1,566	1,911
	EX 2	12	21
	EX 3	142	185
	EXZ 1	3	2
	EXC 4	N/A	115
	EXC 7	N/A	189
Total Exports		1, 723	2, 423
IMPORTS	IM 4	20, 061	21, 225
	IM 5	74	56
	IM 6	6	3
	IM 7	1, 901	1765
	IM 8	3, 368	4,700
	IMP 4	1,000	1,221
	SD 4	1, 758	1, 838
Total Imports		28, 168	30, 808
Total BOEs		29, 891	33, 231

IM 4: Entry for home use/ Ex-warehouse	EX 1: Permanent Exportation	EXC 4: Warehouse Movement
IM 5: Temporary importation	EX 2: Temporary Export	SD 4: Simplified Declaration
IM 6: Re-importation	EX 3: Re-Export	EXC 7: Entry into warehouse
IM 7: Entry for warehousing	EXZ 1: Export from SITZ	
IM 8: Transshipment& ship store procedures	IMP 4: Imports under exemption for movement of persons, returning nationals, cadaver	

Seaport operations recorded an increase in the total number of bills lodged for the year 2023. The total registered in the system was 33, 231 an increase of 3, 340 from 2022. Out of the total BOEs registered, 2, 423 was recorded for exports and 30, 808 for imports.

Table 75 below depicts the number of Registered bills that were assessed within the 24-hour time frame as per our service delivery standards.

Table 73 : Assessment of Bills within 24hours at seaport

Month	Number of registered bills	Number of Bills assessed within the 24 hours	Percentage Assessed %
January	2549	2479	97.25
February	2181	2108	96.65
March	2812	2672	95.02
April	2448	2380	97.22
May	3134	2969	94.74
June	2636	2532	96.05
July	2780	2572	92.52
August	3041	2728	89.71
September	2853	2705	94.81
October	3197	2951	92.31
November	3043	3043	100
December	2557	2557	100
Total	33231	31696	95.38

During the year, 95.38% of the total Registered bills were assessed within the time frame.

A total of 16,175 bills were selected for "Red" and "Yellow" Lanes. From the selected bills, 30.60% were sent for query and 69.40% were directly assessed. 6,514 bills were selected for "Blue" Lane and 10,974 bills were selected for "Green" Lane.

9.2.2.2 Processing of BOEs - Airport Cargo Operations

Table 74: BOEs Registered at Airport Cargo for the Years 2022- 2023

Details	Declaration type	No. of BOEs Registered	
		2022	2023
EXPORTS	EX 1	1, 254	1, 338
	EX 2	79	79
	EX 3	79	56
	EXZ 1	0	2
	EXC 7		1
Total Exports		1, 412	1, 476
IMPORTS	IM 4	27, 920	30, 075
	IM 5	148	114
	IM 6	37	47
	IM 7	266	298
	IM 8	1, 693	1, 548
	IMP 4	84	193
	SD 4	3434	3, 773
Total Imports		33, 582	36, 048
Total BOEs		34, 994	37, 524

Airport Cargo recorded an increase in the total number of bills lodged for the year 2023. The total registered in the system was 37, 524, an increase of 2, 530 from 2022. Out of the total BOEs registered, 1,476 was recorded for exports and 36, 048 for imports.

Table 75 : Assessment of Bills at seaport

Month	Number of registered bills	Number of Bills assessed
January	2, 634	2, 602
February	3, 048	3, 018
March	3, 467	3, 411
April	2, 894	2, 836
May	3, 270	3, 231
June	2, 784	2, 766
July	3, 137	3, 112
August	3, 424	3, 366
September	2, 852	2, 817
October	3, 222	3, 190
November	3, 575	3, 525
December	3, 217	3, 177
Total	37, 524	37, 051

Table 76 : BOEs Registered at Seaport and airport cargo for the Years 2022 - 2023

Details	2022	2023
Seaport (Import)	28, 168	30, 808
Seaport (Export)	1, 723	2, 423
Total for Seaport	29, 891	33, 231
Airport (Import)	33, 582	36, 048
Airport (Export)	1, 412	1, 476
Total for Airport cargo	34, 994	37, 524
Total for both Airport and Seaport	64, 885	70, 755

9.2.3 Amendment & Query

Table 77: Number of bills referred to query for the year 2023

Month	Red	Yellow	Green	Blue	Total	Amount Collected (SR)
January	332	78	2	2	414	856,447.70
February	266	100	2	2	370	246,077.61
March	438	111	2	3	554	149,538.54
April	256	70	5	3	335	204,496.52
May	376	113	2	5	496	344,750.27
June	358	78	4	5	445	352,202.56
July	330	107	7	0	444	694,279.36
August	417	129	1	3	550	641,442.31
September	369	64	4	4	441	1,346,587.21
October	435	106	2	3	546	586,321.70
November	402	88	3	4	497	524,398.30
December	363	83	3	3	452	544,424.21
Total	4, 342	1, 127	37	37	5,544	6,490,966.29

9.2.4 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 requirement are met and ensuring the proper monitoring of the export relief scheme.

Table 78: Export Details for the years 2020-2023

Details	2020	2021	2022	2023
Cases Registered for export	1, 980	9, 956	6, 011	7, 585
Consignments verified	389	733	1, 008	1, 543
EXPORT				
Frozen fish	1, 270	6, 068	2, 778	1, 993
Sea cucumber	40	29	25	22
Shark fins	9	1	2	3
Personal effects	27	22	22	20
Canned Tuna	296	2, 885	2, 594	2, 541
Cigarettes	2	7	7	14
Crude Oil	48	50	41	46
Scrap Metal	74	232	220	281
Beverages	13	13	37	36
Vehicle	5	2	1	20
Boat/ yacht	14	34	15	12
Fish Meal	148	362	269	362

The majority of export cases recorded were from canned tuna with a total of 2, 541, followed by frozen fish (1, 993), and fish meal (362). SRC verified 1,543 consignments in 2023.

9.2.5 Postal Operations

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

Table 79: Postal Activities for the years 2020-2023

Details	2020	2021	2022	2023
Parcels/ small packets cleared at Post Office	81, 450	64, 993	88, 389	248, 908
	SR	SR	SR	SR
Excise collected from parcel Unit - post office	3, 462	5, 564. 2	3, 075	3, 779. 2
Customs Duties collected from Parcel Unit - Post Office	5, 264	3, 968	7, 893	10, 678. 00
VAT collected from Parcel Unit- Post office	247, 184	353, 967	410, 068. 73	452, 080.00
Total rent chares Parcelpost	N/A	N/A	N/A	7, 060.00
Fines collected from Parcel unit-post office	0	0	1, 780	N/A
Documentation charges- Post Office	85, 477	33, 832	54, 767	73, 783.00
Revenue collected	341, 387	397, 331.2	565, 972. 73	547, 370. 2

9.2.6 Binding Tariff Information

Table 80: Number of BTI Applications received for the years 2022-2023

Month	No. of BTI Application received for 2022	No. of BTI Application received for 2023
January	15	9
February	26	12
March	5	16
April	16	9
May	9	8
June	12	4
July	11	11
August	6	9
September	6	5
October	14	9
November	16	25
December	6	13
Total	140	130

9.2.7 Preferential Imports

SRC recorded 1,858 importations under preferential Imports from EU, SADC and COMESA for the year 2023. Most cases were from COMESA member countries, with a total of 877 preferential Imports. Out of the 1,858, there were 1,396 cases from Airport and 462 from Seaport. Tables 83 and 84 show figures for preferential importations for the past two years from both points of entry.

Table 81: Preferential Importations Recorded at Airport Cargo for the years 2022-2023

Month	EU		COMESA		SADC		Total	
	2022	2023	2022	2023	2022	2023	2022	2023
January	25	26	70	64	21	14	116	104
February	25	21	52	77	19	0	96	98
March	28	26	55	81	22	27	105	134
April	28	24	63	56	19	19	110	99
May	30	26	59	82	19	22	108	130
June	32	21	55	58	22	22	109	101
July	29	21	60	64	33	23	122	108
August	32	31	68	75	34	34	134	140
September	32	20	65	59	28	19	125	98
October	23	26	64	64	28	27	115	117
November	31	29	69	77	30	33	130	139
December	29	26	66	71	31	28	126	125
Total	344	297	746	828	306	268	1, 396	1, 393

Table 82: Preferential Importations Recorded at Seaport for the years 2022-2023

Month	EU		COMESA		SADC		Total	
	2022	2023	2022	2023	2022	2023	2022	2023
January	10	13	10	11	12	16	32	40
February	12	11	7	10	8	18	27	39
March	7	6	23	18	10	12	40	36
April	9	12	17	12	13	7	39	31
May	18	10	7	13	7	11	32	34
June	9	5	9	5	3	20	21	30
July	62	9	9	7	12	18	83	34
August	13	14	12	6	16	15	41	35
September	14	8	12	6	8	26	34	40
October	15	8	12	8	17	6	44	22
November	14	13	8	9	13	11	35	33
December	18	9	5	4	11	14	34	27
Total	201	118	131	109	130	174	462	401

9.2.8 EUR 1 Certificates Endorsed

SRC recorded 1,714 EUR1 Certificates endorsed for exports from January to December 2023, compared to 1,803 in 2022. Seaport issued the highest number of certificates, amounting to 1,187. The second highest was at Passenger Terminal with 475 exports, and 52 cases were recorded at Airport Cargo

Table 83: EUR Certificates Endorsed for export for the years 2022-2023

Month	Passenger Terminal		Airport Cargo		Seaport		Total	
	2022	2023	2022	2023	2022	2023	2022	2023
January	51	53	8	3	86	77	99	133
February	10	62	2	5	74	58	126	125
March	15	61	18	3	92	119	135	183
April	71	76	4	2	82	87	176	165
May	56	55	2	4	99	163	175	222
June	10	55	3	1	85	110	211	166
July	29	27	2	1	108	3	155	31
August	28	19	1	0	130	25	149	44
September	33	16	7	3	117	19	93	38
October	66	18	4	0	102	16	143	34
November	56	14	1	1	106	15	164	30
December	50	15	0	1	106	19	177	35
Total	475	471	52	21	1, 187	711	1, 803	1, 206

9.2.9 Airport Passenger Terminal

Table 84: Activities undertaken at the Passenger Terminal for the year 2023

Month	Number
Number of flight arrivals	3, 013
Number of flight departures	3, 014
Number of passengers entering Seychelles	418, 916
Number of passengers leaving Seychelles	458, 463
Number of passengers in transit	10, 938
Number of passengers examined	13, 572
Number of hand luggage screened	54, 455
Number of direct delivery recorded	1, 019

9.3 Border security and Enforcement Actions

The Customs Management Act 2011 gives Customs 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 non-commercial cargo particularly personal effects need to be verified to ensure the requirements of the Regulations are complied with.

Cargo examinations are performed as part of 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.

Table 85: Verifications Conducted at Seaport for the years 2022-2023

Details	2022	2023
Containers verified from the Red channel	3, 986	4, 296
Containers verified from the yellow channel	0	-
Containers verified from the blue channel	0	-
Containers verified from the green channel	0	-
Break bulk verified	3, 417	4, 563
Outside verification	409	519
Total consignment verified	7, 812	9, 378
Break bulk released from green, blue & yellow lane	3, 824	4, 775
Containers released from green, blue & yellow lane	8, 099	10, 823
Break bulk released from red channel	518	
Containers released from red channel	0	
Total consignments released without verification	12, 441	15, 598

9.3.1.1 Airport cargo Examination

Table 86: Verifications Conducted at Airport cargo for the years 2022-2023

Details	2022	2023
Containers verified from the Red channel	3, 511	4, 377
Cargoes released from green, blue & yellow lane	24, 457	25, 501

9.3.2 Boarding

All vessels from or departing for foreign ports or coming to seas beyond the 12nautical mile limit may be subjected to boarding formalities. The tasks of Boarding Officers are to effectively process all vessels, their passengers and crew arriving in or departing from Seychelles to ensure their compliance with Seychelles laws. The purpose of these functions are also to deter and detect illegal activities on these vessels.

Table 87: Boarding Activities for the years 2020-2023

Details	2020	2021	2022	2023
Vessels boarded in Port Victoria during office hours	434	663	617	752
Vessels boarded in Port Victoria after working hours	52	31	28	233
Total number of vessels boarded in Port Victoria	486	694	645	985
Rummages conducted	72	282	17	16
Transshipment containers verified	645	214	305	276
Cases of detained goods handed to customs by Port Security	2	1	5	2

SRC boarded a total of 752 vessels in Port Victoria in 2023, an increase of 340 compared to 2022.

9.3.2 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 maybe held in the Government Warehouse as:

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

Table 88: Government Warehouse management for the years 2020-2023

Details	2020	2021	2022	2023
Containers transferred into the warehouse	80	40	43	50
Break bulk transferred into the warehouse	1, 100	714	2, 979	1, 179
Total consignments transferred into the warehouse	1, 180	758	3, 022	1, 229
Containers released from the warehouse	64	38	28	77
Break bulk released from the warehouse	306	348	367	418
Total consignments released from the warehouse	370	386	395	495

In 2023, SRC recorded a total of 1, 229 consignments, inclusive of containers and break bulk cargo which were transferred into the Government warehouse. 495 consignments were released from the warehouse.

Table 89: Other government Warehouse activities for the year 2023

Details	2023
Rent charges collected	1,147, 239. 60
Fines collected	120, 318. 70
Total rent charges and fines collected	1,267, 558. 30
Total revenue collected by warehouse	13, 214, 701. 99
No. of disposals conducted	19

9.3.2 Auction and Public Sales

Table 90: Sales for the years 2022-2023

Details	Amount collected (SR)	
	2022	2023
Auction sales	667, 391. 00	145, 199. 30
Public sales	476, 400. 00	1, 900, 370.0
Total	1, 143, 791. 00	2, 045, 569. 3

9.3.5 Investigations

The table below highlights the main activities undertaken by the Investigation Unit in 2023.

Table 91: Investigation activities for the year 2023

Details	Outcomes
Number of verifications performed	0
Number of investigation cases conducted	237 cases
Additional taxes collected	SCR 237, 964. 22
Penalties collected	SCR 454, 700. 75
Number of searches carried out on premises	0
Number of special operations conducted	0

9.3.56 Post Clearance Audit (PCA)

Table 92: PCA Activities for the year 2023

Tasks performed	Outcomes
Number of cases completed	34 cases
Number of cases pending	9 cases
Revenue assessed by PCA	SCR 5, 115, 383. 66
Revenue collected by PCA	SCR 1, 305, 314. 92

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

A total of SR 1, 406, 151, 389 was collected by the Bond Unit for 2023. There has been a significant increase of SR 158, 101, 510. 63 collected in 2023 compared to 2022, representing an increase of 13%.

Table 93: Revenue collected (SR) by the Bond unit for the years 2020-2023

Month	2020	2021	2022	2023
January	128, 760, 924. 71	88, 277, 890. 53	110, 421, 245. 25	130, 576, 336. 07
February	147, 803, 978. 09	61, 697, 654. 26	92, 709, 882. 73	156, 249, 803. 07
March	101, 504, 560. 66	62, 807, 289. 16	114, 697, 775. 95	104, 164, 630. 44
April	73, 690, 425. 89	74,133, 964. 41	100, 357, 341. 62	106, 743, 857. 17
May	72, 186, 346. 13	83, 767, 037. 02	100, 897, 241. 23	124, 481, 717. 85
June	88, 891, 368. 81	79, 589, 315. 92	100, 368, 237. 01	105, 505, 618. 41
July	81, 583, 296.06	85, 156, 315. 92	100, 330, 753. 04	105, 132, 999. 89
August	101, 317, 169.77	78, 607, 285.60	95, 871, 615. 26	115, 493, 138. 36
September	79, 323, 756. 68	91, 779, 407. 09	100, 301, 510. 06	102, 019, 473. 21
October	86, 538, 765. 09	97, 239, 926. 66	90, 325, 349. 19	109, 158, 692. 19
November	97, 797, 491. 89	91, 690, 286. 56	107, 116, 440. 08	122, 055, 364. 67
December	89, 523, 104. 84	118, 196, 025. 11	131, 706, 486. 95	124, 569, 757. 67
Total	1, 147, 921, 188. 62	1, 013, 033, 070. 28	1, 248, 049, 878. 37	1, 406, 151, 389

Table 94: Collection of unpaid bills in ASYCUDA World for the years 2020- 2023.

2020 (SR)	2021 (SR)	2022 (SR)	2023 (SR)
112, 759, 412. 31	61, 318, 061.96	79, 934, 518. 02	40, 613, 992. 83

A total of SR 40, 613, 992. 83 was collected in 2023, representing an increase of 49% compared to 2022. The increase is due to closer monitoring through spot checks and review of documentations.

9.4.1.2 Active Bonded Warehouse

There were a total of 64 active Bonded Warehouses in 2023, compared to 59 in 2022. This includes two new bonded warehouses and two new extension, which were approved during the year.

Table 95: Active Bonded Warehouse for the years 2020-2023

Month	2020	2021	2022	2023
Alcoholic Beverages	21	21	21	22
Alcoholic Beverages & Cigarettes	4	4	3	3
Cigarettes	1	1	1	1
Ship spares in transit	12	11	12	14
Marine Salt	1	1	0	
Motor vehicles	15	12	12	13
Duty free goods & cigarettes	2	2	2	3
Boat engines	2	2	2	2
Consumables on aircrafts	2	2	2	2
Ship chandler	1	4	4	4
Total	64	60	59	64

9.4.1.3 Application for Bonded Warehouse

Table 96: Applications for Bonded Warehouse for the years 2020-2023

Month	2020	2021	2022	2023
Opening Balance	3	3	3	0
New applications	1	4	2	5
Extension of Bonded Warehouse	-	-	-	4
change of management	2	2	0	2
Total applications received	6	9	5	11
Applications approved	3	2	5	7
Applications rejected	0	4	0	1
Pending applications	1	3	0	3

9.4.1.4 Closure of Bonded Warehouse

Table 97: Number of Bonded Warehouse closed during 2022-2023

Authorized goods	2022	2023
Alcoholic Beverages	3	1
Motor Vehicles (temporarily)	1	0
Total	4	1

9.4.1.5 Monitoring Compliance

Spot checks and stock takes conducted

In 2023, SRC conducted 75 spotcheck and 15 stock-takes.

Table 98: Number of Bonded Warehouse closed during 2022-2023

Year	Stock Take	Spot Check
2020	28	23
2021	23	24
2022	13	58
2023	15	75

Reconciliations conducted

Table 99: Number of reconciliations conducted

Reconciliation submitted	Reconciliation planned	Reconciliation approved	Incomplete reconciliation
8	9	8	3

In 2023, nine reconciliations were planned to be conducted. However, a total of eight reconciliations were submitted and approved. Compared to 2022, the quality of the reconciliation has improved. This is mainly because staff are getting more experience with regards to the concept of reconciliation and also due to the new report, which helps with identifying errors at an early stage.

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 ad-hoc concessions. The Unit 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 and other goods

Table 100: Number of Spot checks conducted on yachts and for other good

Year	Yachts	Others
2020	8	0
2021	10	6
2022	3	13
2023	26	10

Compared to 2022, spot checks on yachts entered into a temporary regime have increased significantly, whereas on other goods, spot checks have decreased. This is mainly because more focus has been placed on yachts to ensure they are adhering to the conventions that have been laid down.

9.4.2.2 Revenue Collection

Table 101: Revenue Collection for the years 2021-2023

Description	2021	2022	2023
Collection on yachts	2, 222, 370. 32	539, 340. 09	5, 937, 187. 62
Collection on concessionary vehicles	988, 434. 66	2, 180, 878. 08	1, 209, 554. 58
Collection on other temporary items due to change of customs procedure to permanent importation	0	0	
Fine	100, 000. 00	216, 666. 71	208, 666. 00
Total	3, 310, 804. 53	2, 936, 884. 88	7, 355, 408. 20

9.4.2.3 Request on approval of temporary importation

Table 102: Number of temporary importation approved for the years 2020-2023

Description	2020	2021	2022	2023
Temporary Importation vessel	67	99	56	44
Other temporary importation	260	168	316	238

A sum of Rs 315,750 was imposed as penalties for non-compliance in a private bonded warehouse. A sum of Rs. 202,000 is still awaiting appealed results, and a sum of Rs. 50,000 still remains outstanding.

A total of Rs 3,494,306.12 was imposed as fines for non-compliance of goods imported under the temporary regime. Out of the sum, a total of Rs 3,285,640.12 was waived, and the remaining balance Rs 208,666 was paid.

9.4.3 The Excise Unit

The Excise Unit deals mainly with the local manufacturing of goods that attract Excise Tax, which are mainly tobacco and alcoholic beverage products.

There are a total of 9 local manufacturers, of which 8 are alcoholic beverage manufacturers, and one is a tobacco manufacturer. The alcoholic manufacturers are producing rum, vodka, liqueur, alcopop, cider, stout, and beers.

According to the excise tax act, manufacturers registered as ITZ companies are not subject to the excise tax requirement. Hence. The needful was done to halt one tobacco manufacturer. Thus, today there is only one tobacco manufacturer.

All nine manufacturers have sent their applications to register their activities as required by the excise tax act. The application is still being processed.

9.4.3.1 Revenue Collection

Table 103: Excise Collection on Local sales of Excisable foods for the years 2020-2023

Month	2020 (SR)	2021 (SR)	2022 (SR)	2023 (SR)
January	24, 259, 652. 02	16, 048, 073. 18	23, 263, 858. 35	19, 253, 524. 25
February	24, 233, 769.41	16, 641, 976. 43	28, 790, 304. 00	27, 335, 139.90
March	30, 988, 257. 42	30, 658, 582. 38	34, 988, 673. 22	41, 811, 447. 05
April	26, 000, 080. 00	31, 925, 824. 76	35, 749, 348.44	24, 851, 177. 18
May	28, 727, 378. 64	27, 307, 296. 31	32, 189, 655. 68	31, 237, 827. 10
June	31, 728, 570. 27	28, 257, 738. 56	28, 844, 670. 15	31, 761, 522. 60
July	32, 157, 548. 08	30, 301, 325. 06	30, 487, 475. 36	30, 881, 364. 61
August	30, 090, 682.56	32, 457, 328. 11	32, 438, 068. 35	32, 315, 186. 37
September	31, 007, 949. 24	30, 530, 957. 37	31, 225. 227. 84	27, 226, 119. 21
October	34, 605, 975. 55	30, 117, 404. 71	28, 416, 198. 87	27, 913, 623. 97
November	31, 822, 308. 91	31, 860, 374. 18	33, 092, 780. 68	27, 563, 730. 01
December	59, 343, 901. 41	41, 566, 783. 25	47, 164, 780. 89	15, 814, 674. 00
Total	385, 044, 988. 18	327, 673, 664. 30	386, 551, 041. 83	337, 965, 336. 25

Table 104: Revenue Collection byproduct category for the years 2020-2023

Year	Tobacco (SR)	Alcohol (SR)
2020	175, 208, 002.00	173, 884, 932. 18
2021	178, 566, 786.00	169, 105, 521. 10
2022	181, 336, 168.00	205, 214, 873. 83
2023	164, 586, 198. 00	173, 379, 138. 25

A total of SR 337, 965, 336.25 was collected in 2023 as Excise Tax on local tobacco and alcohol sales. This shows an increase of 12. 6% compared to 2022.

Table 105: Collection of sugar tax on locally manufactured goods for the years 2021-2023

Year	Amount collected (SR)
2021	22, 105, 837. 74
2022	25, 501,095. 98
2023	24, 280, 825. 42

9.4.3.2 Production of locally manufactured excisable goods.

Table 106: Production of locally manufactured alcohol for the years 2021-2023

Description of alcohol	Production of local alcohol (LTRS)		
	2021	2022	2023
Beer	4, 380, 460. 48	4, 258, 357. 72	4, 497, 930. 94
Stout	924, 314. 40	877, 946	755, 595. 30
Alcopop	563, 284. 41	656, 562. 14	514, 297. 96
Vodka/ Rum (spirit)	270, 044. 07	575, 285. 83	822, 923. 12
Cider	30, 475. 20	24, 131. 42	26, 996. 96
Liqueur	95, 521. 20	188, 668. 43	253, 807. 77
Ethanol 83%	-	-	

Table 107: Production of locally manufactured tobacco for the years 2021-2023

Year	Production of local tobacco product
2021	282, 246 tins of 200 sticks = 57,649, 200 sticks
2022	355, 275. 55 tins of 200sticks= 71, 055, 110 sticks
2023	325, 263 tins x 200 stick = 65, 052, 600 sticks

9.4.3.3 Sale of locally manufactured excisable goods.

Table 108: Sale of locally manufactured Alcohol for the years 2021-2023

Description of alcohol	Local sales (LTRS)		
	2021	2022	2023
Beer	4, 226, 406. 68	5, 166, 612. 46	4, 595, 048. 84
Stout	914, 859. 70	892, 736. 10	699, 625. 00
Alcopop	539, 478. 36	623,474. 39	453, 071. 08
Vodka/ Rum (spirit)	209, 644. 33	272, 349	188, 181. 88
Cider	26, 313. 56	28, 459. 20	164, 097. 82
Liqueur	62, 700	110, 028. 60	
Total	5, 979, 403. 17	7, 093, 659. 75	6, 121, 494. 74

Table 109: Sales of locally manufactured tobacco for the years 2021-2023

Year	Sale of local tobacco product
2021	243, 279 tins x 200 = 47, 740, 600 sticks
2022	216, 904 tins x 200 = 43, 380, 800 sticks
2023	203, 449 tins x 200 = 40, 689, 800 sticks

9.4.3.4 Duty free sale of locally manufactured excisable goods.

Table 110: Duty free sales of alcohol for the years 2021-2023

Description	2021 (LTRS)	2022 (LTRS)	2023 (LTRS)
Spirits/ liqueur	30, 497. 2	84, 219. 45	48, 457
Beer	-	-	-

Table 111: Duty free sales of tobacco products for the years 2021-2023

Year	Sale of local tobacco product
2021	17, 400 tins x 200= 2, 820, 000 sticks
2022	35, 700 tins x 200 = 7, 140, 000 sticks
2023	42, 300 tins x 200 = 8, 460, 000 sticks

9.4.3.5 Export of locally manufactured excisable goods.

Table 112: Export of locally manufactured goods for the years 2021-2023

	2021	2022	2023
Alcohol	Spirit 65, 392. 40ltrs	Sprit 207, 567. 50ltrs	353, 147
	Liqueur 22, 643. 60 ltrs	Liqueur 55, 974. 20 ltrs	4, 680.00
	Tobacco products	394, 502 sticks	600, 000

9.4.4 The Refund Unit

9.4.4.1 Status of refund cases

Table 113: Status of refund cases for the years 2021-2023

Status of Refund	2021	2022	2023
Refund cases completed	118	69	79
Refund cases rejected	15	7	7
Refund cases referred to domestic tax	0	0	0
Refund cases referred to investigation	2	0	1
Refund cases in query	15	0	14
Refund cases not yet processes	3	48	47

9.4.4.2 Refund by tax type

Table 114: Refunds by tax type for the years 2020-2023

Tax type	2020 (SR)	2021 (SR)	2022 (SR)	2023 (SR)
Customs duty	806,831.51	412,291.58	325,280.77	1,545,182.31
Value Added Tax	2,497,321.74	1,543,008.83	889,988.51	812,950.70
Excise Tax	588,095.42	1,372,262.06	178,399.02	484,345.37
Poultry Levy	9,201.38	48,685.00	0	2,362,972.96
Pet levy	123,760.00	3,354.00	15,648.00	17,391.79
Can levy	960.00	8,496.00	5,172.00	80,184.78
Glass levy	52,920.00	2,376.00	0	152,040.10
Gas and equipment levy	0	244,111.96	411.69	
Sugar Tax	10,224.00	12,372.00	129.60	4,266.16
Deposit	114,364.57	379,253.03	531,148.56	175
Documentation Charge	2,025.00	8,920.30	150.00	299,606.84
Total	4,205,703.62	4,035,130.76	1,941,156.15	5,761,628.53

SRC processed 79 refund cases for 2023. The value of refunds amounted to SR 5,761,628.53.

The significant variances may be attributed to taxpayers ensuring the correct amount of taxes are being paid. Additionally, there are 47 refund cases that are yet to be processed, and will be taken into account in 2024. The increase in cases still pending is due to the lack of human resource in the Refund Unit.



CHANGES IN LEGISLATIONS

10. Changes in Legislations 2023

1. Act 27 of 2023 – Revenue Law (Amendment) Act, 2023 **Revenue Administration Act 2009**

The Revenue Administration Act has undergone some changes in order to accommodate for the transition to the new Tax Management System- TMS

Section 2 of the Revenue Administration Act is amended in:

(i)the definition of “Return”, by repealing in paragraph (a) the word “or”; by repealing in paragraph (b) and substituting it with the following paragraphs – “(b) a withholding tax remittance form filed under the Business Tax Act; or (c) all payroll withholding statements filed under the Income and Non-Monetary Benefits Tax Act.

(ii)The definition of “revenue decision”, by inserting in the paragraph (b) after the words “Immovable Property Tax Act”, the words “Environmental Protection(Tourism Environmental sustainability Levy) Regulations 2023”.

Section 3 of the Revenue Administration Act is amended by:

(i)renumbering subsections (1), (2) and (3), (4) and (5) respectively, and inserting before the section as so numbered, subsections which describe the conditions in relation to a taxpayer required to furnish a monthly return, including a self-assessment return under any revenue law. These conditions are (a) on or before the 21st day of the month in which the return is due in cases where it is furnished in person; or (b) on or before the 23rd day of the month in which the return is due in cases where it is furnished through the Seychelles Revenue Commission Tax Portal. Finally, subsection (2) of Section 3 provides that a large business shall furnish its return through the Seychelles Revenue Commission Tax Portal”.

Section 20 of the Revenue Administration is amended by:

(i)renumbering section 20 as 20A and inserting before the section so numbered a new section prescribing the time the payment of tax is due when paid in person (that is the 21st day of the month), and time due when paid through the Seychelles Revenue Commission Tax Portal or bank transfer(that is 23rd day of the month). It was also added that a large business or taxpayer making payment of tax of SCR50,000 or more under any revenue law shall pay their tax through the Seychelles Revenue Commission Tax Portal.

Second Schedule of the Revenue Administration Act is amended by:

(i)repealing in paragraph (1) the word “and”;
(ii)repealing in paragraph (2) and substituting it with the following paragraphs, “(2) a return required to be furnished under the Value Added Tax Act, (3) a return required to be furnished under the Accommodation Turnover Tax Act, (4) a return required to be furnished under the Income and Non-Monetary Benefits Tax Act, (5) a return required to be furnished under the Tourism Marketing Tax Act, and (6) a return to be furnished under the Environment Protection (Tourism Environmental Sustainability Levy) Regulations 2023.”

2. Revenue Administration (Amendment) Act 2023 – Act 31 of 2023

In this statutory amendment, Section 2 of the Revenue Administration Act 2009 is amended by inserting after the definition of “electronic record”, the definition of “electronic signature”, as follows: a digital signature as prescribed under Section 3 of the Electronic Transactions Act, 2001, or an electronic ID with an email, password and security pin.

Section 94 is amended by substituting the full stop after the word “Commission” for a comma and adding thereafter. “or submitted electronically through the electronic service established by the Commissioner General”. Then, after Section 94, a Section 94A is inserted to set out the manner of signing documents.

Date of notice: 22nd December 2023

Income and Non-Monetary Benefits Tax Act 2010

Section 10 of the Income and Non-Monetary Benefits Tax Act is amended by repealing the words “a withholding tax statement” and substituting them with the words “a payroll withholding statement”.

Business Tax Act 2009

Section 73 of the Business Tax Act was repealed and replaced with a new section in respect of Withholding Tax Remittance Form. The new section 73 provides that a person withholding tax under this Division shall, within such period and in such form as may be prescribed, lodge with the Commissioner General a Withholding Tax Remittance Form.

Tourism Marketing Tax Act 2013

Section 4 of the Tourism Marketing Act 2013 was amended by inserting after subsection (4) subsection, subsection (5) which provides that a person who files a return for a tax year shall be treated as having made

a self-assessment of the turnover of the business and tax payable thereon as specified in the return.

Section 5 was amended by repealing subsection (2) and substituting it with a new subsection which provides that “(2) a person liable to pay the tourism marketing tax under the Act will: (a) remit the tax to the Commissioner General in accordance with section 20 of the Revenue Administration Act; and

b) furnish to the Commissioner General a return in the form prescribed in Schedule 3 of this Act, and in accordance with sections 1 and 2 of the Revenue Administration Act.

A Schedule 3(new) was inserted after Schedule 2 of the Tourism Marketing Tax Act, in which the Form of Return is provided (section 5(2)).

Date of notice: 22nd December 2023

3. S.I. 73 of 2023 - Business Tax (Transfer Pricing Documentation) Regulations, 2023

This regulation comprises of the following sections: (1) Interpretation, Obligations in relation to Transfer Pricing Documentation; (2) Obligations in relation to Additional information; (3) Keeping of documents and information; (4) Language of Transfer Pricing Documentation; (5) Additional Tax for failure to furnish Documentation; (6) Additional tax for providing false and misleading information; and (7) Additional tax for failure to keep, retain and maintain relevant documents, information or records. Below is a summary in respect of each section.

(1) Obligations in relation to transfer pricing documentation

(i) Subregulation (1) provides that a person that enters into a controlled arrangement under section 54(1) of the Act and has an annual turnover that exceeds 1 million Seychelles Rupees, the person is required to prepare documentation in accordance with subregulation (2) that would verify that the conditions in its controlled arrangements for the relevant tax year are consistent with the arm's length principle, for the purpose of computing the measure of taxable profit for that tax year.

(ii) Subregulation (2) sets out the documentary requirements with respect to the transfer pricing documentation under Subregulation (1).

(iii) Subregulation (3) specifies the time a person under subregulation (1) is to furnish the Commissioner General the relevant transfer.

(iv) Subregulation (4) provides that the obligation of a person to provide documentation is established without prejudice to the power of the Commissioner General to request additional information that in the course of audit procedures it is deemed necessary.

(2) Obligations in relation to additional documentation

(i) Regulation 4 sets out further obligations for the person of regulation 3(1), that, in addition to preparing the transfer pricing documentation under regulation 3(1) for all controlled arrangements between associates, document those controlled arrangements in accordance with regulation 3(2) and the Schedule.

(ii) Obligations for the person who is a member of multinational enterprise group is also set out here.

(3) Keeping of documents and information

(i) Regulation 5(1) provides that a person under regulation 3(1) is to keep, retain and maintain transfer pricing documentation for seven years after the end of the period in which the controlled arrangements took place; and Regulation 5(2) adds that this person shall keep, retain and maintain information pertaining to the transfer pricing documentation prepared in accordance with this regulation, for seven years after the end of the tax year in which the controlled arrangements took place.

(4) Language of the transfer pricing documentation

(i) Transfer pricing documentation is to be in English, French or Creole.

(5) Additional tax for failure to furnish documentation

(i) A person who, without reasonable cause, fails to furnish the Transfer Pricing Documentation in accordance with regulation 3(3) is liable for an amount of additional tax of SCR75,000 plus SCR2500 for each week or part of a week that the failure continues.

(6) Additional tax for providing false or misleading documentation or information

(i) The person who provides misleading or false documentation or information to the Commissioner General under regulation 3(3) is liable to an additional tax of 5% of that person's annual turnover.

(7) Additional tax for failure to keep, retain and maintain relevant documents, information or records

(i) Knowingly or recklessly failing to keep, retain and maintain relevant documents, information or records as required under regulation 5 renders a person liable to an additional tax of no less than SCR 10,000 for small businesses, SCR 50,000 for a medium business and SCR 100,000 for large businesses.

Finally, the Schedule (Regulation 4) provides a list of documents or information for disclosure for all controlled arrangements in which a person is involved, and that this is to be done having regard to the guidance on documentation in the OECD Transfer Pricing Guidelines for Multinational Enterprises.

Date of notice: 9th October 2023

4. S.I. 74 of 2023 - Business Tax Act(Related Party Dealings) Regulations, 2023

The international tax landscape is dynamic and has advanced rapidly, particularly since the initiation of the OECD's Base Erosion and Profit Shifting Project in 2015, of which transfer pricing and profit shifting are core elements. Robust domestic transfer pricing law is a fundamental pillar to addressing transfer pricing risk and therefore there has been a systemic

move by jurisdictions globally to amend their transfer pricing law to align with international best practices and to protect their jurisdictions from loss of revenue from the use of transfer pricing. This change will strengthen the SRC audit division's power and ability to improve risk assessment, case selection, and audit yield from a compliance perspective. It will also ensure that companies in Seychelles pay their fair share of tax whilst increasing transparency and confidence in the tax system, thereby promoting voluntary compliance.

The regulation comprises of the following sections: (1) Obligations in relation to related party dealings schedule; (2) keeping of records, Additional tax for failure to furnish related party dealings schedule; (3) Additional tax for providing false or misleading documentation or information; (4) Additional tax for failure to keep; (5) retain and maintain records, and a Schedule which specifies the disclosures in respect of related party dealings schedule. Below is a summary in respect of each section.

(1) Obligations in relation to related party dealings schedule

(i) A person that enters into a controlled arrangement under section 54(1) of the Act is to complete and furnish to the Commissioner General the related party dealings schedule, which is included in the disclosures under the Schedule.

(ii) A person who is required to lodge a return for a tax year is to complete a related party dealings schedule of the return.

(iii) Where a person fails to comply with the foregoing, the Commissioner General is to serve a written notice on the taxpayer requiring the taxpayer to complete and lodge the related party dealings schedule within a specified period stipulated in the notice.

(iv) The obligation of the person to furnish the related party dealings schedule is established without prejudice to the power of the Commissioner General to request additional information deemed necessary as part of the administration of the Act.

(2) Keeping of records

(i) A person is to keep records pertaining to the related party dealings schedule for seven years after the end of the period in which the controlled arrangement took place.

(3) Additional tax for failure to furnish related party dealings schedule

(i) This section specifies the additional tax a person who fails to furnish related party dealings schedule will be liable to pay to the Commission. It is also stated in this section that Section 42 of the Revenue Administration Act 2009 does not apply to the related party dealings schedule.

(4) Additional tax for providing false or misleading documentation or information

(i) A person who, in purported compliance with relations 3(1) and 3(2) knowingly provides to the Commissioner General any documentation or information that is false or misleading in a material particular will be liable to an additional tax of 5 per cent of that person's annual turnover.

(5) Additional tax for failure to keep, retain and maintain records

(i) A person who knowingly or recklessly fails to keep, retain and maintain relevant documents, information or records as required under regulations 4 shall be liable to an additional tax of no less than SCR 10,000 for small businesses, SCR 50,000 for a medium

businesses and CR 100,000 for large businesses. Finally, the Schedule (Regulation 3(1) lists the disclosures that is to be included in the related party dealings schedule required under regulation 3(1).

Date of notice: 9th October 2023

5. S.I. 114 of 2023 – Business Tax(Amendment of Fifth Schedule) Regulations, 2023

In exercise of powers conferred by section 80 of the Business Tax Act 2009, the Minister for Finance made the foregoing regulation to amend the Fifth Schedule of the Business Tax Act, repealing the figure “100%” and substituting it with the figure “150%”.

Date of notice: 29th December 2023

6. S.I. 120 of 2023 - Seychelles Revenue Commission(Amendment of Schedule) Regulations, 2023

In exercise of the powers conferred by section 22 of the Seychelles Revenue Commission Act, the Minister responsible for Finance makes the foregoing regulation to amend the Schedule of the Act by inserting after item 19, the following item, “20. Environment Protection (Tourism Environmental Sustainability Levy) Regulations, 2023”.

Date of notice: 29th December 2023

7. S.I. 39 of 2023 – Immovable Property Tax Act(Increase in Tax Rate)Order 2023

Pursuant to section 7(2) of the Immovable Property Tax Act 2019, the Minister responsible for Finance makes the foregoing order to amend the tax rate of the market value of any immovable property liable to be taxed by increasing it from 0.25% to 0.50%.

This Order comes into operation 1st January 2024.

Date of Notice: 29th May 2023

8. S.I. 121 of 2023 – Immovable Property Tax(Exemption)Order 2023.

Pursuant to section 11(4) of the Immovable Property Tax Act 2019, the Minister responsible for Finance makes the foregoing Exemption Order to exempt the following payment of taxes:

(a) any immovable property or part of it owned by a taxpayer that is used to provide staff accommodation for the employees of the said taxpayers;

(b) any immovable property or part of it owned by a taxpayer that is used for environmental conservation or wildlife protection and recognized as such by the Ministry responsible for environment;

(c) any immovable property owned by a minor whose mother, father or guardian is a Seychellois;

(d) any immovable property obtained by a financial institution in connection with the realization of any security given the course of the financial institution operations, provided that such immovable property is disposed of without undue delay;

(e) any immovable property owned by foreign associate.

The foregoing circumstances specified for exemption are to be read in addition to those specified in section 11(1) of the Act.

It is also specified that if circumstances that qualified the immovable property for the exemption have changed, any exemption from tax in respect of any immovable property under the Order will cease. Any change in the circumstances by a person granted the exemption from tax under this Order must be notified in writing to the Chief Valuation Officer, and any person who fails to do is liable to pay a fixed penalty of SCR 5000 to the Commissioner General.

Date of notice: 29th December 2023

9. S.I. 44 of 2023 – Customs Management(Amendment) Regulations 2023

Pursuant to section 270 of the Custom Management Act 2011, the Minister responsible for finance and trade made the foregoing regulation to:

(i) Amend Regulation 2 of the Customs Management Regulations 2014(S.I. 42 of 2014) by inserting in the alphabetical order, the definitions for “House waybill”, “IATA”, “Master Waybill”, and “Waybill”, and “XML file”.

(ii) Amend Regulation 19 by repealing it and substituting therefore the new Regulation 19 which specifies that the carrier or carrier’s authorized agent and the courier operator or the courier operator’s authorized agent must, respectively, electronically submit cargo manifest for Waybills, both Master Waybill and House Waybill, to Customs through the customs computerized system and shall conform to the IATA standard XML file messages formats or, subject to the authorization of the Commissioner of Customs, manually capture the cargo manifest directly to the customs computer system – within

72 hours before the arrival of a vessel carrying the cargo, or immediately following the departure of an aircraft from its point of origin for cargo arriving by air.

Date of notice: 30th May 2023

10. S.I. 87 of 2023- Customs Management (Prohibited and Restricted Goods) Regulations 2023

Pursuant to section 270 of the Customs Management Act read with section 63, the Minister of Finance, National Planning and Trade made the foregoing regulation to repeal S.I. 41 of 2019, former regulation in respect of Customs - Prohibited and Restricted Goods. In S.I. 87 of 2023, Prohibited Goods are specified in the First Schedule, the Restricted Goods, in the Second Schedule.

Date of notice: 30th October 2023

11. S.I. 52 of 2023 – Environment Protection (Tourism Environmental Sustainability Levy) Regulations 2023

By powers conferred by section 80(1)(b) of the Environment Protection Act 2016 the Minister responsible for the environment made the foregoing regulation to impose a levy on every guest in an accommodation establishment for the collection of levy to be put towards impairments to environment brought about by tourism. A citizen of Seychelles, resident person, airline cabin crew, yacht crew and a child of 12 years and below is exempt from payment of this levy.

This regulation is to be administered by the Commissioner General be considered as revenue law as defined section 2 of the Revenue Administration Act 2019.

The regulation specifies the requirements for the collection of this levy and the filing of same (Regulation 5):

- (i)The levy is to be collected by the accommodation establishments from the guest who occupies an accommodation establishment regardless of who makes the reservation or is responsible for the payment of stay.
- (ii)An accommodation establishment or any other person, on behalf of the accommodation establishment, must not collect any amount as commission or otherwise over and above the levy and any agreement for collection of any such amount will be void.
- (iii)The levy collected under sub regulation (1) is to be remitted to the Commissioner General on or before the 21st day of the month following the month in which the levy is collected and accommodation establishment is to file a return under Schedule II.
- (iv)An accommodation establishment that files a return under sub regulation (3) is treated as having made a self-assessment of the levy payable for the month as specified in the return.

The guests of the accommodation establishment must be notified of this levy, and it must be included in the invoice for the guests. A register in respect of the collection of the levy is to be kept, the features of which are specified in Regulation 7. Finally, Schedule I (Regulation 4) of this Regulation specifies, the rates based on classification for the levy, and Schedule II (Regulation 5), the Return Form for the levy.

Date of notice: 28th July 2023

12. S.I. 112 of 2023 – Environment Protection(Environmental Levies)(Amendment) Regulations 2023.

Pursuant to section 80(1) (b) of the Environment Protection Act 2016, the Minister responsible for environment makes the foregoing regulation to amend S.I. 24 of 2018, by repealing part 1 of the Schedule and setting forth, new levy amounts in respect of:

- (1)Motor vehicles for the transport of ten or more persons, including the driver;
- (2) Motor cars and other motor vehicles principally designed for the transport of persons(other than those of heading 87.02)
- (3)Special purpose motor vehicles, other than those principally designed for the transport of persons or goods (for example, breakdown Lorries, crane lorries, fire fighting vehicles, concrete mixer lorries, road sweeper lorries, spraying lorries, mobile workshops, mobile radiological units;
- (4)Motorcycles(including mopeds) and cycles fitted with an auxiliary motor, with or without side-cars; side cars;

Date of Notice: 27th December 2023



HUMAN RESOURCE MANAGEMENT

11. Human Resource Profile

11.1.1 Establishment.

Table 115 Employment demographics by post

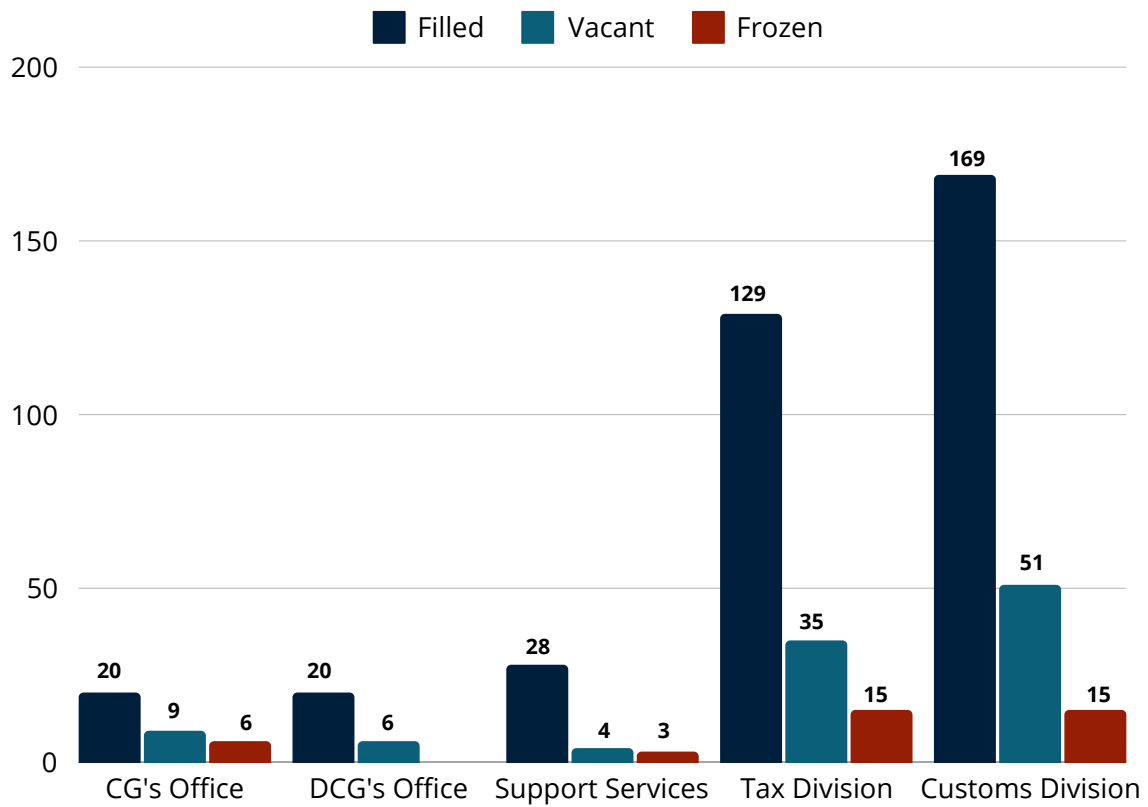
Job Title	Number of posts as at 31st December	
	2023	Frozen
Commissioner General	1	-
Deputy Commissioner	1	-
Assistant Commissioner	2	-
Director General	1	-
Director	17	-
Manager	30	2
Supervisor/ Senior	73	9
Officers	330	25
Total	455	36

Table 116: Number of staff by division

Division	Number of Staff
Secretariat	40
support services	28
Taxation	129
Customs	169
Total	366

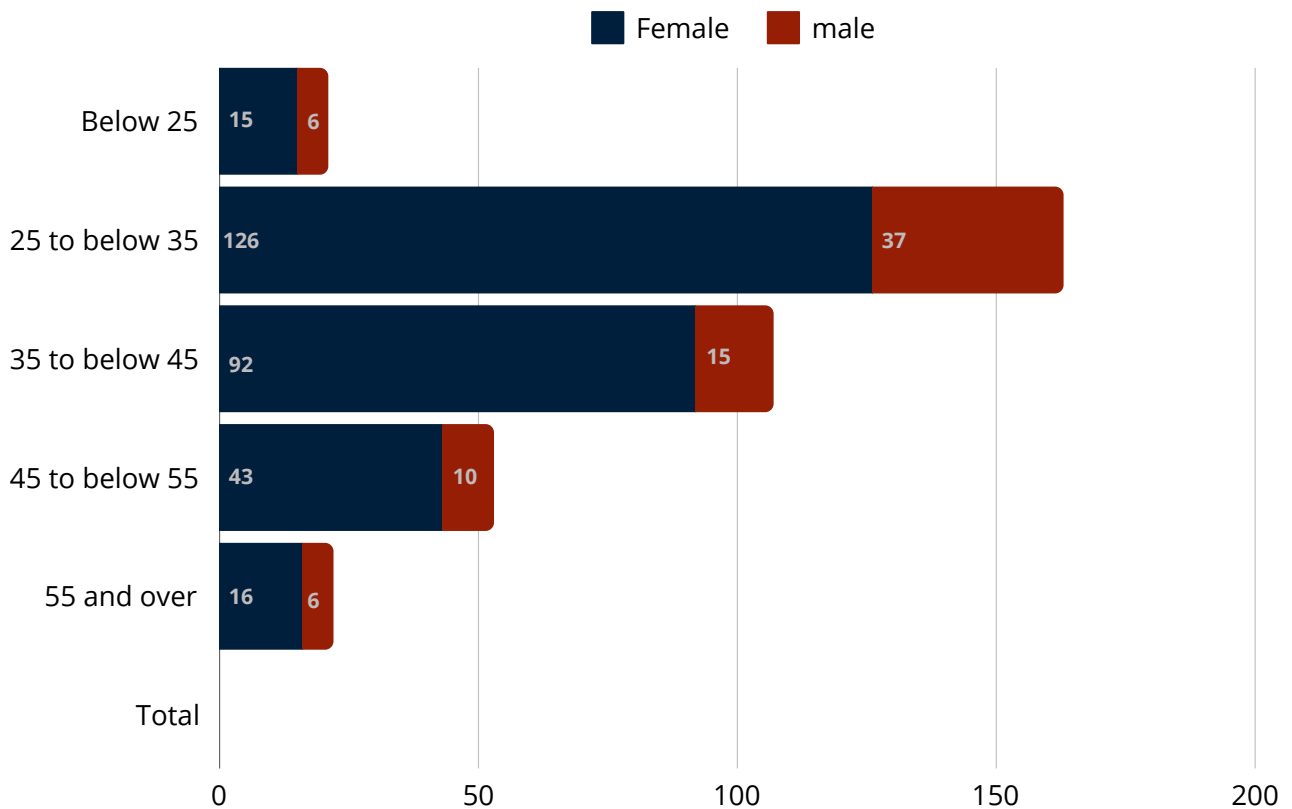
11.1.2 Employee Demographics by division

Chart 28: Employment demographics by post



11.1.3 Age & Gender Profile

Chart 29: Employment demographics by age and gender



11. 2 Recruitment

11.2.1 Recruitment and selection

Table 117: Recruitment and selection for the years 2022-2023

Details	2022	2023
Number of vacant posts as of 01st January	100	123
Opening Balance	68	87
New Posts created	32	17
New posts yet to be created	-	19
Number of posts advertised	64	75
Number of applications received	597	783
Number of successful interviewees	165	44
Appointments	45	20
Recommended for other posts	16	4
Offers Declined	9	20
Number of unsuccessful interviewees	99	177
Number of vacant posts as at 31st December	68	102

11.2.2 Expenditures for Recruitment

Table 118: Expenditure for recruitment for the years 2022-2023

Details	2022	2023
Budget for recruitment at the start of the fiscal year(SR)	33, 621, 997. 14	28, 668, 994. 32
Percentage increase in recruitment budget	68.3%	-14. 73%
Budget used for recruitment during the fiscal year (SR)	12, 902, 136. 48	5, 715, 745. 20
Remaining budget at the end of the fiscal year (SR)	20, 719, 860. 66	22, 953, 249. 12
Percentage of budget used at the end of the fiscal year	38. 37%	19. 94%
Percentage of remaining budget at the end of the fiscal year	61. 63%	80. 06%

11. 3 Staff Development and Knowledge Management

11.3.1 Training and development

The human resources Development activities in 2023, were aimed at increasing employees competence, skills and capabilities

Table 119: Local academic courses for the year 2023

Details	2022	2023
Certificate level		
Certificate in office management	-	-
Certificate in general management	3	-
Certificate in Human Resource Management	-	-
Chartered institute of procurement & supply CIPS Course	1	-
Total	4	0
Diploma level		
Diploma in General Management	8	5
Diploma in Human Resource Management	-	1
Total	8	6
Association of Accounting Technician (AAT)		
Certificate in Administration	-	1
Level 2	22	9
Level 3	3	9
Level 4	3	0
Basic Accounting/ quick books	-	2
Total	28	21
Association of chartered Certified Accountant (ACCA)		
Level 1	6	3
Level 2	4	2
Total	10	5
Grand total	50	

Table 120: In-house training conducted for the year 2023

Details	2023
HS Classification training	14
Executive leadership Training	16
HS Code training	12
Customs Airport precinct training (document examination)	32
Customs Airport precinct training Non-verbal indicators (Body language)	38
Customs Airport Precinct training (questioning techniques)	15
Customs airport precinct training (Methods of concealment and drug identification)	16
Customs airport precinct training (X-ray image interpretation)	22
Customs airport precinct training (examination techniques)	28
Customs airport precinct training - profiling and risk assessment	31
Team building	32
Induction	11
ASYCUDA COMESA	1
Telecom sector training	10
TMS Portal Training for version 2	12
Basic entry level tax	12
Basic entry level customs	9
Total	311

Table 121: Local short courses for the year 2023

Name of Program	Number of staff
Performance Management	12
Strategic HR Management	11
Total	23



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; and
- Ensure IT security arrangements are robust, effective and guarantee:
 - user and data integrity
 - site access security

12.1 IT Incidents Resolved

Since 2014, receipts of incidents via email or telephone to the IT Support service desk have been recorded and automatically routed to a technician from the available pool of technicians. The table below indicates the number of incidents solved in 2022 and 2023.

Table 122: IT incidents resolved for 2022-2023

Name of Program	Number of incidents resolved	Average working days to solve incidents
2022	875	5.4days
2023	946	

12.2 IT Projects

12.2.1 Tax Management System

Completed phases

Phase 1: Project inception.

Phase 2: Design, Development, and Implementation of Taxpayer Registration

Work in progress

Phase 3: Design, Development, and Implementation of Core Modules (Returns, Payments, Accounting, Reconciliation): **79% Completed**

a)Tourism Environmental Levy, Rent Tax, Tourism Marketing Tax, Accommodation Turnover Tax, and VAR tax returns have been completed and commissioned.

b)The payment system is completed and caters to in-person payments as well as the processing of transfers and manual receipts.

c) The accounting module is fully developed and functional.

d) The Presumptive Tax Return and DAS Book were completed and are in the process of being tested.

Phase 4: Design, Development, and Implementation of Non-Core Modules (Enforcement, Audit, Risk Management, and Business Intelligence): **20% Completed**

12.2.2 OECD Data Exchange System.

The development of the OECD Data Management System used for Automatic Exchange of Information by the International Tax Unit was outsourced to an external company. Both the sending and receiving of AEOI data was considerably improved, with significant enhancements in accuracy of data validation and depth and detail of reporting.

Completed:

a) the local Financial Institutions (F.Is) registration interface has been connected to the new back-end;

b) System security enhanced through the use of OTP to ensure local F.Is compliance;



OTHER INITIATIVES



➤➤➤ SRC recruitment fair

To streamline recruitment processes, the SRC hosted three recruitment fairs to attract potential candidates for roles within the tax and customs departments. These fairs were organized to efficiently identify and onboard qualified individuals interested in contributing to the commission's operations.

SRC Providence office <<<

SRC officially opened its doors to a new satellite office at Providence in the "Leve Debourye" building on January 20th. The move to the new location is expected to alleviate various constraints, including parking space limitations and delays in service delivery. Cashier services are available on weekdays from 8:30 am to 2:15 pm.



➤➤➤ 2023 Dialogue on Tax and sustainable development goals meeting

Minister Naadir Hassan accompanied by the permanent representative of Seychelles to the United Nations, Ambassador Ian Madeleine, and SRC's Commissioner of tax, Ms. Gayathri attended the "2023 Dialogue on TAX AND SDG " held in New York in November.



>>> Curieuse rehabilitation

Twenty-five officers from all divisions within the organization participated in the inter-island exchange visit hosted by the social committee on Praslin. The trip, which involved a visit to the island of Curieuse, saw the team take part in a coastal restoration project, planting over fifty Mangrove trees locally known as Bonnen Kare to help mitigate the effects of climate change and coastal erosion

Career's Fair <<<

SRC was proudly represented by officers at the Career's Fair held by the Ministry of Education at camion hall on the 10th and 11th of July, marking Career's week 2023, under the theme "change the Trend Explore new career opportunities". During the week students toured the SRC booth and were able to attended an introductory session about the organization.



>>> SEY ID

Officers from different section within the commission attended an awareness session at the CARE House on Wednesday focused on DICT SeyID. SeyID aims to provide the convenience and security to members of the public when accessing government services online, allows users the choice to create and use a certified digital identity with an accredited identity app without the need of having the physical ID Card

Service Standards <<<

SRC Revised its service standards and taxpayers charter inline with the strategic objectives. The service standards are aimed at ensuring quality, efficient services, client satisfaction, reliability and assurance. The revised charters aims at nurturing the relationship between taxpayers and the commission based on the values of trust, professionalism and transparency. It also outlines the rights and obligations of the taxpayers towards SRC





»»» Telecommunications training



The African Tax Administration Forum(ATAF) training on the Telecommunications sector saw the participation of SRC's Tax audit, International Tax Unit as well as staff from the Objections and Appeal section. This was held through a virtual program. Several topics were debated on the telecom sector, which is intended to enhance the knowledge and capacity of our auditors, in handling such cases

Global money week 2023 <<<

GBMW is an annual global initiative that aims to make young people more financially literate by teaching them about money at a young age. This year the organization welcomed a group of participants at its headquarter, comprising of six secondary four students from the Anse Boileau secondary school. During their visit, the participants learnt about the role and functions of SRC, as well as touching base on how SRC is always encouraging taxpayers to plan their taxes ahead to avoid incurring debt or any other financial burdens in the long run.



»»» SRC Choir donation

SRC proudly made a donation to the Seychelle's Alzheimer's Foundation consisting of several essential supplies intended for people suffering from the condition. The supplies were given to Seychelles Alzheimer as the recipient of the SRC Cause following SRC's triumph in the 2022 edition of SBC Office Choir- Sing for Charity competition. where the SRC Choir won the people's choice award and came out 2nd for jury's choice.



➤➤➤ A day in the life of a customs and tax officer

As part of the ongoing collaboration between SRC and the Ministry of Education, this week two secondary school student had the opportunity to spend a week at SRC's headquarters as part of a special holiday work attachment program organized by the Ministry's Career Division, allowing students the opportunity to experience a day in the life of a working officer.

Maison Managlier <<<

Work has already started on the construction of the SRC's new building. Piling work that is the process of drilling foundations through the ground to provide more structural strength to the building is set to start soon, whilst the interior plans remain ongoing at the moment. To cater for the manpower plan and pace within the building, the interior designers from GICC will undertake a visit to the SRC's current facilities at SRC to examine current resources such as furniture manpower capabilities to plan and source required ahead of the building.



➤➤➤ US Treasury Delegation

The U.S. Treasury has approved a program of technical assistance for Seychelles, with the aim of providing a holistic approach in addressing Anti-Money Laundering/ Countering the Financing of Terrorism needs of the country. This follows an earlier request made by Seychelles for support focused on: (i) stepping up the regulatory and supervisory authorities as well as enforcement agencies by building their operational capacity, (ii) building the capacity of money laundering cases development and referrals, (iii) and building the capacity to investigate and prosecute AML/ CFTC cases and other financial crimes.

English River entrepreneurship club <<<

The SRC had the pleasure of welcoming fifteen students from the English Rive Secondary school's entrepreneurship club as part of the school's extra curricular activities, for a short awareness session focused on SRC and its service offerings.. The insightful session introduced them to the role of SRC, its core functions of three divisions, the benefits of paying taxes in addition to providing the basic process for registration of businesses.





STAFF WELFARE

International Customs Day

SRC celebrated international customs day. This year the customs division organized a series of activities to celebrate the day under the theme “Nurturing the next generation, promoting a culture of knowledge sharing and professional pride in custom.” The SRC's commitment to nurturing the next generation of customs officers through continuous capacity building and employee satisfaction initiatives aligns perfectly with the International Customs Day theme.



Public Service Day

Celebrating Public Service Day on June 23rd, the Seychelles Revenue Commission (SRC) recognized the invaluable contributions of its employees. During a special awards ceremony held at Maison Collet, five dedicated individuals were honored for their long years of service with the organization. This recognition ceremony served not only to celebrate their individual achievements but also to highlight the importance of long-term commitment to public service. These employees, with their wealth of experience and institutional knowledge, serve as valuable mentors and role models for the next generation of SRC staff.



SRC Celebrated international Women's Day

Under the theme “embrace equity” the SRC seized the day to recognize and appreciate the vital role that women play in our workforce. Highlighting women's contributions to revenue administration aligns with global trends emphasizing gender diversity as a key factor in improving efficiency, and fostering a more inclusive work environment. The SRC honored all the ladies working for the organization with a small token of appreciation.



Team Building Session

As part of its strategic plan 2023-2025, to cultivate a well-equipped, resilient, committed and engaged workforce to further improve public trust, SRC initiated its first team building retreat at Blue Hill Seychelles for a group of officers. It comprised of both indoor and outdoor events facilitated by CTF Consultancy. Team building exercises are crucial for fostering positive working relationships within the SRC. By participating in collaborative activities, officers can develop stronger communication and problem-solving skills, leading to a more cohesive and efficient team environment.



Free eye screening for SRC Officers.

On Tuesday, July 11th, officials from Dr. Murthy's Eye Center conducted a free eye screening program at the SRC. This initiative offered valuable preventive healthcare to employees, allowing for early detection of eye conditions like cataracts, glaucoma, and diabetic and hypertensive retinopathy. Early detection and treatment of these conditions can significantly improve patient outcomes and overall eye health. A total of 43 SRC officers participated in the program, demonstrating their commitment to their well-being.

International "World Wellbeing Week"

Marking the eventful week, and encouraging staff to take care of their wellbeing, SRC held two activities; the first being a pilot Mental health awareness session by social worker Mr. Daniel Mahoune and his team. The session was followed by basic health screening onsite. The second event was a special yoga session by Mr. Steve Thelermont, to help staff cope with stress both at work and home. By educating staff on mental health issues the SRC can help create a more supportive environment. A healthier and more mindful workforce can lead to improved focus, reduced stress-related errors, and ultimately, better service delivery for taxpayers.



International Housekeeping week

Marking International Housekeeping Week, the SRC held a surprise activity to recognize the hard work and dedication of its housekeeping staff. These individuals play a vital role in ensuring a clean and healthy work environment, which directly impacts employee well-being and productivity. In recognition of their continuous support, the SRC presented each housekeeper with a special token of appreciation. This recognition not only boosts staff morale but also highlights the importance of a clean and organized workspace for maintaining focus and accuracy in tax administration tasks.



Breast Cancer Awareness Session

As the month of October marks Breast Cancer Awareness Month which this year is being celebrated under the national theme “early detection save lives” to increase awareness about the causes, treatment and impact of cancer on one’s life, representatives from the Ministry of Health delivered a talk to SRC staff followed by free on-site breast screening for 15 participants. By promoting early detection and providing access to vital health services, the SRC empowers its employees to take charge of their health and well-being, ultimately contributing to a more resilient and productive workforce.



International men’s day

Under the theme "Zero Male Suicide," the SRC seized the day to recognize and appreciate the vital role that men play in our workforce and society in general. SRC honored all the gents working for the organization with a small token of appreciation, making the day extra special. Highlighting men's well-being aligns with the organization's commitment to fostering a healthy and supportive work environment. A happy and resilient workforce is essential for maintaining a high level of focus and accuracy in revenue collection, ultimately contributing to the financial stability of Seychelles.





FINANCIAL STATEMENT

15. Summary of SRC's cash receipts and payments for 2023

Statement of cash receipts and payments for the year ended 31st December 2023

Table 123: Financial Statement for the year 2023

In thousands of SR	Budget (SR 000)	Treasury Actual (SR 000)	Variance (SR 000)	Previous Year Actual(SR 000)
Receipts				
Alocations/ Appropriations	180, 604. 80	156,794.45	23,810. 35	140,660.09
Total Receipts	180, 604. 80	156,794.45	23,810. 35	140,660.09
Payments				
Wages and Salaries	778,796.94	703,263.19	15,533.75	94,346.75
Goods and services				
Office exenses	13,051.87	12,882.41	169.46	12, 010. 66
Transportation and Travel	2, 869. 68	2, 843. 34	26. 34	1, 187. 63
Maintenance and Repairs	3, 984. 85	3, 879. 37	105. 48	3, 392. 64
Materials and supplies	30.00	1.34	28.66	50. 36
Other use of goods and services	32, 407. 96	31, 530. 22	877. 74	23, 872. 34
Total Recurrent Expenditure	171, 141. 30	154, 399.87	16, 741. 43	134, 859.78
Non-Financial Assets				
Building and infrastructure	5,660.00	915.57	4,744. 43	0.00
Machinery and Equipment	3, 803. 5	1, 479.01	2, 324. 49	5, 800. 31
Total Capital expenditure	9, 463.5	2, 394. 58	7,068.92	5,800. 31



ACCESS TO INFORMATION

16. Access to Information Report

In accordance to Section 54 of the Access to Information Act 2018, the Seychelles Revenue Commission (SRC) is hereby submitting a summary of its Annual Report for the year 2023.

The SRC received a total of 5 requests for the 2023. The details of the requests are as seen in the table below.

Table 124: Summary of the Access to Information Report for the year 2023

SR No	Access to Information (ATI) Act requirements	No
1	The total number of ATI Requests for access received;	5
2	Type of information	
	The number of requests for personal information	2
	The number of requests for public domain information	0
	The number of request for third party information	2
	The number of request for commercial and confidential information	1
	The number of request for law enforcement information	0
	The number of request for privileged documents	0
	The number of request for protection of life and safety of an individual information	0
	The number of request for national security and defence	0
	The number of request for international relations	0
	The number of request for economic interest of the state	0
	The number of request for academic or professional examination and recruitment process information	0
3	The number of requests for access granted in full	4
4	The number of requests for access refuse in full	0
	The number of requests for access refuse in part	1
5	The number of times each provision of part iii (EXEMPTION) was relied on to refuse access in full	0
	The number of times each provision of part iii (EXEMPTION) was relied on to refuse access in part	0
6	The number of cases in which the periods stipulated in section 11 were extended in terms of section 12	0
7	The number of review applications lodged with the head of information holder	0
8	The number of reviews lodged on the ground that a request for access was regarded as having been refused in terms of section 14	0
9	The number of cases in which as a result of a review, access was given to information	0
10	The number of request transferred to another public body	0
11	The number of request abandoned after request	0
12	The number of request but no records exist	0

