



Seychelles Special License Company (CSL)

Introduction

The Seychelles Special License Company (CSL) is a local tax resident company specially licensed by the Seychelles International Business Authority (SIBA), which is taxed at a rate of 1.5% of its worldwide income. A properly structured Seychelles CSL may have access to the growing list of Double Taxation Avoidance Treaties signed by the Government.

With the allowance of foreign tax credits and expenses for certain items, it is possible that 0% taxes will actually be paid in Seychelles where the CSL is accessing a DTA treaties.

Seychelles Tax Treaties

The Republic of Seychelles has signed and ratified several significant Double Taxation Avoidance Treaties and is in the process of negotiating with several more countries.

- Those ratified and in force include China, UAE, Oman, Cyprus, Malaysia, Indonesia, South Africa, Mauritius, Vietnam, Thailand, Botswana and Barbados. Qatar, Zimbabwe, and Belgium are signed waiting only to be ratified.
- Negotiations concluded with Russia, Egypt, Kuwait, Czech Republic, Tunisia, Namibia, and Bahrain.
- Negotiations in progress include Philippines, Malta, Burundi, Ivory Coast, Lesotho, Morocco and Uganda.

Amongst many provisions, these DTA's specify lower negotiated withholding rates on interest, dividends, royalties and capital gains allowing the Seychelles CSL to invest and conduct business in the treaty countries with the benefit of these lower negotiated rates.

Seychelles CSL Uses

The Seychelles CSL may be used for the specific provisions indicated in the Seychelles Company (Special Licenses) Act 2003 unless otherwise given express permission to engage in some other business by the Seychelles International Business Authority. These include the following:

- Undertaking the business of investment management and advice

- Offshore banking (a separate banking license is required)
- Offshore insurance and re-insurance (a separate insurance license is required)
- Investment services
- Marketing
- Intellectual property holding
- Franchise
- Human resources
- It may also operate as a headquarters or holding company.

The CSL is also the prescribed entity to operate under the Seychelles International Trade Zone License.

Management and Control

A key provision of most Double Taxation Avoidance Treaties lies in the management and control of the company. We recommend that clients consult with a qualified tax advisor in the treaty country in order to ensure that there are no issues which could jeopardize the ability to access the treaty benefits when it comes time to pay taxes.

Sterling Offshore is able to provide varying levels of management and control for the structure. Our services include:

- Provision of virtual office solutions (telephone, fax and mail)
- Local natural person directors
- Local corporate secretary (through our locally licensed Sterling Management and Secretarial Services Ltd. which is separately licensed to carry out such activities)
- Accounting (bookkeeping, invoicing, etc.)
- Account signatory services/bank account management
- Auditing services through our local Chartered Accountant partner which has been practicing for 30 years in Seychelles

The client should carefully consider the details of the relevant tax treaties and potential tax liability when choosing amongst the management options. While it generally meets minimum requirements to have 2 local directors, a local secretary, local meetings and the filing of audited returns, some may wish to have a more significant presence in Seychelles depending on the nature of the company and potential tax liability. We will discuss individual circumstances and provide a more involved management role designed to meet the needs of the client if necessary.

Capital Gains Treatment

Seychelles does not impose taxes on capital gains. Most of the Double Taxation Avoidance treaties also specify that capital gains taxes will not be withheld at source

except for the standard exclusions such as gains from immovable property. Gains from investments in public securities are generally not taxed.

Privacy and Confidentiality

The application for a CSL involves more disclosure of information to the relevant authorities; however, there is no public record of beneficial owners or shareholders. Additionally, there are very strict laws governing the protection and privacy of this information.

Seychelles CSL Summary

General	
Political Stability	Very Good
Legal System	Common Law/Civil Law Hybrid
Disclosure of Beneficial Owner to Registrar	Yes
Disclosure of Beneficial Owner to Registered Agent	Yes
Migration of Domicile Permitted	Yes (Incoming and Outgoing)
Non-English Language Names Allowed	Yes
Operational Objects	Specific to intended business
Tax Resident	Yes
Tax on Worldwide Profits	1.5%
Access to Double Taxation Avoidance Treaties	Yes
Corporate Requirements	
Minimum Shareholders	Two
Minimum Directors	Two
Bearer Shares Allowed	No
Corporate Directors Allowed	No
Company Secretary Required	Yes
Standard Authorized Share Capital	USD 1,000 (up to USD 100,000)
Minimum Paid Up Capital	10% of authorized share capital
Corporate Seal	No
Local Requirements	
Registered Office/Agent	Yes
Local Secretary	Yes
Local Directors	No
Local Meetings	No
Government Registry of Directors	Yes, public
Government Registry of Shareholders	Yes, not public
Annual Requirements	
Audited Accounts	No
Annual Filing of Returns	Yes
Annual Meeting	No
Meeting Location	Anywhere, proxy also allowed
Incorporation Time	
	2-4 weeks depending on the time it takes for the client to return the application and supporting docs

Please contact Bobby L. Brantley Jr. today for further information.

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