

# Seychelles Tax System

The Seychelles has a territorial basis of taxation; that is, profits are taxed only if they are derived or deemed to be derived from a source in the Seychelles. There is no capital gains tax; interest, dividends and other payments received from abroad are likewise not taxed.

Taxable period for a company is the calendar year i.e. from 01/01 to 31/12 and tax returns must be submitted by 31 March of the following year.

Tax rates are as follows:

## 1. Corporation tax

### a. Taxable profits

For companies and trust, up to SCR 1m taxable profits at 25% and remainder (above SCR 1m) at 33%.

International business companies (IBC) are exempt from tax.

Special License Companies (CSLs) are taxed at a flat rate of 1.5% on their worldwide income.

### b. Dividends

Dividend income from foreign investments is taxed as per corporation tax. For local investments the withholding tax on dividend payments to foreign recipients is 15%. IBCs and SCLs are not subject to withholding tax on dividend payments to foreign recipients.

There is no withholding tax on dividend payments to local recipients.

### c. Interest

Interest income is taxable under corporation tax in Seychelles at 10%. However, interest derived from financial institutions is exempt.

Interest payments are generally tax deductible in Seychelles as long as they are incurred for the generation of income.

The withholding tax on interest payments to foreign and local recipients is 10%. IBCs and SCLs are not subject to withholding tax on dividend payments to foreign recipients.

### d. Royalties

Royalty income is taxable under corporation tax.

Royalty payments are generally tax deductible in Seychelles as long as they are incurred for the generation of income.

The withholding tax on royalty payments to foreign and local recipients is 15%. IBCs and SCLs are not subject to withholding tax on dividend payments to foreign recipients.

### e. Tax losses

Tax losses can be carried forward for 5 years but cannot be carried back.

### f. Group Relief

No group relief provisions exist.

## 2. Capital gains

In general, capital gains are not taxable.

The gain on the disposal of a Seychelles company by its foreign corporate shareholder is exempt from tax.

## 3. Partnership

Partnerships are treated as transparent entities for tax purposes and as a result their profits are taxed directly in the hands of each partner.

#### **4. Branch**

A Branch is treated in the same manner as other types of companies in Seychelles.  
There is no remittance tax on profits transferred by a Seychelles Branch to its foreign head office.

#### **5. V.A.T.**

V.A.T. apply on the supply of goods.

The standard rate is 15%.

Reduced Rate(s) are on the supply of goods by an individual farmer or fisherman and public utilities is zero-rated.

Exempt V.A.T. are for transactions are on educational services, health services, financial services and goods of first necessity.

The registration threshold is SCR 2,000,000.

The V.A.T. Filing & Payment is done on a monthly basis.

#### **6. Stamp duty – Capital duty**

Not applicable. Not exist.