

S.I. 108 of 2021

BUSINESS TAX ACT

(Cap 20)

Business Tax (Amendment of Schedules) Regulations, 2021

Arrangement of Regulations

Regulations

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S.I. 108 of 2021**BUSINESS TAX ACT***(Cap 20)***Business Tax (Amendment of Schedules) Regulations, 2021**

In exercise of the powers conferred by section 81 of the Business Tax Act 2009, the Minister of Finance, Economic Planning and Trade makes the following Regulations —

Citation and commencement

1. These Regulations may be cited as the Business Tax (Amendment of Schedules) Regulations, 2021, and shall come into operation on 1st January, 2022.

Amendment of First Schedule

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

(a) repealing Item 1(a) and (b), and substituting it with the following new Item —

“1. The rates of business tax payable by the owner of a business in respect of the taxable income of a business under section 6 are —

(a) in the case of an entity, government body, or a trustee under section 40 (5) —

(i) 15% on the first SCR 1,000,000 of taxable income; and

(ii) 25% on the remainder.

(b) in the case of any other person other than an entity or government body —

- (i) 0% on the first SCR102,666 of taxable income;
 - (ii) 15% between SCR102,666 and SCR 1,000,000 of taxable income; and
 - (iii) 25% on the remainder.”
- (b) repealing Item 1 (d); and —
 - (c) repealing Item 4.

Amendment of the Seventh Schedule

3. The Seventh Schedule to the principal Act is amended by repealing the following Items in the Schedule —

- (a) Item 2 (International Corporate Service Providers);
- (b) Item 8 (Company listed under Seychelles Securities Exchange);
- (c) Item 9 (Private Educational Institution); and
- (d) Item 11 (Private Medical Service Provider).

Amendment of the Eighth Schedule

4. The Eighth Schedule to the principal Act is amended by —

- (a) repealing the definitions of “farming entity” and “Fisheries Processor” and substituting them with the following new definitions —

“farming entity” means a body or association of persons other than an individual or partnership, engaged in the local production of livestock, fruits, vegetables, flowers or other crops, (floriculture and horticultural crop);

“Fish Processor” means a person engaged in the business of processing fish;”

- (b) inserting in their proper alphabetical positions, the following new definitions —

“agricultural exporter” means a person engaged in the export of agricultural products;

“aquaculture” means the cultivation, propagation or farming at sea or on land, of fish from eggs, spawn, spat fingerling or seed, including the rearing and ranching of fish taken locally or imported into Seychelles;

“boat owner” in relation to a vessel means a beneficial owner, and includes —

- (a) a part owner;
- (b) a charterer, whether bareboat, time or voyage;
- (c) a person who acts in the capacity of a charterer; and
- (d) a person upon whom control over the destination, function, or operation of the vessel is conferred under a management agreement or a similar agreement;

“fish exporter” means a person engaged in the business of exporting fish or fish products;

“fishing entity” means a body or association of persons other than an individual or partnership, engaged in a fishing activity or a fishing related activity;

“fishing partnership” means two or more persons jointly engaged in a fishing activity or a fishing related activity for common profit, but does not include a limited partnership;

“farming partnership” means two or more persons jointly engaged in the production of local livestock, fruits, vegetables, flowers or other crops (floricultural and

horticultural crops) for common profit, but does not include a limited partnership;

“individual farmer” means an individual engaged in the production of local livestock, fruits, vegetables, flowers or other crops (floricultural and horticultural crops);

“individual fisher” means an individual, other than a boat owner, engaged in a fishing activity or a fishing related activity;

“processing” means the cutting up, separating parts of, cleaning, sorting packing, loining, freezing, salting, canning or preserving fish;

“production” means the rearing or breeding of livestock, growing of vegetables, flowers or other crops on a registered farm by a registered farmer, and the sale and processing of livestock and crops, excluding the sales and processing activities requiring a licence;

- (c) repealing Item 1(Special Rate of Tax);
- (d) amending Item 2 (Special Deductions on Taxable Income) as follows —
 - (i) repealing under Part II, the words “be 150%” and substituting them with the words “be 200%”
 - (ii) repealing under Part III, the words “be 200%” and substituting them with the words “be 125 %”, and by repealing the words “Farmers Training Centers, Maritime Training Center” and substituting them with the words “Seychelles Institute of Agriculture and Horticulture, Seychelles Maritime Academy, and”
 - (iii) repealing under Part IV, the words “be 150%” and substituting them with the words “be 125%”, and by

repealing the words “Farmers Training Centers, Maritime Training Center” and substituting them with the words “Seychelles Institute of Agriculture and Horticulture, Seychelles Maritime Academy, and”

(iv) adding under Part V, the following —

“The licensed accommodation must source the services of a local musician that has been registered with the Seychelles National Institute for Culture, Heritage and the Arts and who is in conformity with payment of business tax so as to benefit from this incentive..”

(e) Amending Item 3 (Accelerated Depreciation) as follows —

(i) repealing Part I and substituting it with the following new Part I —

***Part I** - The rate of depreciation allowable on capital investments for farming and fisheries other than buildings as specified below —*

Relevant Persons/Business	Year	Rate %
Agricultural exporters	1	30
Agricultural processors	2	25
Aquaculture	3	20
Boat owners	4	15
Farming entities	5	10
Farming partnerships		
Fishing entities		
Fish exporters		
Fish processors		
Fishing partnerships		
Individual farmers		
Individual fishers		

- (i) repealing Part I and substituting it with the following new Part I —

Part II - The rate of depreciation allowable on capital investment for tourism operators other than buildings as specified below —

Relevant persons/Business	Year	Rate %
A person carrying on the business of –	1	30
hotel, guest house of self-catering establishment	2	25
café or restaurant	3	20
fixed or rotary wing passenger all transport services in respect of all domestic flight	4	15
domestic ferry services for the transport of freight or passenger boat or yacht charter (including liveaboard)	5	10
car hirer operator		
underwater dive operator of dive centre		
water sports operator		
Travel Agent		
Tour Operator		
Tour and or Tourist Guide		
Equestrian Operator		
Gaming or Casino Operator		

Repeal of S.I. 85 of 20195.

5. The Business Tax (Exemption of Tax to Individual Farmers and Fishermen) Order, 2019 is repealed.

MADE this 29th day of December 2021.

**NAADIR HASSAN
MINISTER OF FINANCE,
ECONOMIC PLANNING AND TRADE**