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## Comparison of International Business Company and Special Licence Company in Seychelles

There are two different types of offshore companies available in Seychelles, namely Special Licence Company (CSL) and International Business Companies (IBC). It is important to decide carefully when selecting the type of company for incorporation. The followings are some keynotes that should be considered for the selection of company type. By no means they represent the final and absolute recommendation, but may be useful as a general guideline.

### Special Licence Company (CSL)

This type of company would be the preferred choice for clients planning business transactions with counterparties who are located in high-tax region with an intrusive regulatory environment. In such countries, fiscal countermeasures are possible against the traditional zero-tax companies (IBCs), but are less likely against low-tax companies (CSLs).

Unlike IBC, a CSL has to pay tax and is registered as a tax residence under in Seychelles. Therefore, CSL is recommended when the business circumstances require proving the company is an actual taxpayer in its country of registration. CSL is also a right vehicle if clients expect to utilize the benefits of the double-tax avoidance treaties. CSL is an appropriate choice when it's necessary to demonstrate an image of a locally based, tax-paying business entity which is properly operating in the place where it was registered. Due to its complex nature, CSL is more costly to create and maintain comparing with IBC, but it may be the best option under special circumstance.

### International Business Company (IBC)

The International Business Company is usually preferred by more relaxed clients whose personal or business circumstances allow them to be at relative ease from regulatory and fiscal scrutiny. Such clients would often be individuals who spend most or all of their time outside their home jurisdiction - for instance, management consultants, network engineers, software developers or other professionals who tend to travel between various countries on short-term assignments. Just as well, a clients' business may be purely international and not particularly tied-up to his home country - like many internet businesses are.

Similarly, if the company will only or mainly engage in business with other similar offshore companies (as is normal in international commodity trade), then an IBC is all You need. An IBC may also be sufficient for use by clients whose home country does not have the sophisticated "management and control" tax-rules - this is still the case in many countries of the world. Finally, there is no need to use a sophisticated tax-planning instrument when there is no tax planning purpose - for example, when the company is simply used as a personal asset-protection vehicle to passively hold some property or investments.

In all these cases the simpler, cheaper IBC could be the best choice. It pays lower government and administration fees, is not subject to the requirement of filing accounts and returns and does not require a complicated management structure, therefore is much cheaper to have and maintain.

Just in case, an IBC can be at any time transformed into a CSL.

Here is a comparison table, listing all the different characteristics of an IBC versus CSL.

### Seychelles IBC - CSL Comparison Table (Distinctive Features)

Corporate features	IBC	CSL
Full name	International Business Company	Special License Company
Applicable corporate laws	International Business Companies Act 1994	Companies Act 1972 Companies (Special Licenses) Act 2003
Rate of corporate taxation	0%	1.5%
Access to double taxation avoidance treaties	✘	✓
Qualifies as resident for tax purposes	✘	✓
Minimum directors	1	2
Corporate directors allowed	✓	✘
Minimum shareholders	1	2
Minimum paid up capital	USD 1	10% of authorized capital
Local company secretary required	✘	✓
Filing of accounts and returns required	✘	✓
Shelf companies available	✓	✘

[Please click here to view our Seychelles IBC Incorporation Procedures and Fees .](#)

*If you wish to obtain more information or assistance, please visit the official website of Kaizen CPA Limited at [www.kaizencpa.com](http://www.kaizencpa.com) or contact us through the following and talk to our professionals:*

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