

New Accounting Records Requirements in Seychelles 2021

A new amendment on Seychelles International Business Companies (Amendment) Act, 2021, Foundations (Amendment) Act, 2021, Limited Partnerships (Amendment) Act, 2021 and Trusts Act, 2021 has enacted on 6 August 2021. A new obligation related to keeping of accounting records is raised in the amendment.

Under the new amendment, all Seychelles companies are now required to keep reliable accounting records at their registered office in Seychelles that are sufficient to show and explain their transactions, enable the financial position of the Companies to be determined with reasonable accuracy at any time and allow for financial statements of Companies to be prepared. The accounting records should be lodged at the registered office in Seychelles on not less than bi-annual basis.

In addition, all companies, except those holding companies with an annual turnover below USD3,750,000, are required to prepare an Annual Financial Summary which must be kept at their registered office in Seychelles within 6 months after their financial year end, in addition to its accounting records.

All company must deliver their accounting records from the past 7 years to 31 December 2021 to its registered office by 6 February 2022. For accounting year starting 1 January 2022, accounting records for the first half year must be kept in Seychelles by July of that year and accounting records for the second half year must be kept in Seychelles by January of the following year.

The Seychelles Registrar of Companies will carry out on-site compliance inspection to ensure reliable accounting records are being kept in Seychelles. Non-compliance company will be subject to relevant sanctions including fines and penalty from USD2,000 to USD10,000 per duty breach.

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1. Keeping of Accounting Records at Registered Office

In accordance with the Seychelles International Business Companies (Amendment) Act, 2021, all Seychelles companies are now required to keep reliable accounting records at their registered office in Seychelles that are sufficient to show and explain their transactions, enable the financial position of the Companies to be determined with reasonable accuracy at any time and allow for financial statements of Companies to be prepared.

“Accounting Records” can be made on many forms, including but that not limited to:

- (1) Bank Statements;
- (2) Receipts;
- (3) Invoices;
- (4) Vouchers;
- (5) Title Documents;
- (6) Contracts and Agreement;
- (7) Ledgers; or
- (8) Any Other Documentation Underpinning a Transaction.

These accounting records may either be kept in original form or in electronic form at their registered office. If original accounting records are kept in the place outside Seychelles, companies must inform us in writing of that physical address. Also, it required that accounting records should be lodged at the registered office in Seychelles on not less than bi-annual basis (at least two times per year).

2. Preparing Annual Financial Summary

Starting from 6 February 2022, all companies (except holding companies with an annual turnover below USD3,750,000 (non-large companies)) are required to prepare an Annual Financial Summary which must be kept (together with the other accounting records) at their registered office in Seychelles within 6 months after their financial year end.

For those companies that already prepare annual accounts (audited or unaudited), these will suffice to comply with the “annual financial summary” requirement, provided the annual accounts are sent to the registered agent in Seychelles for keeping at the company’s registered office.

In respect of the preparation of Annual Financial Summary, the financial year shall be the calendar year unless it is changed by a resolution of directors and notified to the company’s registered agent within 14 days of the passing of the resolution.

3. Time Frame to Provide Accounting Records

To clarify the time frame on the reporting obligation of accounting records under the new amendment, the Seychelles Financial Services Authority (“FSA”) provides a schedule in respect of existing accounting records and the accounting records relating to year 2022:

Existing Accounting Records: Accounting records for the past 7 accounting years, that is, from 1 January 2015 to 31 December 2021, must be lodged and kept in Seychelles not later than 6 February 2022.

Accounting Records starting from 1 January 2022:

- (1) Accounting records in the first half (January to June) of a calendar year must be kept in Seychelles by July of that year.
- (2) Accounting records in the second half (July to December) of a calendar year must be kept in Seychelles by January of the following year.

Please find the below summary for your easier reference:

Accounting Records Period	Deadline
1 January 2015 to 31 December 2021 (Past 7 years)	6 February 2022
January 2022 to June 2022 (First half)	31 July 2022
July 2022 to December 2022 (Second half)	31 January 2023

For those companies are struck off, dissolved or deregistered, they are still required to provide the outstanding accounting records to the registered office by January or July, following the date that are struck off, dissolved or deregistered.

4. Compliance Inspections

Start from February 2022, on-site compliance inspection is expected to ensure reliable accounting records are being kept in Seychelles. Non-compliance company will be subject to relevant sanctions including fines and penalty from USD2,000 to USD10,000 per duty breach.

It is important to note that the law requires company to keep its accounting records on a continuous basis (i.e. at all times) and therefore, any accounting record, either being kept in Seychelles or yet to be kept in Seychelles, should be provided to the Seychelles’ authorities upon request.

5. Filing Fee

Clients should start collecting all accounting documents, including but not limited to bank statements, invoices and contracts, for the period from 1 January 2015, and deliver them to us on or before 1 February 2022 so as to enable Kaizen to deliver the documents to the registered agent.

In the case where your Seychelles company is not a holding company with a annual turnover of less than USD3,750,000, a copy of annual financial summary should also be delivered to Kaizen for recording/filing purpose.

Both the account records and annual financial summary should be delivered to Kaizen electronic format.

Our fee for handling the filing of the accounting records and annual financial summary is USD250 each time.

6. Kaizen's Services

Kaizen is a public accounting corporation registered in Hong Kong and with offices in the Mainland China, Singapore, USA and etc. We are equipped with experienced accountants to provide full range of accounting and book-keeping, auditing and taxation services. We are ready to help you prepare the accounting records, update the books of accounting and prepare the annual financial summary so as to enable your Seychelles company to meet the record keeping requirements.

If you require further information the requirements of the new legislations or our services, please feel free to reach out your usual contact persons in Kaizen.

Appendix: Seychelles International Business Companies (Amendment) Act, 2021

If you wish to obtain more information or assistance, please visit our official website at www.kaizencpa.com or contact us through the following means:

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