**Republic of Seychelles. The new International Business Companies Act dated 26.07.2016**

The National Assembly of Seychelles adopted July 26, 2016 a new International Business Companies Act (IBC Act). The effect day is December 1, 2016.

The previous IBC Act was adopted in 1994 and initiated the registration of offshore companies in Seychelles. The new one provides modern international standards to improving transparency and to combat money laundering.

The major policy changes under the International Business Companies Act are as follows:

1. The list of prohibited activities for international business companies (hereinafter - IBC) has been extended. Now the list includes transactions with securities business, investment funds activities and gambling business. An exception will only conduct such activities which are licensed under the laws of the country in which the IBC carries on such business.

2. Each IBC will be required to keep a register of its beneficial owners and store it in its registered office in Seychelles (exception is only for listed companies and their subsidiaries). Each IBC (even companies incorporated before December 1, 2016) must comply with this obligation within 12 months from the effective date of the new IBC Act.

3. All IBC must submit a copy of their register of directors to the Registrar. It will be given 12 months for the initial submission of a copy of the register of directors to the Registrar from the effective date of the new IBC Act. All IBC (even companies incorporated before December 1, 2016) which is carried out new appointment or any change of directors after the date of entry into force the new IBC Act are obliged to submit the register of directors to the Registrar within 30 days from the date of appointment of the first director / of making any changes. Files will be publicly available within two years from the date of entry into force of the new IBC Act.

4. The clear provisions prohibiting for IBC the issuance of bearer shares.

5. The new provisions discouraged of using shelf companies. The first company directors must be appointed within 9 months from the date of its registration.

6. The process of the company cancellation from the Registrar ("strike-off") is reduced from 180 to 90 days.

7. IBC Companies are required annually to December 31, after the year in which it was incorporated to submit reports (Annual Return). It will include information about physical address of the place where its minutes and resolution are kept. IBC also will no longer be permitted to hold a lease of property for use as an office from which to communicate with members of IBC or where books and records of the company are prepared and maintained.

8. The penalty for violation of the rules and the making false statements is US$50 000. Penalty for failure to keep the register of members was increased to US$500 and US$50 for each day during which the contravention continues.