



Ministry of Finance, Economic Planning and Trade
Liberty House, P.O Box 313/ Victoria/ Mahé, Seychelles

Press Release

Tuesday 07th January, 2025

Ministry of Finance, National Planning & Trade denounces misleading claims regarding intentions of the incentive of the accelerated amortization of software costs introduced as of 2025

Ministry of Finance, National Planning & Trade wishes to denounce the misleading, non-factual and malicious comments made by the Leader of the Opposition in the National Assembly on social media, regarding accelerated benefits for Telecom companies.

The announcement in the budget concerning accelerated amortization which is referred to in his statement, relates to the tax incentive for any company to benefit from acquiring software in its digitilisation transformation. The introduction of this incentive is in line with the National Development Strategy (NDS) 2024 – 2028 adopted and being implemented by the Government. A key area within the NDS is the vision of the Government to achieve a level of digital transformation for our country that will result in an economy that is more advanced, modern and efficient. Through the legislation that has been gazetted in December 2024, this incentive is at the disposal of any business acquiring software within the period 2025 to 2029. This could range from a small retailer to a large bank, from a government to any private entity acquiring software to enhance its business and service delivery. As per the legislative amendments, the software shall be amortised over a period of 3 years. The Government believes that such an incentive would act as a catalyst for the private sector to adopt the digitalization transformation journey initiated by the Government. At no point has this incentive been targeted towards a specific sector.

The Ministry would like to remind the public that the telecommunication sector currently remains as one of the sectors that is in the highest category in relation to Business Tax rates, similar to banks, insurance companies, alcohol and tobacco manufacturers. Whilst most other businesses have benefited from the business tax reforms carried out in 2022 whereby the tax rates were revised to 15% and 25%, the telecommunication service providers, banks, insurance companies, alcohol and tobacco manufacturers are still being taxed at the rates of

25% on the first SR 1 million of the taxable income and 33% on the remainder. Furthermore, the telecommunication sector remains one that is heavily regulated with high license fees.

Therefore, the Ministry is putting on record that no Telecom specific taxes have changed since 2020 and that there are also no changes in 2025.

The Ministry finds these misleading and inaccurate comments to be blatantly malicious whereby it is targeting the integrity of the Minister in relation to recent announcements. It is regrettable that the Leader of the Opposition in the National Assembly did not seek clarifications before making inaccurate, misleading and irresponsible statements.

The public is being urged to rely on accurate information provided by the team of professional technicians at the Ministry of Finance, National Planning and Trade who remains available to explain all tax policies of the Government.

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