



## Seychelles: Financial and Regulatory Capacity Support Project

### The challenge:

As a small island economy, Seychelles is confronted by severe limitations in its economic development, principally due to its remote geographic location and lack of natural resources. The country's economy is heavily reliant on tourism and fisheries.



Seychelles has introduced several structural reforms in the past aimed at increasing income per capita, improve the living conditions of Seychellois and establishing sustainable macroeconomic balances.

The Government recently identified the financial services sector as the third pillar of the economy and has prepared strategies to ensure that the financial sector maximizes its contribution to economic and social development of the island economy. Seychelles is ranked 80<sup>th</sup> out of 189 economies in the 2014 Doing Business Index (DBI), and 80th out of 148 countries in the 2013-2014 Global Competitiveness Report.

### The solution:

ICF is working with the Government of Seychelles, the African Development Bank and the World Bank to support economic growth and private sector development through diversification and deepening of the financial services sector, and strengthening of oversight and regulatory regime. The project will focus on the technical assistance and capacity strengthening of four components, namely: (i) financial system's legal and regulatory framework, (ii) the financial infrastructure and capital markets development, (iii) the consumer protection and financial literacy and (iv) modernisation of the Companies Act (1977). The project is expected to spur investor confidence and competitiveness of the financial and investment markets. The project will cost a total of US\$ 2,580,927. Of this, ICF will contribute US\$ 1,299,543, Government of Seychelles will contribute US\$ 183,225, the Africa Development Bank will contribute US\$ 699,579 and the World Bank will contribute US\$ 398,580.

### Expected Results:

- Revised, reformed and amended legislations, which include: Financial Institutions Act, Central Securities Depository Act, Securities Act, Collateral Registry Act, National Payments Systems Act, Mutual Hedge Fund Act, Insurance Act, and Credit Reporting Act.
- Modernization and harmonization of the companies act to accommodate the country's domestic and international investments as well as trade and financial needs.
- Establishment of a new National Payment System Framework
- Strengthen and build the capacity of professionals in the Central Bank of Seychelles and Financial Services Authority

**Project duration:** June 2014 –June 2016

The Investment Climate Facility for Africa is a grant providing organisation that works with African Governments to improve the environment in which businesses operate. ICF engages closely with implementing Government bodies throughout the life of the project. For more information about ICF please visit [www.icfafrica.org](http://www.icfafrica.org)