

POLICY

Alienation of Land and Management and Sale of State Land

1. **Land Alienation**

1.1 Government will continue to consider applications or Sanction by Non-Seychellois for both purchase and lease of immovable property and or rights therein in **respect of immovable property and or rights therein held in private ownership viz:**

(a) In the case of commercial development involving bare land or redevelopment of an existing property **only where there is an approved development project there for.**

(b) In the case of privately owned land for residential development only where such is in line with the relevant Approved or Draft Land Use Plan and or Planning permission has been granted for the proposed development.

(c) In the case of a private residence **only where the land was not purchased from Government under the Land Bank Scheme and/or the property does not form part of a GOS condominium or social housing scheme.**

(d) in connection with ongoing projects under the Villas Policy for which written commitments have been made by Government prior to the Villas Policy of April 2007 as well as new projects falling under the purview of the New Villas Policy of September 2013.

(e) in respect of other social consideration eg: transfer between spouses/parent/children, partitioning amongst heirs, settlement of matrimonial property voluntarily or through Court judgments;

(f) Where transfer of shares in an existing land owning entity is required in connection with the normal conduct of the business as an on-going concern in Seychelles (excluding residential properties and holiday homes) eg corporate restructuring, shares allotments following increases in share capital.

1.2 Government may impose any conditions it deems appropriate on the grant of sanction as is presently the case.

- 1.3 Where land is purchased or leased by a Non-Seychellois corporate entity, the condition of sanction shall make it explicitly clear that any subsequent transfer or dealings with the shares of the corporate body or the overseas or IBC holding entity will require sanction from the Government, such sanction to be granted in line with prevailing policies on ownership or lease of ongoing business concerns. (eg: the tourism sector where ownership of small tourism establishments of 15 rooms or less are exclusively reserved for Seychellois only).

2 Fees and Taxes

- 2.1 The following fees and taxes will be payable on the transaction:

A Non-Refundable Fee payable as follows upon filing of an application:

- (i) For purchase or acquisition of Immovable Property - SR 3000/-
- (ii) For lease of Immovable Property - SR 2000/-
- (iii) For purchase or acquisition of shares or other interest in a company owning Immovable Property -SR1000/-per application

- 2.2. In addition, if an application is approved the following fees will be payable:

- (i) For purchase or acquisition of Immovable Property – 1.5 % of the market value of the property.
- (ii) For lease of Immovable Property - 1.5% of the annual market rental value of the property.
- (iii) For purchase or acquisition of shares or other interest in a company owning Immovable Property- SR3000/- per application.

- 2.3 Sanction Duty will not be payable in the case of:

- (1) bona fide investments in Seychelles eg approved tourism, industrial and commercial projects
- (2) purchase of Villas and residential units coming under the purview of the Villas Policy of September 2013
- (3) transfer of land or rights therein for social consideration eg: transfer between spouses/parent/children, partitioning amongst heirs, settlement of matrimonial property voluntarily or through Court judgments
- (4) transfer of shares in an existing land- owning entity required in connection with the normal conduct of business as an ongoing concern in Seychelles (excluding residential property and holiday homes) eg: corporate restructuring, share allotments resulting from increases in share capital.

3. Condominium Development

- 3.1 In order to promote and facilitate condominium development in the Country, the current Sanction duty of 11% on all purchases of residential property by Non-

Seychellois has with effect from 21st March 2017 been reduced to 1.5% where the purchase is in respect of a condominium property where the value of the condominium property is in excess of SR 30,000/- per sq metre. Hence taxes payable for purchase of a qualifying condominium property by Non-Seychellois will be as follows:

- (1) A Non-Refundable Fee of SR3000/- payable upon filing of an application:
 - (2) if an application is approved a fee of 1.5 % of the market value of the property is payable.
 - (3) Stamp duty (currently 5%);
 - (4) Sanction duty 1.5% (reduced from 11%);
- 3.2 All other applicable parts of the current Policy will be maintained including but not limited to:
- (a) Vehicle of ownership of a condominium property must be either:
 - natural persons and/or
 - a local company incorporated under the Companies Act 1972 with no corporate shareholding and if with corporate shareholding, the shareholders must be readily traceable in Seychelles to natural persons.
 - (b) As is currently the case, Non-Seychellois will not be permitted to purchase condominium property constructed on land purchased from Government under the Land Bank Scheme.
 - (c) As is currently the case in respect of villas development under the Villas Policy, the transfer of any condominium back to the owner/developer will be exempted from Stamp duty, Sanction duty and Sanction processing fee (except the Non- Refundable application fee) where documentary proof is provided to the effect that the sale of any unit did not go through due to circumstances beyond the control of the owner/developer.

4.. **Amnesty For Past Transactions**

- 4.1 With effect from 15th April 2014 Government will grant an amnesty for a period of 12 months ending 14th April 2015 for all Non-Seychellois beneficial owners of land or immovable property, which may have been acquired in the past, through nominee companies or Seychellois Nationals fronting there for, and by way of transfer of shares in overseas holding companies to submit an application for

Sanction to regularize ownership.

- 4.2 No other taxes will be levied on the regularization from Nominee to the beneficial owner other than the normal current applicable taxes ie:
- (a) the Non-refundable application fee of SR3000/-
 - (b) If the application is approved a processing fee of 1.5% of the current market value of the property
 - (c) applicable Stamp Duty (currently 5% of the current market value of the property).
 - (d) applicable Sanction Duty (currently 11% of the current market value of the property).
- 4.3 Failure to regularize will result in appropriate legal action being taken under the IPTR Act which may result in conviction and forfeiture of the property to the State

5. **Removal of Restriction on Short Tenancies**

- 5.1 In keeping with improving the “Ease of Doing Business” in Seychelles the current mandatory requirement under the Immovable property (Transfer Restriction) Act for Non-Seychellois to apply for and obtain sanction to occupy and or rent business premises will be dispensed with altogether on tenancies and leases of a maximum duration of 2 years.
- 5.2 This will be subject however to the Lessee submitting a certified true copy of the tenancy agreement as well as a certified true copy of the Lessee’s passport details with the contact details of the certifying Notary or Attorney to the Ministry of Land Use and Housing. In the case of a corporate body the Lessee must submit a written declaration of the identity of the natural person(s) who are the ultimate beneficial owner(s) of the corporate body and submit certified true copies of the passport details of the ultimate beneficial owner(s) and of at least 2 directors of the corporate body with the contact details of the certifying Notary or Attorney.

6. **Management and Sale of State Land**

- 6.1 No **State Land** is to be transferred freehold to any Non-Seychellois by Law except in the following circumstances, where Government considers that it is in the national interest for State Land to be transferred on a freehold basis:
- both locally and internationally recognized conservation bodies solely for the purposes of furthering conservation of biodiversity in respect of the subject property;
 - Embassies or Mission premises of foreign Governments that have established diplomatic relations with the Republic of Seychelles;
 - Approved exchange of land schemes involving Government and Non–Seychellois owners.

6.2 State Land can also be transferred freehold to Non-Seychellois:

- In the case of an approved condominium development project to enable conversion into condominium title. However, this excludes social housing registered under condominium property title.
- For the purposes of freehold sale of developed luxury villas held on lease under the Villas Policy with the exception of Islands other than Mahe, Praslin, La Digue and Cerf where leasehold titles must be maintained.

6.3 All state land leased to Seychellois or Non-Seychellois corporate entities for commercial purposes should in addition to development covenants and applicable project implementation time frames, contain a proviso in the lease that any transfer of shares in the Lessee (where the Lessee is a corporate entity) which amounts to and has the same effect as an assignment of the lease to a third party without approval in writing of the Government will constitute a material breach of the lease, resulting in termination of the lease and the land with or without improvements thereon, reverting back to the State.