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Committee on Subsidies and Countervailing Measures

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SUBSIDIES**NEW AND FULL NOTIFICATION PURSUANT TO ARTICLE XVI:1
OF THE GATT 1994 AND ARTICLE 25 OF THE AGREEMENT
ON SUBSIDIES AND COUNTERVAILING MEASURES****SEYCHELLES**

The following communication, dated 10 October 2021 and received on 25 October 2021, is being circulated at the request of the delegation of Seychelles.

In accordance with Article 25.1 of the Agreement on Subsidies and Countervailing Measures and Article XVI:1 of the GATT 1994, the Government of the Republic of Seychelles wishes to notify to the Committee on Subsidies and Countervailing Measures that the Republic of Seychelles has granted or maintained within the meaning of Article 1.1 of the ASCM the following subsidies, which are then expanded upon in the following Annexes:

- I. The Private Sector (MSMEs) Relief Scheme
- II. The Private Sector (Large Enterprises) Relief Scheme
- III. The Small Business Support Fund

It is to be noted that these subsidies are not in contravention of Article XVI:1 of the GATT 1994.

I THE PRIVATE SECTOR (MSMEs) RELIEF SCHEME**1 Title of program**

The Private Sector (MSMEs) Relief Scheme.

2 Period covered by the notification

As at 30 June 2021.

3 Policy objective and/or purpose

The Private Sector (MSMEs) Relief Scheme is a credit facility set up by the Central Bank of Seychelles (CBS) to enable businesses to cope with the financial impacts of the COVID-19 pandemic, including amendments to relevant legislative frameworks, adjustment in the Monetary Policy Rate, setting up of a credit facility to assist affected individuals and businesses with their cash flow, moratorium and rescheduling of loan facilities, introducing a new policy allowing CBS to buy-back and re-sell government securities, and the strategy on the use of our foreign exchange reserves.

4 Background of authority

The assistance is financed by the CBS and will be administered by the commercial banks (Absa Bank (Seychelles) Ltd, Mauritius Commercial Bank (Seychelles) Ltd, Bank of Baroda, Nouvobanq, Seychelles Commercial Bank, Al Salam Bank Seychelles Ltd and Bank of Ceylon), the Development Bank of Seychelles (DBS) and the Seychelles Credit Union (SCU).

5 Form

Financing is in the form of overdrafts or term loans with a fixed interest rate of 1.5% per year, as well as an 18-month moratorium as a maximum on principal and interest repayment for loans. The maximum repayment period is 8 years for the term loans, inclusive of the approved moratorium period for loans.

6 To whom and how the assistance is provided

The assistance is provided to individuals and businesses in the Micro, Small and Medium Enterprise category, (i.e., business with a sales turnover of SCR25 million or less), affected by the COVID-19 pandemic.

7 Amount

The total subsidy disbursed to this scheme for the period as at 30 June 2021 is SCR 500 million.

8 Duration

This scheme is expected to be available until end-December 2021.

II THE PRIVATE SECTOR RELIEF (LARGE ENTERPRISES) SCHEME

1 Title of program

The Private Sector (Large Enterprises) Relief Scheme.

2 Period covered by the notification

As at 30 June 2021.

3 Policy objective and/or purpose

The Private Sector (Large Enterprises) Relief Scheme is a credit facility set up by the Central Bank of Seychelles (CBS) to enable businesses to cope with the financial impacts of the COVID-19 pandemic.

4 Background of authority

The assistance is financed by the CBS and will be managed by the commercial banks, Mauritius Commercial Bank (Seychelles) Ltd, Bank of Baroda, Nouvobanq, Seychelles Commercial Bank, Al Salam Bank Seychelles Ltd and Bank of Ceylon.

5 Form

Financing is in the form of overdrafts or term loans with a fixed interest rate of 4.5% per year, as well as an 18-month moratorium as a maximum on principal and interest repayment for loans. The maximum repayment period is 8 years for the term loans, inclusive of the approved moratorium period for loans.

6 To whom and how the assistance is provided

The assistance is provided to individuals and businesses falling in the Large Enterprises category, i.e., businesses with a sales turnover of above SCR 25 million, affected by the COVID-19 pandemic.

7 Amount

The total subsidy disbursed to this scheme for the period as at 30 June 2021 is SCR 750 million.

8 Duration

This scheme is expected to be available until end-December 2021.

III THE SMALL BUSINESS SUPPORT FUND

1 Title of program

The Small Business Support Fund.

2 Period covered by the notification

As at 30 June 2021.

3 Policy objective and/or purpose

The Small Business Support Fund helps small businesses registered in Seychelles and 100% owned by Seychellois by providing financing to eligible Micro and Small Businesses (with an annual turnover of less than SCR 2 million) affected by the COVID-19 pandemic.

4 Background of authority

The assistance is administered by the Government in collaboration with the Seychelles Chambers of Commerce & Industry (SCCI). This is financed by the Government of Seychelles and will be administered by committee in partnership with the Development Bank of Seychelles (DBS).

5 Form

Financing is in the form of a loan facility.

6 To whom and how the assistance is provided

The assistance is provided to small 100% Seychellois-owned businesses registered in Seychelles which:

- have an annual turnover of less than SCR 2 million on average for the past two years;
- are registered Seychellois businesses engaged in trading or commercial activity;
- have been established before 1 March 2020;
- are a going concern and neither in bankruptcy, liquidation or similar; and
- have been adversely affected by the COVID-19 pandemic.

7 Amount

The total subsidy disbursed to the Small Business Support Fund for the period as at 30 June 2021 is SCR 100,000.

8 Duration

This is an annual scheme, subject to yearly reviews.
