

Building a new economic pillar

INTERVIEW WITH WENDY PIERRE

CHIEF EXECUTIVE OFFICER, FINANCIAL SERVICES AUTHORITY (FSA)



WENDY PIERRE holds a LLB from the University of Mauritius and a Masters of Law (LLM) from the University of London. She has worked in SIBA (FSA's predecessor) since 2004 holding several positions such as Corporate Services Manager, Legal and Compliance Manager before becoming the CEO in 2012. She is credited with being instrumental in the development of the legal and regulatory framework that makes Seychelles an attractive jurisdiction for International Financial Services.

Seychelles possesses a well educated tri-lingual workforce

When was the FSA established?

The FSA came into being on the 1st of March 2014, and took over the functions and responsibilities of the Seychelles International Business Authority (SIBA) which had existed since 1995. SIBA was no longer operational since from the 1st of March 2014 when the SIBA Act was repealed. SIBA was responsible for monitoring, supervising, and co-coordinating the conduct of international financial services within the Seychelles. The FSA is now responsible not only for these but also other nonbank financial services, including domestic insurance and hire purchase and credit sales.

Our policy has always been to use the inherent features of the country, such as its stable government, its languages, and its proximity to certain regions, to set up a free trade zone within the Seychelles. The aim of the zone was to stimulate employment and the transfer of expertise and technology within particular manufacturing and export-oriented fields. The Indian Ocean Tuna Company, which accounts for a large amount of our exports, is based in the International Trade Zone.

FSA is a new organisation, how is its role different to SIBA?

Unlike SIBA, the FSA is not a one-stop shop for international financial services, rather it occupies

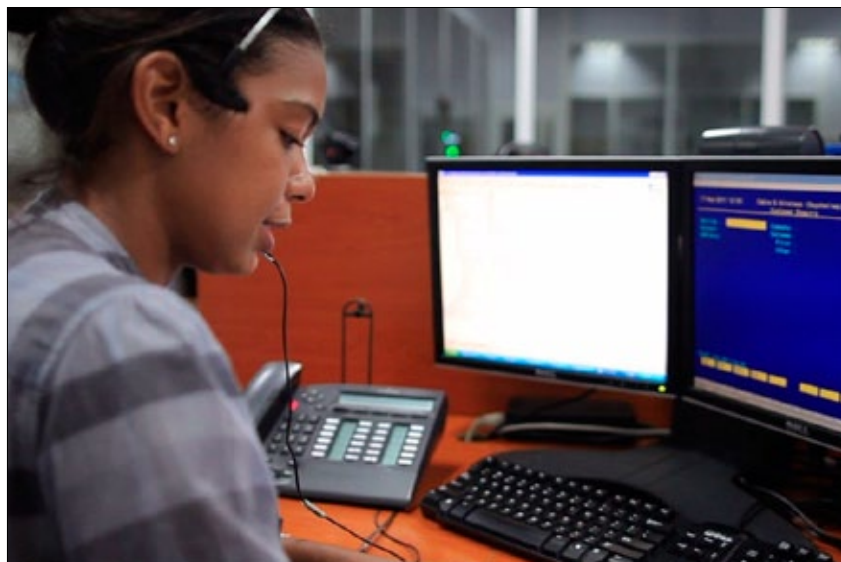
the role of a supervisory and regulatory authority for non-banking financial service providers. From the perspective of its supervisory purview the FSA is now responsible for several other areas including securities exchange, insurance and other related businesses. The first securities exchange was licensed in mid-2012. It is expected that this will be one of the key drivers helping put the Seychelles securities industry and the economy as a whole on a new level. The FSA also is different to SIBA as it is no longer responsible for promoting the financial services sector, as that role has now been taken over by the Seychelles Investment Board.

How is the Seychelles unique as a jurisdiction for international financial services?

The Seychelles has a number of features that makes it attractive to clients around the world. Aside from having structures that are suitable for asset management and asset protection, the jurisdiction prides itself on other positive features. For example, the Seychelles, because of its history, has a hybrid legal system that combines English common law and civil law. This means that the Seychelles offers solutions that fit within a large number of our clients' needs. Seychelles is also currently exploring ways to introduce Islamic finance products to certain aspects of its financial services sector, which will broaden its appeal still further.

The people of the Seychelles have traits that are valuable within the business world. The majority of Seychellois are tri-lingual, and there is widespread use of English and French throughout the islands. Seychellois people are also well educated, which facilitates contact with the outside world.

We should also bear in mind that the Seychelles is a stunningly beautiful country, which means



that many clients are not averse to “mixing” business with a holiday here.

Why has Seychelles decided to further focus on financial services?

We should remember that the Seychelles has always ranked highly in global GDP per capita rankings. This has been made possible by the two main pillars of the economy, tourism and fishing. But we have to bear in mind that there is a need for the Seychelles economy to diversify. We live in a world where an ash cloud in Iceland can impact adversely on the number of tourists arriving in Seychelles. Similarly, global fish prices can fluctuate. All of which goes to show that the Seychelles must have other means of ensuring that it maintains its growth targets. Therefore, Seychelles has to find other ways of putting the limited resources it has to work to generate economic growth. The recent enactment of the Legal Practitioners Act will enable the Seychelles to maximise the small, but educated, pool of workers we have. While we know we face hurdles, we are positive that with our right mix of products, coupled with strong laws and regulations, the international financial services sector will be a viable prospect for the Seychelles.

What is the future of the industry in terms of regulation? How are you working with the corporate service providers and other stakeholders to get them onboard with increased regulation?

Regulation is necessary. It is also has to be said that for most of our clients regulation is a major selling point: they want to be located somewhere that is well regulated and has a good reputation. The Seychelles understands the importance of a collaborative approach, whereby all stakeholders support changes to regulations within the sector. It is only with the proper buy-in of all interested parties that any jurisdiction will be able to make the required changes to its regulations and at a later stage ensure compliance with those regulations.

While some people here are averse to change, they also realize that the Seychelles itself has the potential to be an international financial services centre of note within not just the region, but the international arena. To achieve this goal the country has to ensure that it not only meets international standards, but

also helps to set them.

The Seychelles must continue to be adept at ensuring it maintains its good position in relation to other countries and international standard-setting bodies such as the OECD and the FATF. All the stakeholders in the Seychelles financial sector are aware of these aims and objectives, and understand that it is only by working with everyone concerned that we can truly be successful.

How do you envision the future for FSA and the financial services industry in Seychelles?

The future will undoubtedly bring many challenges, but we are of the opinion that it is only by facing these challenges head on that we can continue to identify the opportunities that will always exist. Regarding the longer-term future, there are a few things that the Seychelles needs to ensure that it pursues. While we have succeeded in attracting some international banks to the Seychelles, if we want to create a jurisdiction that people take notice of, the Seychelles must attract more leading international banks. Similarly, the case can be made for related professional services such as accountants and lawyers.

The big law firms and accountancy firms bring with them their network of clients and contacts, which in itself can have a big effect on the products and services provided by the industry. As a major stakeholder, the government is constantly looking at ways to improve the business climate within the country so as to ensure that the industry has the required base to build upon.

For example, the government is constantly, through the law enactment and review process, trying to ensure that the legal framework is conducive to facilitating activities that will be of long-term benefit to the economy of the Seychelles.

The FSA is the supervisory and regulatory authority for the nonbank financial services sector of the Seychelles

Victoria’s proposed new CBD

