

S.I. 76 of 2018

FINANCIAL LEASING ACT, 2013

(Act 8 of 2013)

Financial Leasing (Gearing) Regulations, 2018

◀ In exercise of the powers conferred by sections 81 read with section 50(2)(e) of the Financial Leasing Act, 2013, the Central Bank of Seychelles, in consultation with the Minister of Finance, Trade, Investment and Economic Planning hereby makes the following Regulations —

1. These Regulations may be cited as the Financial Leasing (Gearing) Regulations, 2018.

Citation

2. These Regulations apply to non-deposit taking financial leasing institutions.

Application

3. In these Regulations —

Interpretation

“Act” means the Financial Leasing Act, 2013;

“debt” means the sum of —

(a) loans and overdrafts;

(b) bonds;

(c) debentures;

(d) amounts due to related companies;

(e) issuance of redeemable and cumulative preference shares;

(f) promissory notes;

(g) commercial papers; and

(h) any other (dues) and any other form of borrowings as may be determined by the Central Bank.

“equity” means the sum of,—

- (a) unimpaired ordinary paid up share capital or assigned capital;
- (b) unimpaired paid-up non-cumulative perpetual preference shares;
- (c) share premium;
- (d) general or other disclosed reserves;
- (e) retained profits or losses brought forward from the previous financial year as in the last audited accounts; and
- (f) current unaudited profits or losses since the first day of the current financial year.

“gearing” means a measure of financial leverage demonstrating the degree to which a non-deposit taking financial leasing institution's operations are funded by owners' funds and various creditors' funds;

“gearing ratio” means a ratio indicating the proportion of a non-deposit taking financial leasing institution's debt to its equity;

“non deposit-taking financial leasing institution” means a financial leasing institution licensed under section 31(1) of the Act to solely engage in financial leasing business without the right to accept deposits;

Gearing ratio

4. Every non-deposit taking financial leasing institution shall at all times ensure that the total debt of the

company shall not be an amount greater than 7 times its equity capital, that is, a gearing ratio which does not exceed 7: 1.

5.(1) Every non-deposit taking financial leasing institution shall submit a report to the Central Bank of Seychelles on its calculation of gearing ratio and information on its borrowings on a monthly basis, in accordance with reporting format specified by the Central Bank.

Reports to the
Central Bank

(2) The return for a given period should be submitted to the Central Bank on or before the 15th day of the month following the month to which the information relates.

MADE this 28th day of November, 2018.

CAROLINE ABEL
GOVERNOR
CENTRAL BANK OF SEYCHELLES