

## **Seychelles Leasing Investment Forum**

### **Welcoming remarks by the Governor of the Central Bank of Seychelles**

**April 12 – 13, 2017**

**Venue: Savoy Resort and Spa**

Honourable Ministers

Honourable Members of the National Assembly

International Finance Corporation (IFC) Country Manager

Chief Executive Officer of the Seychelles Investment Board

Distinguished Guests,

Colleagues,

Ladies and Gentlemen,

Good morning and thank you for being with us this morning. It is a pleasure and honour for me to address you this morning at the opening of this Forum. In collaboration with the International Finance Corporation and the Seychelles Investment Board, the Central Bank of Seychelles welcomes you all to the Leasing Investment Forum, the first to be held in the Seychelles. May I extend a special welcome to our foreign participants who have travelled from afar to be here with us for this event.

Leasing as a financing tool can contribute meaningfully to increase access to finance, an objective which the Central Bank, the government and other stakeholders are pursuing with vigour. As you may be aware, leasing as

a financial instrument is widely recognised in both developed and developing countries as one of the most effective and accessible mechanisms for financing the expansion and development of business, means of production, asset finance necessary for the development and for the application of new technologies in business. Changes in the global economy and financial markets and the need for more efficient use of financial resources have led to increased uptake of financial leasing as an effective investment tool. It is worth noting however, that the use of financial leasing as an effective investment tool does not depend only on the legislative and regulatory framework but also on the accuracy of leasing operations, effective risk management and a favourable investment climate.

Developing greater access to finance remains a priority for the Central Bank, especially now having put greater emphasis on financial inclusion

. In pursuit of this objective, we work in collaboration with the government and other stakeholders, to put in place policy measures to improve access to credit. Current government policies are aimed to support increased access to finance for SMEs. The recent establishment and ongoing development of a favourable regulatory and legislative environment for the introduction of a finance leasing industry in Seychelles reinforces this commitment. Since November 2013, a legislative framework for leasing was introduced in Seychelles through enactment of the Financial Leasing Act. In support of the Act, three pieces of regulations were issued in 2014, namely the Financial Leasing (Licensing) Regulations, the Capital Adequacy Regulations and Lease Classification and Provisioning Regulations.

Tasked with the mandate to regulate leasing business in Seychelles, the Central Bank is committed to the development of the leasing regulatory

framework which will assist in creating the enabling environment for this new financial tool to prosper in Seychelles. Further work on the development of the regulatory and supervisory framework for financial leasing is ongoing and will continue to progress as the industry develops and grows. Over these two days, you will be taken through the initiatives taken by the Central Bank and other policy makers to introduce and develop leasing in Seychelles.

It is important to consider that while the authorities will devote resources and work towards establishing mechanisms that will support financial leasing as a means of alternative finance, the need for all stakeholders to work in partnership remains fundamental for the successful development of leasing in Seychelles. Collaboration with both the public and the private sectors is essential to foster this enabling environment. Your participation in this forum strengthens the importance of this partnership. I hope that you take the opportunity to discuss, debate, and share ideas and experiences which will allow us to translate these consultations into actions which will realise the potential of financial leasing in Seychelles.

Allow me to stress that in consideration of today's economic environment and realities, the focus on financial leasing in Seychelles is happening at an opportune time. We have gone a long way in the transformation of our financial sector which has supported the economic reforms. Our economy continues to grow. It is time now to look beyond the present financing opportunities and develop alternatives and new possibilities to achieve greater economic and inclusive growth.

As you are aware, access to finance is a major constraint for the development of SMEs globally, as is the case in Seychelles, particularly in consideration of some of the requirements for securing traditional

financing through loans. In comparison, financing through leasing provides less constraints in terms of requirements and eligibility criteria. It creates the possibility for SMEs to expand their access to short and medium term financing. Hence leasing is an alternative mechanism to facilitate access to finance. It enables the use of capital equipment, in particular for new enterprises without credit track records and with limited possibilities to provide collateral. Of note, the beneficiaries of financial leasing are not only SMEs but the advantages associated to this type of lending translate into gains also for the public and private sector such as investment opportunities for local and foreign companies and creation of new job opportunities.

Ladies and gentlemen, our initiatives and engagements towards the development of a thriving leasing market would not have been possible without the support and commitment of our faithful partners. I wish to conclude my remarks with a few words of acknowledgement. On behalf of the Central Bank, I wish to particularly extend my appreciation to the International Finance Corporation (IFC) for its support throughout the development of the financial leasing legislative framework, its unwavering assistance throughout the organisation of the forum and its contribution to the funding of this project. IFC remains one of our key committed partners in the development of leasing in Seychelles since 2013, in line with its mandate. May I also acknowledge our local partner, the Seychelles Investment Board which has assisted with the organisation of the forum and all other stakeholders which have contributed in one way or another to realise this event. A warm thank you to the team of panelists who have gracefully accepted to be here with us today to share their knowledge and experiences. I would urge all participants to engage actively with them and make the most of their knowledge. Let us all contribute to create a dynamic financial leasing sector in the Seychelles.

Ladies and gentlemen, I would like to thank you for your attention and I wish you all fruitful deliberations over the course of the two days. To our international guests, may your stay in the Seychelles be a memorable one.

Thank you.