



## CENTRAL BANK OF SEYCHELLES

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### PRESS COMMUNIQUÉ

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#### **CBS commits to regular engagement with stakeholders on the implementation of the Private Sector Relief Schemes**

The Central Bank of Seychelles (CBS) has chaired the first series of discussions for this year to assess the implementation of the Private Sector (MSMEs) Relief Scheme and Private Sector (Large Enterprises) Relief Scheme, in light of the persistent impact of the COVID-19 pandemic on businesses.

Discussions have been held with the banking community through the Seychelles Bankers Association (SBA), private sector through the Seychelles Chamber of Commerce and Industries (SCCI) and Government through the Ministry for Finance, Economic Planning and Trade. The aim of the meetings was for the stakeholders to address challenges identified and discuss proposals put forth by the SCCI and SBA, as well as other business organisations including the Seychelles Hospitality & Tourism Association (SHTA), General Trade Union of Seychelles (GETUS) and Seychelles Association of Omnibus Operators (SAO).

The moratorium period, tenor of the credit facilities, extension of the application period, extension in the scope of coverage, application processing, the interest rates under the two schemes and government guarantee, were amongst various issues highlighted.

To recall, CBS announced the credit line to enable the setting-up of the Private Sector Relief Schemes in March 2020, with the scheme for MSMEs coming into operation on May 18, 2020, followed by the operationalisation of the scheme for large enterprises on June 20, 2020.

As at February 18, 2021, a total of 331 applications have been logged by MSMEs at the participating banks and DBS, out of which 208 have been approved for a total sum of a little over SCR80 million. On the other hand, CBS has disbursed a total of SCR73.4 million to these banks and DBS, as at March 04, 2021. As for the large enterprises, a total of 23 applications have been logged at the participating banks, out of which 15 have been approved at SCR103 million, as at February 18, 2021. Disbursements from CBS to these banks, as at March 03, 2021, is at SCR80.3 million.

While discussion on certain proposals are still ongoing, consensus reached to date, subject to the CBS Board's approval, relates to the moratorium period, where the proposal is for this to be increased from 12 to 18 months, but as a maximum. Existing approved applicants will automatically receive the additional 6 months moratorium. New applications will be granted a 12-month moratorium at the outset, and the additional 6 months will be granted, if required,

after further review by DBS or the participating bank that received the application. Nonetheless, businesses are free to opt out of the moratorium or request for a shorter period.

The application period is to be extended until December 2021 for both schemes.

Regarding the scope of critical expenditures to be taken into consideration, this is being expanded to include expenses related to reskilling and training programmes as well as debt servicing for sectors that are under significant stress, primarily for the tourism sector, and limited to interest payments only, for an initial period of one year. CBS will continue to monitor the economic situation and implications on businesses, and will pronounce itself on any decision to include other sectors for the debt servicing component.

Also being proposed is a further extension in the existing tenor to 8 years as a maximum. To note, this would require an amendment of section 29A of the CBS Act. Accordingly, the existing tenor of three years is maintained for both schemes.

Businesses facing financial difficulties and requiring assistance under the schemes are encouraged to approach their respective banking institutions. The SCCI has also committed to providing administrative support, in collaboration with the Enterprise Seychelles Agency (ESA), if businesses require assistance with their application packs. Businesses are also being encouraged to ensure that they submit all required documentation, which will assist in the timely processing of their application.

The proposals will be submitted to the CBS Board mid-March for consideration and the exact details of the revisions will be made public.

The CBS, banking community, private sector and Government through the Ministry of Finance, Economic Planning and Trade have agreed to meet quarterly to assess progress and address any arising issues pertaining to the implementation of the schemes. The next meeting is scheduled for May. However, CBS will have regular consultation with the stakeholders to assist the informed formulation of its policy decisions.