



## CENTRAL BANK OF SEYCHELLES

P. O. Box 701, Victoria, Seychelles

Tel: + (248) 4 282 000; Fax: + (248) 4 226 104

Website: [www.cbs.sc](http://www.cbs.sc)

---

### PRESS COMMUNIQUÉ

*Victoria – August 6, 2015*

#### **Update regarding BMI Offshore Bank (BMIO)**

The Central Bank of Seychelles (CBS) is providing this update regarding the situation at BMIO. The reorganisation plan, which has been prepared by the reorganising agent, Mr Huns Biltoo of KPMG, has been approved by the Supreme Court as required by the Financial Institutions Act, 2004. The approval was given on June 24<sup>th</sup> 2015. As such, the reorganisation of the bank is ongoing and includes review of policies and procedures, remediation of clients' Know Your Customer (KYC) documentation in line with best practices as well as capacity building of staff.

Further to the Supreme Court's approval, Al Salam Bank ( which acquired BMI Bahrain in 2014) which has 50 per cent shareholding of the bank, met with authorities and the other shareholder, in Seychelles between 22-23 July, 2015, to discuss the future of BMIO. The delegation also paid a courtesy visit to the President of Seychelles, Mr James Michel at State House. The positive engagement of the shareholders of BMIO towards the reorganisation of the bank which has been taking place under the management of CBS since November 2014 was welcomed. It is noted that the approval of the reorganisation plan has reinforced the confidence of shareholders in the process and has encouraged them to also consider opportunities to develop onshore banking activities.

The head of delegation, Mr. Hussein Mohammed Al Meeza, the Chairman of Al Salam's Executive Committee, has highlighted that the shareholders are optimistic regarding the ongoing reorganisation of BMIO while he stressed on the importance of prioritising alignment with international best practices. In view that the parent bank of Al Salam Bahrain is already Shari' a compliant, Mr. Al Meeza expressed the shareholder's intention to explore the possibility of converting BMIO into a Shari' a compliant bank.

It should be noted that a recent study into Islamic Finance (which includes Islamic Banking) commissioned by the Government of Seychelles has identified the potential for Islamic Banking to contribute significantly towards Seychelles' GDP. Correspondingly, as part of the country's Financial Sector Development Implementation Plan, which was approved by Cabinet in

November 2014, CBS plans to put in place the enabling framework for the introduction of additional financial services in Seychelles, including Islamic Banking activities.

The delegation also met with the Minister of Finance, Trade and The Blue Economy, Mr. Jean-Paul Adam, as well as the Governor of CBS, where both sides emphasised the importance of addressing the operational issues at BMIO that would allow the bank to fully resume normal operations given that BMIO serves the offshore market which is a significant component of Seychelles' financial sector.