

Questions and answers

Background and Management

Who is responsible for the development of Eden Island?

- Eden Island Development Company (Seychelles) Limited

What other development projects has the developer been involved in?

- The Developers and the Project Consultants have extensive experience in property developments internationally over more than 20 years

Who is the Chief Executive Officer of the Developer and who are the major shareholders?

- The shareholding of Eden Island is held through offshore structures representing the interests of South African and Austrian Investors.

Who is financing the development of Eden Island?

- The shareholders have invested substantial equity into the project and development finance is being provided by the company's bankers.

What is the management structure of Eden Island?

- There is a management and organisational structure in place in the Seychelles which manages the day to day operations of the Company and which reports to the CEO. In addition, various firms of professional consultants assigned to the project bring a broad range of essential project management, architectural, urban design, environmental, engineering, sales, marketing, financial and legal expertise to the project.

What management structure is in place to manage the development?

Owners of units at Eden Island are members of a Village Management Association (VMA) which manages the day to day running, maintenance, services etc. on the island and monthly levies are raised to cover water, security, general maintenance costs etc.

Control and Ownership Structures

What legal title in the units and moorings are passed to Purchasers?

- All properties in the Eden Island residential development are sold and transferred to Purchasers on freehold title. In the case of the maisons and villas, Purchasers acquire individual freehold title and in the case of the apartments, freehold title is given in terms of the Condominiums Act of Seychelles.

In the case of the moorings belonging to each unit, a lease is entered into between the owner of a unit and the Developer /Village Management Association that attaches the right of use of the mooring to the specific unit.

The nature of the lease is long term (i.e. 99 years) and is linked to ownership of the unit in question. The annual/monthly rental is a nominal amount plus such amount as is necessary to cover levies applicable to the mooring in question and the maintenance and management thereof.

What has facilitated the ability of the Developer to be able to sell units on freehold title in Seychelles?

- The Developer has entered into agreements with the Government of the Republic of Seychelles in terms whereof the island has been subdivided into 2 portions, one for the residential development and the other for the commercial development (which includes the bridge, causeway and the marina). The Developer currently holds the freehold title in the residential development portion and accordingly freehold title will be passed to all Purchasers.

Are there any restrictions placed on Owners selling their units before the development is complete?

- Yes, An Owner may not sell his unit without first giving the Developer the first right of refusal to acquire the unit back at market value.

What formalities are imposed by Seychelles law in respect of the transfer of ownership of immovable property situated in the Seychelles?

- Property ownership may be transferred as of right to a Seychellois national, and with Government sanction to a non-Seychellois as required under the Immovable Property (Transfer Restriction) Act.

What are the various methods of ownership of immovable property which apply within the Seychelles (including ownership in terms of the Condominium Property Act)?

- Individual ownership, co-ownership, corporate ownership and ownership as a partnership.

How may ownership of immovable property held by a corporate body be transferred? What particular formalities are required?

- It can be transferred either by way of a sale of the shares of the corporate body that owns the property or by way of selling the immovable property out of the corporate body. If the intended transferee is a non-Seychellois national, Seychelles Government sanction is required under the Immovable Property (Transfer Restriction) Act.

What are the benefits, if any, of taking ownership in an off-shore company versus individual ownership?

- Purchasers should seek their own advice in relation to the structuring of their ownership.

Can a trust be registered in the Republic of the Seychelles?

- No

Can a trust registered outside the Seychelles own residential property in the Seychelles?

- Yes, but only indirectly as a shareholder of the purchasing entity. The most common purchasing entity is a domestic Seychelles company.

Can minors own immovable property in the Seychelles?

- Yes they can, but minors cannot sell the immovable property during their minority without the permission of the Supreme Court of the Republic of Seychelles.

Which legal system will govern any contracts of sale concluded in order to transfer ownership of units at Eden Island?

- Seychelles law will apply and the court of competent jurisdiction is the Supreme Court of the Republic of Seychelles.

What currency restrictions are there with regard to the on sale of properties on Eden Island?

- Any Purchaser may transact anywhere in the world and in any currency and no forex is required to go onshore to the Seychelles, except for the 6.5% stamp duty and sanction fee that is to go to the Government of the Seychelles of any sales;

There is a complete dispensation granted to the Eden Island Development Company and all of its successors in title, in that they are "entitled to retain 100% of the foreign currencies earned" in relation to this development (clause 6 (8) of the Commercial Agreement) between Eden Island Development Company and the Seychelles government.

Will the sale of immovable property attract Capital Gains tax in the Seychelles?

- Not at present.

Will ownership of the property attract estate duty in the Seychelles?

- Not at present.

Can a foreign company become an owner of property on Eden Island?

- Yes, but only indirectly as a shareholder of the purchasing entity. The most common purchasing entity is a domestic Seychelles company. The foreign company is required to obtain Government sanction in terms of the Immovable Property (Transfer Restriction) Act.

Sale, Occupation and Transfer

How does a Purchaser go about acquiring a unit on Eden Island?

- The website contains most of the information needed to do this. Prior to sales documentation being finalised a simple unit reservation process is in place and is explained on the website. This enables Purchasers to reserve units of their choice ahead of signing up an agreement of sale. A Reservation Fee of USD 5,000 is payable to reserve an apartment, USD 10,000 to reserve a Maison and USD 20,000 to reserve a villa on Eden Island.

When will agreements of sale be available for signature?

- All agreements of sale are available for signature and must be signed within 14 calendar days after delivery to the Purchaser.

What are the broad terms of the agreements of sale with regards to payment of the purchase price?

- A 10% initial payment is payable on signature of the agreement of sale. In the event that a Purchaser had already reserved a unit and paid the reservation fee then this will form part of the initial payment. This initial payment will be held in an escrow account until transfer. Purchasers have to provide certain Know Your Client information to the Bank for purposes of opening their escrow accounts (a list of what is required is available on this website) and it is suggested that this required information be obtained without delay. The balance of the purchase price is to be secured by way of payment into escrow account or by way of a bank guarantee within 30 days of signature or such extended time as agreed with the Seller.

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When will the purchase price be paid to the Developer?

- **In the case of:**

APARTMENTS:

- An amount equivalent to 10% of the purchase price shall be paid upon signature of the agreement of sale.
- An amount equivalent to 40% of the purchase price, 90 days before the anticipated commencement date.
- An amount equivalent to 30% of the purchase price, 90 days after works have commenced.
- An amount equivalent to 20% of the purchase price, 180 days after works have commenced

The purchase price shall then be disbursed as follows:

- 25% on contract registration
- 25% on works commencement
- 30% when works have reached roof height
- 10% on date the occupancy certificate is issued
- 10% less USD 10,000 on the date of transfer

USD 10,000 is a retention amount held back and released once any defects have been rectified.

MAISONS AND VILLAS

An amount equivalent to 10% of the purchase price shall be paid upon signature of the agreement of sale

The balance of the purchase price is to be paid into the Escrow account 30 days from date of signature of the agreement of sale and shall be disbursed to the Developer as follows

- 40% on date of transfer of the land to the Purchase
- 10% on the date the unit reached floor level
- 30% on the date the unit reached roof height
- 10% less a retention on the date of transfer

The retention amount will be held back and released once any defects have been rectified.

Retention Villa USD 100,000

Retention Maison USD 10,000

When will transfer of properties take place?

- Each agreement of sale will specify the estimated transfer and occupation date. In the case of all properties they are sold as land with building works. Transfer of the vacant plot for maisons and villas will be effected first and then the building contract will start. In some cases building may well start before transfer of the land is effected to the Purchaser. In the case of apartments the contract is registered first and transferred later.

Is there stamp duty payable on the sale of property on Eden Island?

- The first sale of any parcel of land on Eden Island from EIDC to any Purchaser is fully exempted from any stamp duty/sanction processing fees. For any on-sale, a maximum duty of 6.5% (5% stamp duty and 1.5% sanction processing fee) is chargeable.

Residency and Visitor's Visas

Who qualifies for residency?

- Any Purchaser (up to a maximum of 6 persons) together with his or her spouse and children under the age of 18 years. Terms and conditions apply.

If a company buys a unit, who becomes eligible for residency of the Seychelles?

- Nominees of that company (up to a maximum of 6 persons) together with his or her spouse and children under the age of 18 years. Terms and conditions apply.