

**THIRD SUPPLEMENT TO THE GIBRALTAR
GAZETTE**

No. 3533 of 18th May, 2006

B. 19/06

BILL

FOR

AN ORDINANCE to amend the Income Tax Ordinance.

ENACTED by the Legislature of Gibraltar.

Title.

1. This Ordinance may be cited as the Income Tax (Amendment) (No.3) Ordinance 2006.

Amendment of the Income Tax Ordinance.

2.(1) The Income Tax Ordinance is amended in accordance with the provisions of this section.

(2) Section 2 is amended by inserting the following definition in the appropriate place—

“Minister” means the Minister with responsibility for Public Finance;”.

(3) For section 47C(2)(a) there is substituted the following paragraph—

“(a) shall apply only where the company which is the payer, or the company whose permanent establishment is treated as the payer of interest or royalties is an associated company of the company which is the beneficial owner, or whose permanent establishment is treated as the beneficial owner, of that interest or those royalties;”.

(4) Sections 3, 37, 37A, 47(1), 76, 87 and 98, are amended by substituting for “Governor”, “Minister”.

EXPLANATORY MEMORANDUM

This Bill amends the Income Tax Ordinance to achieve the following:

- (a) Clause 2(2) amends section 2 by inserting a definition of “Minister”, now defined as the Minister with responsibility for Public Finance.
- (b) Clause 2(3) replaces 47C(2)(a). The effect of this amendment is to relax the regime governed by Part IIIA of the Ordinance by removing the 2 year period during which minimum participation levels must continuously be held by a parent in an associated company.
- (c) Clause 2(4) replaces “Governor” with “Minister” in all places it appears throughout the Ordinance.

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