

# THIRD SUPPLEMENT TO THE GIBRALTAR GAZETTE

No. 4976 GIBRALTAR Thursday 7th July 2022

---

B. 12/22

## BILL

FOR

AN ACT to amend the Income Tax Act 2010, and for connected purposes.

ENACTED by the Legislature of Gibraltar.

### Title.

1. This Act may be cited as the Income Tax (Amendment) Act 2022.

### Commencement.

2.(1) Subject to subsection (2) this Act is deemed to have come into operation on 1<sup>st</sup> July 2022.

(2) Section 3(3) comes into operation on 1<sup>st</sup> July 2023.

### Amendments to Income Tax Act 2010.

3.(1) The Income Tax Act 2010 is amended in accordance with the provisions of this section.

(2) In section 30-

(a) in subsection (1)(b) and (bb) for “£1,250,000” substitute “£1,500,000” on the four occasions that figure appears;

(b) for subsection (1)(cb)(ii) substitute-

“(ii) appropriately qualified by virtue of holding a practising certificate issued by a recognised international accountancy body;”;

(c) delete subsection (1)(cb)(iii);

(d) after subsection (2) insert-

“(3) The Minister may by regulations increase or decrease the level of assessable income below which a return made in accordance with section 29 is to be accompanied by an independent accountant’s report.”.

(3) For section 65 substitute—

“65.(1) This section applies where any person—

- (a) has failed to make a full and complete return for the purposes of section 28 or 29; and
- (b) has failed to deliver such return.

(2) In the event of a person failing to complete a return for the purposes of section 28—

- (a) that person shall be liable to a penalty of £50;
- (b) if the failure by the person to comply continues after the period of—
  - (i) three months beginning with the filing date on which the return should have been delivered, the person shall be liable to a further penalty of £300,
  - (ii) six months beginning with the filing date on which the return should have been delivered, the person shall be liable to an additional penalty of £500.

(3) In the event of a person failing to complete a return for the purposes of section 29—

- (a) any person classified as a micro company or small company shall be liable to a penalty of £100 and if the failure by the person to comply continues after the period of -
  - (i) three months beginning with the filing date on which the return should have been delivered, the person shall be liable to a further penalty of £450;
  - (ii) six months beginning with the filing date on which the return should have been delivered, the person shall be liable to an additional penalty of £750;
- (b) any person classified as a medium company shall be liable to a penalty of £750 and if the failure by the person to comply continues after the period of -

- (i) three months beginning with the filing date on which the return should have been delivered, the person shall be liable to a further penalty of £1,250;
  - (ii) six months beginning with the filing date on which the return should have been delivered, the person shall be liable to an additional penalty of £2,000;
- (c) any person classified as a large company shall be liable to a penalty of £1,500 and if the failure by the person to comply continues after the period of -
- (i) three months beginning with the filing date on which the return should have been delivered, the person shall be liable to a further penalty of £3,500;
  - (ii) six months beginning with the filing date on which the return should have been delivered, the person shall be liable to an additional penalty of £5,000;

For the purposes of this subsection, the company size classification shall have the same meaning as that contained in Schedule 9 to the Companies Act 2014.

- (4) The Commissioner may, if it appears to him that throughout the period of default mentioned in subsections (2) or (3) above, the person had a reasonable excuse for not complying with the requirements of section 28 or 29, set aside—
- (a) one or more of the penalties under subsection (2);
  - (b) the penalty under subsection (3).

- (5) In this section—

“the filing date” means the applicable day for delivering the return under section 28 or, as the case may be, section 29;

“the period of default”, in relation to any failure to deliver a return, means the period beginning with the filing date and ending with the day before that on which the return is delivered.”.

- (4) After section 78 insert-

**“Corporate Tax Amnesty.**

- 79.(1) Any company that, believes they have under-declared their profits in the returns filed in relation to their 2020 and 2021 accounting periods and as a result have been assessed at a level lower than what they should have been, may, before 31 December 2022, elect to revise their position and file amended returns accordingly.

- (2) Any company filing amended returns under subsection (1) above will be required to pay the taxation consequently assessed within 90 days after the date the assessment is made and shall not be liable to a further charge to tax.
- (3)(a) Any company not filing amended returns under subsection (1) above but found to have under-declared their profits and as a result have been assessed at a level lower than what they should have been will be required to pay the taxation assessed and shall also be liable to a further charge equivalent to the entirety of the amount assessed to tax;
- (b) any company identified from (a) above shall be required to pay the full amount of the taxation assessed and the further charge contained therein within 60 days after the date the assessment is made.”.
- (5) Schedule 3 is amended as follows-
- (a) in paragraph 18(2) for “30 June 2023” substitute “30 June 2022”;
- (b) for paragraph 18(3) substitute-
- “(3) For the purposes of this paragraph-
- “marketing and promotion” means any costs incurred in relation to the advertising or promotion of Gibraltar as a-
- (i) destination for the purposes of enhancing tourism, attracting visitors for leisure-related events, conventions, conferences or similar gatherings, or
- (ii) a jurisdiction for the purposes of attracting new business ventures and enterprises to set up and operate in and from Gibraltar.”;
- (c) for paragraph 20(2)(f) substitute-
- “(f) paragraph 19.”.

**EXPLANATORY MEMORANDUM**

This Bill amends the Income Tax Act 2010 and subsidiary legislation for the purposes of giving effect to the Chief Minister's budget address

---

**Printed by the Gibraltar Chronicle Printing Limited  
Unit 3, New Harbours  
Government Printers for Gibraltar,  
Copies may be purchased at 6, Convent Place, Price. £0.40**