

**SECOND SUPPLEMENT TO THE GIBRALTAR
GAZETTE**

No. 2,658 of 27th FEBRUARY, 1992.

LEGAL NOTICE NO. 17 OF 1992.

INCOME TAX ACT.

QUALIFYING (HIGH NET WORTH) INDIVIDUALS RULES 1992.

ARRANGEMENT OF RULES.

Rule:

1. Title and commencement.
2. High Net Worth Individual.
3. Payment of fee.
4. Calculation of Tax.
5. Assessable Income.
6. Returns of taxable income.

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In exercise of the powers conferred on him by section 98(1) of the Income Tax Act, and of 811 other enabling powers, the Governor has made the following rules-

Title and commencement.

1. These rules may be cited as the Qualifying (High Net Worth) Individuals Rules 1992 and shall be deemed to have come into effect on the 1st day of July 1991.

High Net Worth Individual.

2.(1) An individual who in any year of assessment-

- (a) has available to him for his exclusive use for a period not less than seven months approved residential accommodation in Gibraltar;
- (b) resides in Gibraltar in the property referred to in paragraph (a) for a minimum of 30 days;
- (c) is not otherwise resident in Gibraltar and has not been so resident in any of the previous five assessment years:

Provided that the Financial and Development Secretary may waive the requirement of this paragraph in respect of the previous five assessment years;

may apply to the Financial and Development Secretary for the issue of a certificate under section 41A qualifying him as a High Net Worth individual.

(2) Where the Financial and Development Secretary is satisfied that the provisions of sub-rule (1) are met he may issue a certificate qualifying the individual as a High Net Worth individual and such certificate shall remain

in operation unless the Financial and Development Secretary is of the opinion that those provisions are no longer satisfied, in which case he shall withdraw the certificate and it shall cease to have effect in respect of the assessment year in which it is withdrawn.

Payment of fee.

3. Any application made under 2, shall be accompanied by a nonrefundable application fee of £500.

Calculation of tax.

4.(1) Except in so far as these rules expressly provide-

- (a) the provisions of the Act shall apply to the income of an individual designated as a High Net Worth individual in determining for the purposes of these rules the assessable income of that individual; and
- (b) nothing in these rules or the application of them to an individual shall or shall be deemed to effect the application to that individual for any other purpose the provisions of the Act.

(2) Rules made under section 37A shall not apply in determining the income assessable to tax under these rules of an individual designated as a High Net Worth individual.

(3) Subject to sub-rule (4) the provisions of rule 3 of the Rates of Tax Rules 1989 shall apply to the assessable income of an individual to whom a certificate has been issued in accordance with rule 2(2):

Provided that-

- (a) the provisions of that rule shall be applied to the first £45,000 of assessable income only; and
- (b) the amount of tax due and payable shall be not less than £10,000.

(4) Where, in respect of a year of assessment in respect of which a certificate issued under these rules is in effect, before the termination of that year, the individual to whom the certificate was issued has so informed the Commissioner in writing, that individual may exercise an option to the effect that-

- (a) the proviso to sub-rule (3) shall not apply; and
- (b) he shall be deemed to have a taxable income in Gibraltar in that year of assessment of £45,000 notwithstanding that his income remitted to Gibraltar in that year is less than that amount:

Provided that the difference between the amount of tax due in accordance with rule 3 of the Rates of Tax Rules 1989 and £10,000 shall be payable but may be offset against any liability to tax in respect of income dealt with under the proviso to sub-rule (3) in a subsequent year of assessment.

Assessable income.

5. Income falling within section 6(3) and rules 3(12)(ii), 3(24), and 3(25) of the Income Tax (Allowances, Deductions and Exemptions) Rules, 1992, shall not be taken into account in determining assessable income under these rules unless it is received in Gibraltar and for the purposes of these rules, deposits with qualifying or exempt companies shall be regarded as falling within the provisions of section 6(3).

Returns of taxable income.

6. Not later than six months after the end of any year of assessment in respect of which a certificate issued under these rules is in effect, the individual concerned shall submit to the Commissioner such return of income in that year as the Commissioner shall require.

Dated this 27th day of February, 1992.

By Command,
A. CARTER,
Deputy Governor.