

**THIRD SUPPLEMENT TO THE GIBRALTAR  
GAZETTE**

No. 3,684 of 13th November, 2008

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**B. 22/08**

**BILL**

**FOR**

**AN ACT** to transpose into the law of Gibraltar paragraphs 3 and 9 of the Annex to Council Directive 2006/98/EC of 20 November 2006 adapting certain Directives in the field of taxation by reason of the accession of Bulgaria and Romania.

**ENACTED** by the Legislature of Gibraltar.

**Title and commencement.**

1. This Act may be cited as the Income Tax (Amendment) (Bulgaria and Romania) Act 2008 and comes into operation on the date of publication.

**Amendment of the Income Tax Act.**

2. The Income Tax Act is amended as follows—

- (a) in section 4A(7), after 77/799/EEC, insert “as amended from time to time”;
- (b) in Part 1 of Schedule 2, after “in Slovakia”—
  - (i) substitute a comma for the full stop; and
  - (ii) insert—
    - “— корпоративен данък in Bulgaria,
    - impozit pe profit, impozitul pe veniturile obținute din România de nerezidenți in Romania.”; and

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(c) in Part 2 of Schedule 2

- (i) at the end of the entry in respect of “companies under Slovak law” substitute, for the full stop, a semi colon; and
- (ii) after the entry in respect of “companies under Slovak law”, insert–

“companies under Bulgarian law known as: “събирателното дружество”, “командитното дружество”, “дружеството с ограничена отговорност”, “акционерното дружество”, “командитното дружество с акции”, “кооперации”, “кооперативни съюзи”, “държавни предприятия” constituted under Bulgarian law and carrying on commercial activities;

companies under Romanian law known as: “societăți pe acțiuni”, “societăți în comandită pe acțiuni”, “societăți cu răspundere limitată”.”.

**EXPLANATORY MEMORANDUM**

This Bill amends the Income Tax Act to take account of the accession of Romania and Bulgaria to the European Union. The amendments transpose paragraphs 3 and 9 of the Annex to Council Directive 2006/98/EC of 20 November 2006 adapting certain Directives in the field of taxation by reason of the accession of Bulgaria and Romania. Paragraph 3 of the Annex to the Directive contains amendments to Council Directive 77/799/EEC of 19 December 1977 concerning mutual assistance by the competent authorities of the Member States in the field of direct taxation and paragraph 9 of the Annex to the Directive contains amendments to Council Directive 2003/49/EC on a common system of taxation applicable to interest and royalty payments made between associated companies of different Member States.

Clause 2(a) inserts the words “as amended from time to time” into the definition of the Directive. This makes clear that the amendments to the Directive (Directive 77/799/EEC) effected by Directive 2006/98/EC in relation to Romania and Bulgaria will have effect in Gibraltar law.

Clause 2(b) and (c) insert the appropriate Romanian and Bulgarian companies into Schedule 2 of the Income Tax Act – thus ensuring that these companies will be treated as companies of a Member State for the purposes of taxation applicable to interest and royalty payments made between associated companies of different Member States under the provisions of Part IIIA of the Act.

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