

**THIRD SUPPLEMENT TO THE GIBRALTAR
GAZETTE**

No. 3,975 of 11th January, 2013

B. 2/13

BILL

FOR

AN ACT to amend the Gibraltar Regulatory Authority Act 2000 for the purposes of conferring greater independence upon the Gibraltar Regulatory Authority, converting the Gibraltar Regulatory Authority from a corporation sole to a corporate body governed by a board and matters ancillary thereto, appointing a Deputy Chief Executive Officer, making provision for the treatment of the revenues of the Gibraltar Regulatory Authority and for exempting the Gibraltar Regulatory Authority from liability to Income Tax.

ENACTED by the Legislature of Gibraltar.

Title and commencement.

1. This Act may be cited as the Gibraltar Regulatory Authority (Amendment) Act 2013 and comes into operation on the day of publication.

Amendment of the Gibraltar Regulatory Authority Act 2000.

2.(1) The Gibraltar Regulatory Authority Act 2000 (“the Principal Act”) is amended in accordance with the provisions of this section.

(2) The long title of the Principal Act is amended as follows—

- (a) by omitting the brackets where these appear;
- (b) by inserting after the words “OF THAT AUTHORITY” the following—

“AND A PERSON TO BE THE DEPUTY CHIEF
EXECUTIVE OFFICER OF THAT AUTHORITY.”.

- (3) By amending Section 2 of the Principal Act as follows–
- (a) by inserting the following definitions after the words, “unless the context otherwise requires–”–
- ““business” means a business or activity for which an authorisation, licence, notification or registration is required under an Act and which comes within the ambit of the functions of assigned to or conferred on the Gibraltar Regulatory Authority by this or any other Act;
- “Chairman” means the Chairman of the Gibraltar Regulatory Authority;
- “Chief Executive Officer” means the person appointed under section 6;
- “Deputy Chief Executive Officer” means the person appointed under section 7;”;
- (b) by deleting the word “and” after the definition of the Gibraltar Regulatory Authority;
- (c) by inserting the following after the definition of the Gibraltar Regulatory Authority–
- ““Gibraltar Regulatory Authority member” means an individual appointed to be a Gibraltar Regulatory Authority member under this Act;
- “institution” means any person, company or partnership;
- “in writing” shall include by electronic means; and”.
- (4) By amending section 3 of the Principal Act as follows–
- (a) by replacing subsection (2) with the following–
- “(2) The Gibraltar Regulatory Authority shall consist of–
- (a) the Chief Executive Officer;
- (b) the Deputy Chief Executive Officer;

- (c) a minimum of two and a maximum of three other persons who shall be appointed by the Minister;

The Chief Executive Officer shall be the Chairman of the Gibraltar Regulatory Authority”;

- (b) by replacing subsection (3) with the following–

“(3) The period and term of an appointment referred to in paragraph (c) of subsection (2) shall be established by the Minister at the time of the appointment.”;

- (c) by replacing subsection (4) with the following–

“(4) A person appointed under paragraphs (a) or (c) of subsection (2) may at any time resign that appointment by notice in writing addressed to the Minister and the Gibraltar Regulatory Authority.”;

- (d) by replacing subsection (5) with the following–

“(5) Without prejudice to section 11, if the Minister is satisfied that any member of the Gibraltar Regulatory Authority–

- (a) has been absent from three consecutive meetings of the Gibraltar Regulatory Authority without the permission of the Chairman;
- (b) has become bankrupt;
- (c) has been convicted of a criminal offence punishable by a term of the imprisonment of 3 months or more;
- (d) is incapacitated by physical or mental illness;
- (e) is in material breach of the terms under which he was appointed; or

- (f) is otherwise unable or unfit to discharge the functions of a member;

the Minister may, after consultation with the other members of the Gibraltar Regulatory Authority, declare that person's office as a member of the Gibraltar Regulatory Authority to be vacant and thereupon such office shall become vacant and such decision shall become effective by publication in the Gazette.”;

- (e) by replacing subsection (6) with the following–

“(6) A member appointed under subsection (2) whose term of appointment has terminated is eligible for re-appointment except where the appointment has terminated by virtue of subsection (5) or where the appointment would have terminated under that paragraph but for his resignation.”;

- (f) by replacing subsection (7) with the following–

“(7) The Gibraltar Regulatory Authority shall designate an officer or member of staff of the Gibraltar Regulatory Authority to be the secretary to the Gibraltar Regulatory Authority.”;

- (g) by omitting subsection (8).

- (5) By amending section 4 of the Principal Act as follows–

- (a) by replacing the heading to Section 4 with the following–

“The Gibraltar Regulatory Authority to be a body corporate”;

- (b) by replacing subsection (1) with the following–

“(1) The Gibraltar Regulatory Authority shall be a body corporate with perpetual succession under the name of the Gibraltar Regulatory Authority and shall have a common seal which shall be officially and judicially noted.”;

(c) by replacing subsection (2) with the following–

“(2) The common seal of the Gibraltar Regulatory Authority may only be affixed to an instrument in the presence of–

- (a) the Chairman and at least one other Gibraltar Regulatory Authority member; or
- (b) any three or more Gibraltar Regulatory Authority members.”;

(d) by inserting the following after subsection (2)–

“(3) Such instruments as are referred to in subsection (2) of this section shall be signed by the persons so present as witnesses to the sealing and the acts of sealing and witnessing shall be recorded in a register to be kept for the purpose.

(4) The Gibraltar Regulatory Authority may sue and, subject to section 17, be sued in its corporate name. Service of any process or notice on the Gibraltar Regulatory Authority may be effected by leaving it at, or sending it by registered post to, the principal office of the Gibraltar Regulatory Authority;

(5) The Gibraltar Regulatory Authority shall not be treated for any purposes as a body exercising functions on behalf of the Crown and, accordingly, no person shall be treated as a servant of the Crown by reason only of his membership of, or employment or being taken on secondment by, the Gibraltar Regulatory Authority.”.

(6) By inserting new sections in the Principal Act 5, 6, 7 and 8 as follows–

“Meetings and proceedings.

5.(1) The quorum at all meetings of the Gibraltar Regulatory Authority shall be three members.

- (2) The Chairman shall preside at every meeting of the Gibraltar Regulatory Authority at which he is present and, in his absence, the members of the Gibraltar Regulatory Authority shall elect one of the members present to act as Chairman.
- (3) All meetings of the Gibraltar Regulatory Authority shall be called by the secretary to the Gibraltar Regulatory Authority at the request of the Chairman and shall, save as provided under sub-section (7), take place in Gibraltar.
- (4) Any matters arising at a meeting of the Gibraltar Regulatory Authority shall be decided by a majority of the members present and voting thereon at the meeting and, in the case of an equality of votes, the Chairman shall have a second or casting vote.
- (5) All orders and directions of the Gibraltar Regulatory Authority shall be given under the hand of the Chief Executive Officer.
- (6) The Gibraltar Regulatory Authority shall keep proper minutes of its proceedings.
- (7) The Gibraltar Regulatory Authority may, if the Chairman so approves, transact any business by the circulation of papers to all Gibraltar Regulatory Authority members, and a resolution in writing approved by a majority of Gibraltar Regulatory Authority members shall be as valid and effectual as if passed at a meeting of the Gibraltar Regulatory Authority by the votes of the members of the Gibraltar Regulatory Authority so approving the resolution.

Appointment of the Chief Executive Officer.

- 6.(1) The Minister shall appoint a person to be the Chief Executive Officer of the Gibraltar Regulatory Authority.
- (2) The Chief Executive Officer shall be appointed for a term of five years, and may be re-appointed for such additional period(s) as the Minister may determine.
- (3) The Chief Executive Officer shall perform such functions, and exercise such powers as are from time to time conferred upon

him by this or any other Act or regulation or are delegated to him by the Gibraltar Regulatory Authority.

- (4) The Chief Executive Officer shall, with the approval of the Gibraltar Regulatory Authority, additionally be responsible for drawing up and implementing codes for regulating the terms of service, discipline and training of all persons employed by the Gibraltar Regulatory Authority.
- (5) In the event of the absence from Gibraltar of the Chief Executive Officer for a period in excess of fourteen days, the Gibraltar Regulatory Authority shall appoint the Deputy Chief Executive Officer to act as Chief Executive Officer for a period of time not exceeding one month.

Appointment of the Deputy Chief Executive Officer.

- 7.(1) The Gibraltar Regulatory Authority shall, upon the recommendation of the Chief Executive Officer, appoint a person to be the Deputy Chief Executive Officer of the Gibraltar Regulatory Authority.
- (2) The Deputy Chief Executive Officer shall be appointed from the officers employed or taken on secondment by the Gibraltar Regulatory Authority under and in accordance with paragraph (d) of section 12(2).
- (3) In the event of the absence from Gibraltar of the Deputy Chief Executive Officer for a period in excess of fourteen days, the Chief Executive Officer shall appoint another officer of the Gibraltar Regulatory Authority to act as Deputy Chief Executive Officer for a period of time not exceeding one month.

Functions of the Gibraltar Regulatory Authority.

- 8.(1) The Gibraltar Regulatory Authority shall perform the functions assigned to or conferred on it by this and any other Act.
- (2) In subsection (1) a function may be conferred on the Gibraltar Regulatory Authority pursuant to a power of appointment

under any other Act and “conferred” shall be construed accordingly.”.

(7) By re-numbering section 5 of the Principal Act so that it now becomes section 9.

(8) By amending the newly re-numbered section 9(1) of the Principal Act as follows–

(a) by replacing the words “Without prejudice to section 4” with the following–

“Save for the delegation referred to in section 6(3), the giving of the approval referred to in section 6(4), the appointment referred to in section 6(5) the appointment referred to in section 7(1),”;

(b) after the words “may be done by any” insert the words “officer or”;

(c) by omitting “, in writing.”.

(9) By amending the newly renumbered subsection 9(2) of the Principal Act as follows–

(a) by replacing the words “Without prejudice to section 4 and to subsection (1) and subject to subsection (3), (4) and (5)” with “Subject to subsections (3) and (4)”;

(b) by replacing the reference to section 3(2) with a reference to section 8.

(10) By omitting the previously numbered section 5(3) of the Principal Act.

(11) By renumbering section 5(4) of the Principal Act so that it now becomes section 9(3).

(12) By replacing, in the newly renumbered section 9(3) of the Principal Act, the reference to section 3(2) with a reference to section 8.

(13) By renumbering the previously numbered section 5(5) of the Principal Act so that it now becomes subsection 9(4).

(14) By inserting a new section 9(5) in the Principal Act to read as follows–

“(5) Any officer or member of staff authorised under and in accordance with subsection (1) shall, upon there being so authorised, be furnished by the Gibraltar Regulatory Authority with a certificate of his authorisation and when exercising a power shall, if requested by any person thereby affected, produce such certificate to that person for inspection.”.

(15) By inserting a new section 10 in the Principal Act to read as follows–

“Salaries, expenses, etc.

10. The Gibraltar Regulatory Authority shall pay–

- (a) to a person appointed under paragraphs (a) or (b) of section 3(2),–
 - (i) such salary, pension, gratuity, compensation, expenses and allowances as may be set out in the instrument appointing that person; and
 - (ii) such other expenses and allowances as the Minister may determine;
- (b) to such persons as the Gibraltar Regulatory Authority may employ or take on secondment under paragraph (d) of section 12(2),–
 - (i) such salaries, pensions, gratuities, compensation, expenses and allowances as may be set out in the terms and conditions of their employment or secondment as the case may be; and
 - (ii) such other expenses and allowances as the Minister may determine;
- (c) to a person or agency to whom functions have been delegated under section 9(2), such sums (if any) as the Gibraltar

Regulatory Authority may be liable to pay as a result of such delegation; and

- (d) such other sums as the Gibraltar Regulatory Authority may be liable to pay as a result of the exercise of any one or more of the powers referred to in section 12.”.
- (16) By omitting sections 6 and 7 of the Principal Act.
- (17) By renumbering section 8 of the Principal Act so that it now becomes section 11.
- (18) By replacing the word “Assembly” in the newly renumbered section 11(1)(a) of the Principal Act with the words “Gibraltar Parliament”.
- (19) By omitting the reference to “or 4(1)” in paragraph (i) of the newly renumbered section 11(1)(a) and by replacing the reference to section 3(3) with section 3(2).
- (20) By replacing in sub-paragraph (ii) of the newly renumbered section 11(1)(a) of the Principal Act the reference to section 5(2) with a reference to section 9.
- (21) By omitting the reference to “or 4(1)” in sub-paragraph (i) of the newly renumbered section 11(1)(b) of the Principal Act and by replacing the reference to section 3(3) with a reference to section 3(2).
- (22) By replacing in paragraph (ii) of the newly renumbered section 11(1)(b) of the Principal Act the reference to section 5(2) with a reference to section 9.
- (23) By replacing in the newly renumbered section 11(1)(b) of the Principal Act “Assembly” with the words “Gibraltar Parliament”.
- (24) By omitting the reference to “or 4(1)” in the newly renumbered section 11(2)(a) of the Principal Act and by replacing the reference to section 3(3) with a reference to section 3(2).
- (25) By replacing in the newly renumbered section 11(1)(b) of the Principal Act the reference to section 5(2) with a reference to section 9.
- (26) by omitting the reference to “or 4(1)” in the last paragraph of the newly renumbered section 11(2) of the Principal Act and by replacing the

reference to section 3(3) with section 3(2) and by replacing the reference to section 5(2) with a reference to section 9.

(27) By replacing the newly renumbered sections 11(3) and 11(4) of the Principal Act with the following—

- “(3) The Gibraltar Regulatory Authority shall act with complete independence when exercising its functions and shall only take into account public policy to the extent that it is lawful to do so.
- (4) Without prejudice to subsections (1) and (2), a member of the Gibraltar Regulatory Authority who has any direct or indirect personal, professional, business or pecuniary interest in any matter coming before the Gibraltar Regulatory Authority shall on each and every occasion on which the matter comes before the Gibraltar Regulatory Authority declare his interest and thereafter, unless the Chairman directs that a conflict of interest thereby arising is insufficiently significant to require the withdrawal of that member, shall withdraw from the meeting, take no further part in the proceedings of the Gibraltar Regulatory Authority in relation to such matter nor vote on such matter and the quorum necessary for that meeting shall be reduced by the number of members withdrawing under this section.”.

(28) By inserting after section 11(4) in the Principal Act new sections 11(5) and (6) as follows—

- “(5) A declaration, withdrawal or direction referred to in subsection (4) of this section shall be recorded.
- (6) Unless the Chairman shall otherwise direct, any decision reached by the Gibraltar Regulatory Authority on a matter in which a member has declared an interest in accordance with subsection (4) shall be recorded in the normal way save that proceedings of the Gibraltar Regulatory Authority on such a matter prior to the making of a decision shall be recorded separately and that record shall be provided only to those members of the Gibraltar Regulatory Authority who were present at those proceedings.”.

(29) By renumbering section 9 of the Principal Act so that it now becomes section 12.

(30) By omitting from the newly renumbered section 12(1) of the Principal Act the following–

“within the limits of allowances and expenses set by the Assembly”.

(31) By replacing in the newly renumbered section 12(1) of the Principal Act the reference to section 3(2) with a reference to section 8.

(32) By omitting from the newly renumbered section 12(2) of the Principal Act the following–

“within the limits of allowances and expenses set by the Assembly”.

(33) By including in the newly renumbered section 12(2)(b) of the Principal Act, after the words “goods or services”, the words “or personnel”.

(34) By omitting from the newly renumbered section 12(2)(d) of the Principal Act the following “, with the consent of the Chief Secretary,” and by replacing the reference to section 3(2) with section a reference to section 8.

(35) By inserting a new section 12(2)(e) after the newly renumbered section 12(2)(d) of the Principal Act to read as follows–

“(e) establish and maintain schemes or make such other arrangements as it thinks fit for the payment of pensions or other benefits to its employees;”.

(36) By renumbering the newly renumbered section 12(2)(e) of the Principal Act which appears after the amendment made in subsection (35) above so that it now becomes section “12(2)(f)”.

(37) By replacing in the newly renumbered section 12(2)(f) of the Principal Act the reference to section 3(2) with a reference to section 8.

(38) By omitting in the newly renumbered section 12(3) of the Principal Act the following–

“, subject to the prior written approval of the Chief Secretary,”.

(39) By inserting new sections 13 and 14 in the Principal Act after the newly renumbered section 12 to read as follows–

“The revenues of the Gibraltar Regulatory Authority.

13.(1) The revenues of the Gibraltar Regulatory Authority shall be–

- (a) such fees and charges as may be payable to the Gibraltar Regulatory Authority under any Act;
- (b) such funds as may from time to time be voted by the Gibraltar Parliament;
- (c) such funds as may properly accrue to the Gibraltar Regulatory Authority from any other source.

(2) The Gibraltar Regulatory Authority may invest any of its funds not required for immediate use by depositing the same in one or more banks or building societies in Gibraltar or otherwise.

Establishment and operation of general fund.

14.(1) The Gibraltar Regulatory Authority shall establish a general fund into which all monies received by the Gibraltar Regulatory Authority shall be paid and out of which all payments made by the Gibraltar Regulatory Authority shall be made.

- (2) The Gibraltar Regulatory Authority shall be responsible for the management of the general fund.
- (3) The Gibraltar Regulatory Authority may borrow such sums as the Gibraltar Regulatory Authority may require to enable it to discharge its functions and for the purposes of meeting expenditure of a capital nature.
- (4) The Gibraltar Regulatory Authority may borrow the sums referred to in subsection (3) either without security or secured by mortgage, charge, pledge or any other security whatsoever on all or any of the assets present or future of the Gibraltar Regulatory Authority.”.

(40) By renumbering section 10 of the Principal Act so that it now becomes section 15.

(41) By inserting in the header to the newly renumbered section 15 of the Principal Act, after the word “Accounts” the words “and auditing”.

(42) By replacing the previously numbered sections 10(1)(a), (b) and (c), (2) and (3) of the Principal Act with the following–

- “(1) The Gibraltar Regulatory Authority shall keep proper accounting records of its income and other receipts and expenditures during each financial year and shall also cause a statement of its accounts for each financial year to be prepared within three months after the end of that year.
- (2) The financial statements of the Gibraltar Regulatory Authority for each financial year shall be audited and certified within four months after the end of that year by an auditor to be appointed annually by the Gibraltar Regulatory Authority.
- (3) The auditor of the Gibraltar Regulatory Authority shall be a person or firm registered or authorised to act as such in Gibraltar.
- (4) The auditor of the Gibraltar Regulatory Authority shall, with reference to the accounts of the Gibraltar Regulatory Authority, report whether–
 - (a) he has obtained all the information and explanations which to the best of his knowledge and belief were necessary for the purposes of the audit;
 - (b) in his opinion, proper accounting records have been kept by the Gibraltar Regulatory Authority;
 - (c) the Gibraltar Regulatory Authority’s balance sheet and accounts dealt with by the report are in agreement with the accounting records;
 - (d) in his opinion, and to the best of his information and according to the explanations given to him, the accounts give a true and fair view, in the case of the balance sheet of the Gibraltar Regulatory Authority’s

finances, as at the end of the financial year and, in the case of the income and expenditure account, of the surplus or deficit for that financial year; and

(e) in his opinion, the Gibraltar Regulatory Authority has discharged with diligence its obligations in relation to the collection of its revenues.

(5) In this section “financial year” means a period of twelve months beginning with 1 April in any year.”.

(43) By inserting a new section 16 in the Principal Act to read as follows–

“Preparation of estimates.

16. The Gibraltar Regulatory Authority shall prepare and furnish to the Minister annual estimates of income and expenditure, including capital expenditure, not later than 3 months prior to the commencement of each financial year, and such additional information and explanations as the Minister may require.”.

(44) By renumbering section 11 of the Principal Act so that it now becomes section 17.

(45) By replacing the previously numbered section 17(1) of the Principal Act with the following–

“(1) The Gibraltar Regulatory Authority, any one or more Gibraltar Regulatory Authority members, any employees, officers or servants of the Gibraltar Regulatory Authority, and any person to whom the powers of the Gibraltar Regulatory Authority have been delegated, shall be immune from suit in respect of any act or omission in the performance of the functions conferred on the Gibraltar Regulatory Authority by this or any other Act unless the act or omission is shown to have been in bad faith.”.

(46) By replacing, in the newly renumbered section 17(2) of the Principal Act, the reference to section 9(2) with a reference to section 12(2).

(47) By inserting a new section 17(3) in the Principal Act to read as follows–

“(3) The Gibraltar Regulatory Authority shall (unless bad faith is definitively found to have existed) indemnify any of its existing and former members, officers or servants for the costs of defending any action brought by a third party in respect of anything they are alleged to have done or omitted in the discharge or purported discharge of any powers or functions conferred on the Gibraltar Regulatory Authority or any of its members by this or any other Act.”.

(48) By renumbering the previously numbered section 11(3) of the Principal Act so that it now becomes section 17(4).

(49) By replacing in the newly renumbered section 17(4) of the Principal Act the reference to section 13 with a reference to section 22.

(50) By inserting new sections 18 and 19 in the Principal Act to read as follows–

“Proceedings on failure of the Gibraltar Regulatory Authority to perform its duties.

18.(1) If at any time it appears to the Minister that the Gibraltar Regulatory Authority has failed to comply with any of the provisions of this or any other Act, the Minister may, by notice in writing, require the Gibraltar Regulatory Authority to make good the default within such time as may be specified in the notice.

(2) If the Gibraltar Regulatory Authority fails to comply with the requirements of a notice issued under the provisions of subsection (1), the Minister may apply to the Supreme Court for an order requiring the Gibraltar Regulatory Authority to remedy the default specified and the Supreme Court may make such order on the application as it thinks fit.

Restriction on execution.

19. No execution by attachment of property or process in the nature thereof shall be issued against the Gibraltar Regulatory Authority.”.

(51) By renumbering section 12 of the Principal Act so that it now becomes section 20.

(52) By replacing, in the newly renumbered section 20 of the Principal Act, the word “Assembly” with the word “Parliament”.

(53) By inserting a new section 21 in the Principal Act to read as follows–

“Exemption from Income Tax.

21. The income of the Gibraltar Regulatory Authority shall be exempt from income tax under the Income Tax Act.”.

(54) By renumbering section 13 of the Principal Act so that it now becomes section 22.

(55) By replacing, in the newly renumbered section 22(1)(c) of the Principal Act, the reference to section 3(3) with a reference to section 3(2).

(56) By omitting the previously numbered section 11(1)(d) of the Principal Act.

(57) By renumbering the previously numbered section 13(1)(e) of the Principal Act so that it now becomes section 22(1)(d) and by replacing in that section the reference to section 5(2) with a reference to section 9.

(58) By renumbering the previously numbered section 13(1)(f) of the Principal Act so that it now becomes section 22(1)(e) and by replacing in that section the reference to section 9(2) with a reference to section 12(2).

(59) By renumbering section 14 of the Principal Act so that it now becomes section 23.

(60) By inserting new sections 24 and 25 in the Principal Act to read as follows–

“Petitioning the court for winding up.

24.(1) The Gibraltar Regulatory Authority (with the consent of the Minister) may petition the Supreme Court for the winding up of a company incorporated in Gibraltar which–

- (a) appears to the Gibraltar Regulatory Authority to be undertaking business without an authorisation, licence, notification or registration required for undertaking the business being carried out; or
 - (b) has had its licence, authorisation, recognition or registration cancelled or suspended under the provision of any Act.
- (2) The Gibraltar Regulatory Authority may not present a petition if the Court is already winding up the company.
- (3) Notwithstanding any provision in the Companies Act, the Court shall wind up the company if it appears to the Court that the company has undertaken or is undertaking business without an authorisation, licence, notification or registration required for undertaking the business being or that has been carried out.

Deregistration of Part IX companies.

25. The Minister may, at the request of the Gibraltar Regulatory Authority direct the Registrar of Companies to deregister any Part IX companies which–
- (a) appears to the Gibraltar Regulatory Authority to be undertaking business without an authorisation, licence, notification or registration covering the business being undertaken; or
 - (b) has had its licence cancelled or suspended under the provision of any Act.”.
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EXPLANATORY MEMORANDUM

This Act amends the Gibraltar Regulatory Authority for the purposes of conferring greater independence upon the Gibraltar Regulatory Authority, converting the Gibraltar Regulatory Authority from a corporation sole to a corporate body governed by a board and matters ancillary thereto, appointing a Deputy Chief Executive Officer, making provision for the treatment of the revenues of the Gibraltar Regulatory Authority and for exempting the Gibraltar Regulatory Authority from liability to Income Tax.

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