

**THIRD SUPPLEMENT TO THE GIBRALTAR
GAZETTE**

No. 3567 of 23rd November, 2006

B.40/06

BILL

FOR

AN ORDINANCE to amend the Investor Compensation Ordinance 2002 to change its title and in connection with the accession of Bulgaria and Romania to the European Union.

ENACTED by the Legislature of Gibraltar.

Title and commencement.

1. This Ordinance may be cited as the Investor Compensation Scheme (Bulgaria and Romania) (Amendment) Ordinance 2006 and comes into operation on 1 January 2007.

Amendment of the Investor Compensation Scheme Ordinance 2002.

2.(1) The Investor Compensation Scheme Ordinance 2002 is amended in accordance with this section.

(2) In section 1(1) for “Investor Compensation Scheme Ordinance, 2002” substitute “Financial Services (Investor Compensation Scheme) Ordinance 2002”.

(3) In section 3(2) for “An investment firm” substitute “Subject to subsection (2A), an investment firm”.

(4) After section 3(2) insert—

“(2A) An investment firm which is a European investment firm—

(a) whose registered office is in Bulgaria (or in the case of a firm which, under Bulgarian law, has no

registered office or which is a natural person, its head office) may not, until 31 December 2009, open a branch in Gibraltar unless it participates in the scheme in order to cover the difference between the level of investor compensation required by the law of Bulgaria and the compensation payable under section 11(2);

- (b) whose registered office is in Romania (or in the case of a firm which, under Romanian law, has no registered office or which is a natural person, its head office) may not, until 31 December 2011, open a branch in Gibraltar unless it participates in the scheme in order to cover the difference between the level of investor compensation required by the law of Romania and the compensation payable under section 11(2).”

EXPLANATORY MEMORANDUM

Bulgaria and Romania accede to the European Union on 1 January 2007 and Bulgarian and Romanian investment firms thus become European investment firms for the purpose of the Investor Compensation Scheme Ordinance 2002.

This Bill makes provision for Bulgaria and Romanian investment firms in accordance with Annex VI and Annex VII of the Protocol to the Treaty of Accession. Those Annexes allow Bulgarian investor compensation schemes, until 31 December 2009, and Romanian investor compensation schemes, until 31 December 2011, to provide a lower level of compensation than required by Directive 97/9.

As permitted by the Annexes this Bill requires Bulgarian and Romanian investment firms to “top up” into the Member State’s investor compensation schemes if they wish to open a branch in Gibraltar during those transitional periods in order to ensure that the minimum levels of compensation required under directive 97/9 is available to customers.

The Bill also changes the title of the Ordinance to ‘Financial Services (Investor Compensation Scheme) Ordinance’.

Investor Compensation Scheme (Bulgaria and Romania) (Amendment)
Ordinance 2006 [B.40/06]

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