

**FIRST SUPPLEMENT TO THE GIBRALTAR
GAZETTE**

No. 2,356 of 7th MAY, 1987.

I ASSENT,
PETER TERRY,
GOVERNOR.
7th May, 1987.



GIBRALTAR.

No. 16 of 1987.

AN ORDINANCE to amend the Companies (Taxation and Concessions) Ordinance, the Development Aid Ordinance the Estate Duties Ordinance, the Gaming Tax Ordinance the Imports and Exports Ordinance 1986, the Income Tax Ordinance, the Licensing and Fees Ordinance, the Stamp Duties Ordinance, the Traffic Ordinance and generally for the purposes of the financial policies of the Government.

ENACTED by the Legislature of Gibraltar.

Short title and commencement.

1.(1) This Ordinance maybe cited as the Finance Ordinance, 1987.

Finance Ordinance, 1987.

(2) Section 2, 3 and 6 shall come into operation on the 1st day of May 1987.

(3) Section 8 shall come into operation on the 27th day of April 1987.

(4) Sections 9 to 11 and 13 to 24 shall come into operation on the 1st day of July 1987.

(5) Sections 26 and 27 shall come into operation on the 1st day of May 1987.

(6) Sections 28 and 29 shall come into operation on the 1st day of June 1987.

COMPANIES (TAXATION AND CONCESSIONS) ORDINANCE.

Amendment of Section 8.

2. Section 8(1)(b) of the Companies (Taxation and Concessions) Ordinance is amended by omitting the words "a Gibraltarian" and substituting therefor the words "a permitted individual".

Insertion of Section 9A.

3. The Companies (Taxation and Concessions) Ordinance is further amended by inserting immediately after Section 9 the following new section-

"9A. No stamp duty shall be payable by any person on any document relating to the issue, allotment, renunciation, transfer, assignment or disposition of shares in an exempt company."

DEVELOPMENT AID ORDINANCE.

Amendment of Section 10.

4. Section 10 of the Development Aid Ordinance is amended-

(a) in subsection (1) by omitting the expression "(2) and (3)" and substituting therefor the expression "(2) or (3)";

Finance Ordinance, 1987.

- (b) in paragraph (a) (i) of subsection (2) by omitting the word "or" at the end of the paragraph and substituting therefor the word "and",
- (c) in paragraph (a) (ii) of subsection (2) by omitting the word "one" and substituting therefor the word "two";
- (d) by repealing paragraph (c) in subsection (2) and substituting therefor the following paragraph-

"(c) the project shall be one which-

(i) in the case of a project referred to in paragraph (a) (i) above, will be completed within a period of two years following the issue of the licence and on the execution of which the applicant will expend not less than £200,000;

(ii) in the case of a project referred to in paragraph (a) (ii) above, will be completed within a period of five years following the issue of the licence and on the execution of which the applicant will expend not less than £400,000;

(iii) in the case of a project referred to in paragraphs (a) (iii) to (a) (vi) above, will be completed within a period of two years following the issue of the licence and on the execution of which the applicant will expend not less than £500,000;

(iv) in the case of a project referred to in paragraph (a) (iii) to (a) (vi) above, will be completed within a period of five years following the issue of the licence and on the execution of which the applicant will expend not less than £1,000,000;

(e) by repealing subsection (3) and substituting therefor the following subsection:-

"(3) In exceptional circumstances

(a) the Minister may grant an application in respect of a project on which the applicant will expend not less than £200,000 in the case of a project referred to in subsection 2(a) (ii), and £500,000 in the case of a project referred to in subsection 2(a) (iii), to (vi) notwithstanding that the project will not be completed within 2 years, on the condition that the project shall be completed within five years following the issue of the licence or within such lesser period as the Minister shall specify; and

123

16 of 1987] Finance Ordinance, 1987.

(b) the Minister may grant an application in respect of a project on which the applicant will expend not less than 400,000 in the case of a project referred to in subsection 2(a) (ii), and £1,000,000 in the case of a project referred to in subsection 2(a) (iii) to (vi) notwithstanding that the project will not be completed within five years, on the condition that the project shall be completed within such greater period following the issue of the licence as the Minister shall specify."

Insertion of 5. The Development Aid Ordinance is further amended by
Section 21.

inserting after section 20 the following new section - ,
"21. With effect from 15th February, 1988 licences under this Ordinance may only be granted in respect of projects referred to in section 10(2) (a) (ii).",

ESTATE DUTIES ORDINANCE.

Replacement of 6. The Estate Duties Ordinance is amended by repealing the Schedule. Schedule thereto, and substituting therefor the following new Schedule:

SCHEDULE

Section 6

RATES OF ESTATE DUTY PRINCIPAL VALUE OF THE ESTATE

rate per cent of estate duty Exceeding £ 20,000 but not exceeding £ 40,000 5

Exceeding £ 40,000 but not exceeding £ 60,000 10

Exceeding £ 60,000 but not exceeding £100,000 IS

Exceeding £100,000 but not exceeding £200,000 20

Exceeding £200,000 25

(a) Where the net value of the property, real and personal (exclusive of property settled otherwise than by the will of the deceased), in respect of which estate duty would be payable on the death of the deceased (if estate duty were payable in respect of estates however small their principal value) does not exceed

124

Finance Ordinance, 1987. [16 of 1987

£20,000, such property for the purpose of estate duty shall not be aggregated with any other property but shall form an estate by itself.

(b) The amount of duty on an estate at the rate applicable thereto under the scale of rates of duty shall, where necessary be reduced so as not to exceed the highest amount of duty which would be payable at the next lower rate, with the addition of the amount by which the value of the estate exceeds the value on which the highest amount of duty would be so payable at the lower rate.

(c) Where an estate exceeds £20,000 in principal value but is under £21,000 the duty payable shall be only the difference between the value of the estate and £20,000."

GAMING TAX ORDINANCE.

7. Section 6 of the Gaming Tax Ordinance is amended by repealing

Amendment of subsection (1) thereof and substituting therefor the following new section 6. subsection:

"(1) A duty to be known as General Betting Duty shall be charged on every bet which

(a) is not deemed to be a bet by way of pool betting provided for in section 7; and

(b) is made with a bookmaker other than a bookmaker who is an exempt company under the provisions of the Companies (Taxation and Concessions) Ordinance."

IMPORTS AND EXPORTS ORDINANCE 1986.

8. Schedule 1 to the Imports and Exports Ordinance, 1986 is

Amendment of Schedule 1.

amended

(i) in Chapter 40 of Section VII by repealing Tariff headings 40.09, 40.10, 40.11 and 40.14 and substituting therefor respectively the following:

125

16 of 1987]

Finance Ordinance, 1987.

Finance Ordinance, 1987.

Tariff Code Number	Units of Quantity	Rate of Special Duty	Trade description Provisions
40.09	Special	vehicles	b. Other
4(L I(1	TRANSMISSION, CONVEYOR OR ELEVATOR BELTS OR BELTING OF VULCANISED RUBBER:		
	a.	Specially designed for motor vehicles	
	b.	Others	
40.11	RUBBER TYRES, TYRE CASES, INTERCHANGEABLE TYRE TREADS, INNER TUBES AND TYRE FLAPS FOR WHEELS OF ALL KINDS:		
	a.	Specially designed for motor vehicles	
	b.	Others	
40.14	OTHER ARTICLES OF UNHARDENED VULCAN-ISED RUBBER:		
	a.	Specially designed for motor vehicles	b. Mats, other than for a. above
	c.	Floor coverings	d. Inflatable goods
	e.	Printers blanket	f. Bands
	g.	Others, including moulded or extruded products	
4009 2304	1.No.	12%	2.kg.
4009 23115	I .		
	No.	12%	
			2.kg.
401023116	1.No.		
		2%	
			2.kg.
4010 2321			
	1.No.	12 ^o 7	
			2.kg.
			40
12322	1.No.	12%	
			2.kg
.			
40112			
23 L	No.	12%	
			2.kg.
40142313	1.No.	12%	
			2.kg.
4014 2314	1.No.	12%	
			2.kg.

Finance Ordinance, 1987.

40142315 J.No. 12%

2.kg.

40142316 1.No. 12°%

2.kg.

40142317 1.No. 12%

2.kg.

40142318 1 No 12%

2.kg.

40142319 1. No 12%

2.kg.

(ii) in Chapter 70 in Section XIII by repealing Tariff heading 70.08 and 70.09 and substituting therefor respectively the following:

126

NG

ND

UBING OF ARDENED

CANI

ED RUBBER: y designed for motor

Finance Ordinance, 1987.

116 of 19g7

Tariff heading and Trade description	Tariff Code Number	Units of Quantity	Rate of Duty
---	-----------------------	----------------------	-----------------

70.08 SAFETY GLASS CON
SISTING OF TOUGHENED
OR LAMINATED GLASS,
SHAPED OR NOT:

a. For motor vehicles

7008 6642

1. No

12%

2.kg.

b. Other

7008 6613

L No. No.

12%

2. kg.

700) GLASS MIRRORS

(INCLUDING REAR

VIEW MIRRORS) UN

FRAMED, FRAMED OR
BACKED:

a. For motor vehicles

ANN 6614

1.No.

12%

b. Other

711096645

1.No.

12%

Special Provisions

(iii) in Chapter 83 in Section XV by repealing Tariff heading 83.14
and substituting therefor the following:

83.14 SIGN PLATES, NAME
PLATES, NUMBERS,
LETTERS AND OTHER
SIGNS OF BASE METAL

1.No.

12%

2. kg.

a. Capable of being used in or
being adapted for use in a
motor vehicle

83146935

1. No

12%

2.kg.

b. Others

8314 6936

1.No.

12%

2.kg.

(iv) in Chapter 84 in Section XVI by repealing Tariff headings 84.06.
84.61, 84.63 and 84.64 and substituting therefor
respectively the following

84.06 INTERNAL

Finance Ordinance, 1987.

PISTON ENGINES AND PARTS THEREOF.

a. Capable of being used in. or being adapted for use in a motor vehicle	84067122	1 No 2.kg.	12%
b. Outboard motors and marine propulsion engines	84067123	1. No 2 kg	12%
c. Others	84067124	1 No 2.kg.	12%

127

16 of 19871 Finance Ordinance, 1987.

Tariff heading and Trade description	Tariff Code Number	Units of Quantity	Rate of Duty
--------------------------------------	--------------------	-------------------	--------------

84.61 TAPS, COCKS, AND SIMILAR APPLIANCES FOR BOILER SHELLS, TANKS VATS AND THE LIKE INCLUDING PRESSURE REDUCING VALVES AND THERMOSTATICALLY CONTROLLED VALVES.

a. Capable of being used in or of being adapted for use in a motor vehicle	84617155	1 No 2.kg.	12%
6. Others	8461 7156	1 No 2.kg.	12%

84.63 TRANSMISSION CRANES BEARING HOUSINGS, PLAIN SHAFT BEARINGS, GEAR AND GEARING (INCLUDING GEARS AND GEAR BOXES AND OTHER VARIABLE SPEED GEARS), FLYWHEELS, PULLEYS AND PULLEY BLOCKS, CLUTCHES AND SHAFT COUPLINGS.

a. Capable of being used in. or being adapted for use in a motor vehicle	84637158	1 No 2.kg.	12%
b. Other	84637159	1 No 2.kg.	12%

84.64 GASKETS AND JOINTS OF METAL SHEETING COMBINED WITH OTHER MATERIALS

Finance Ordinance, 1987.

(FOR EXAMPLE
FELT AND PAPERBOARD)
OR OF LAMINATED
METAL FOIL SETS OR
ASSORTMENTS OF
GASKETS AND SIMILAR
JOINTS:

a. Capable of being used in or of being adapted for use in a motor vehicle	8464 7160	1 No 2.kg.	12%
b. Other	84647161	1 No 2.kg.	12%

(v) in Chapter 85 in Section XVI by repealing Tariff headings 85.01, 85.02, 85.04, 85.08 and 85.09 and substituting therefor respectively the following:

128

Special Provisions

Finance Ordinance, 1987.

f16 of 1987

Tariff heading and Trade description	Tariff Code	Units of Quantity	Rate of Duty
---	----------------	----------------------	-----------------

85.01 ELECTRICAL GOODS

OF
THE FOLLOWING
DESCRIPTIONS:
GENERATORS, MOTORS,
CONVERTERS (ROTARY
AND STATIC) TRANS-
FORMERS, RECTIFIERS
AND RECTIFYING APPA-
RATUS, INDUCTORS:

a. Capable of being used in or of being adapted for use in a motor vehicle	85017210	1 No 2 kg	12%/v
b. Others	85017211	1 No 2.kg.	12%

85.02 ELECTRO-MAGNETS;

PERMANENT MAGNETS
AND ARTICLES OF
SPECIAL MATERIALS
FOR PERMANENT MAG-
NETS BEING BLANKS OF
SUCH MAGNETS.
ELECTRO-MAGNETIC
AND PERMANENT
MAGNET CHUCKS,
CLAMPS, VICES AND
SIMILAR WORK HOLDERS:
ELECTRO-MAGNETIC

Finance Ordinance, 1987.

CLUTCHES AND COUPLINGS: ELECTRO-MAGNETIC BRAKES: ELECTRO-MAGNETIC LIFTING HEADS:

a. Capable of being used in or being adapted for use in a motor vehicle

8502 7211 1 No 12%

2.kg.

b. Others

85027212 1 No 12%

2.kg.

85.04 ELECTRIC

ACCUMULATORS:

a. Up to 200 ampere/hour capacity

85047214 1. No 12%

b. Others

85047215 1 No 12%

2.kg.

Special Provisions

129

16 of 19871 Finance Ordinance, 1987.

Tariff heading and Trade description	Tariff Code Number	Units or Quantity	Rate of Duty
--------------------------------------	--------------------	-------------------	--------------

85.08 ELECTRICAL

STARTING AND IGNITION EQUIPMENT FOR INTERNAL COMBUSTION ENGINES (INCLUDING IGNITION MAGNETOS, MAGNETO DYNAMICS, IGNITION COILS, STARTER MOTORS, SPARKING PLUGS AND GLOW PARTS): DYNAMOS AND CUT OUTS FOR USE THEREWITH:

a. Capable of being used in or of being adapted for use in a motor vehicle

8508 7220 1 No 12%

2.kg.

b. Others

8508 7221 1 No 12%

2.kg.

158

85.09 ELECTRICAL AND SIGNALING EQUIPMENT AND ELECTRICAL WIND SCREEN WIPERS, DEFROSTERS AND DEMISTERS FOR CYCLES

Finance Ordinance, 1987.

OR MOTOR VEHICLES

a For motor vehicles	85097222	1 No	12%
		2.kg.	
b Others	85097223	1 No	12%
		2.kg.	

(vi) in Chapter 87 in Section XVII by repealing Tariff headings 87.02, 87.06 and 87.09 and substituting therefor respectively the following:

130

Special Provisions

Finance Ordinance, 1987. 1[16 of 1987

Tariff heading and Trade description Provisions	Tariff Code Number	Units of Quantity	Rate of Special Duty
---	--------------------	-------------------	----------------------

87.02 MOTOR VEHICLES THAN COMMERCIAL a. With an engine capacity 1500cc or less b. With an engine capacity exceeding 1500cc but not 2000cc c. With an engine capacity exceeding 2000cc

87.06 PARTS AND ACCESSORIES OF THE MOTOR VEHICLES:

a. Components and fashioned parts of motor vehicles imported separately, including tyres and tubes b. Accessories (excluding safety belts and car seat covers) specially designed for use in motor vehicles and imported separately c. Accessories and components and fashioned parts, of any internal combustion engine which is capable of being used in, or adapted for use in a motor vehicle d. Safety belts e. Car seat cover f. New and complete basic body chassis construction kits for the assembly of motor vehicles

87.09 MOTOR CYCLES AND SIDE CARS THEREFOR WHETHER IMPORTED TOGETHER OR SEPARATELY

a. With an engine capacity of 50cc or less

b. With an engine capacity exceeding 50cc

OTHER L

of -

	8702 7312		
		2. kg.	
8702 73	3 1.No.		
		2. kg.	
	87027314		

Finance Ordinance, 1987.

2.kg.

-

87067318
1.No. 12%

2,kg.

87067319
1.No. 12%

2.kg.

87 67320
1, No. 12%

2.kg.
87067325
2.kg.
87067326

2.kg.
87067327
1.No. 12%

2.kg.

87097321
1.No. 12%

2.kg.

87097328

2. kg.

16 of 1987] Finance Ordinance, 7987.

INCOME TAX ORDINANCE.

Amendment of 8A. The definition of the word "pension" contained in Section 2 of Section z. the Income Tax Ordinance is amended by omitting the semi colon at the end thereof and adding "or any pension or other periodical benefits paid on the grounds of age or widowhood under the social security legislation of a Member State of the European Communities;".

Amendment of Section 6.

9. Section 6(1) of the Income Tax Ordinance is amended

(i) in paragraph (d) by inserting immediately after the word "annuity" the word "maintenance";

(ii) by inserting immediately after paragraph (f) the following new paragraphs

"(g) capital sums in excess of 25 per centum of the capital value of the pension received by an individual on retirement from any provident society or other fund approved by the Commissioner:

Provided that such capital sums shall not form part of the assessable income of the individual but shall be taxed separately in accordance with the provisions of section 37B of this Ordinance.

And provided that this paragraph shall apply only to an individual who subsequent to the 30th June 1987 becomes a member of or participates in a provident society or other fund which' was approved by the Commissioner and which allowed a capital sum in excess of 25 per centum of the capital value of the pension to be paid to an individual on retirement;

(h) capital sums in excess of 25 per centum of the capital value of the pension paid prior to retirement to an individual on the grounds that he is suffering from serious ill health and has a low life expectancy shall not form part of the assessable income of the individual but shall be taxed separately in accordance with the provisions of section 37B of this Ordinance:

132

Finance Ordinance, 1487. [is of 1987

Provided that the provisions of this paragraph shall not apply in the case of an individual who is a member of or participates in a provident society or other fund approved by the Commissioner and which allowed a capital sum in excess of 25 per centum of the capital value of the pension to be paid prior to retirement to the individual on the grounds that he is suffering from serious ill health and has a low life expectancy.".

10. Section 6 of the Income Tax Ordinance is further amended

Amendment of Section 6.

(i) by repealing subsection (2) thereof and substituting therefor the following new subsection:

"(2) Tax shall, subject to the provisions of this Ordinance, be payable at the aforesaid rate or rates for each year of assessment upon the

income of any person ordinarily resident in Gibraltar derived from the ownership, chartering or operation of any ship whether or not such ship is registered at the port of Gibraltar and whether or not such income accrues in, is derived from, or is received in, Gibraltar."

(ii) by repealing subsection (3) thereof and substituting therefor the following new subsection:

"(3) Subject to subsection (2) and to the other provisions of this Ordinance, tax shall be payable at the aforesaid rates for each year of assessment upon the income in respect of dividends, interest, pension or emoluments of office, accruing in, derived from, or received in, any place other than Gibraltar, of any person ordinarily resident in Gibraltar other than a company which is and has not ceased to be an "exempt" company under the Companies (Taxation and Concessions) Ordinance:

Provided that where the Commissioner is satisfied that such dividends, interest, pension or emoluments of office have actually borne income tax or a tax of a similar nature in the country where they have accrued then he may exempt from

133

16 of 1987] Finance Ordinance, 1987.

payment of tax in Gibraltar only such part of such dividends, interest, pension or emoluments of office as has been proved to his satisfaction not to have been received in Gibraltar."

Amendment of Section 7.

11. Section 7(1) of the Income Tax Ordinance is amended

(i) in paragraph (j) thereof by inserting immediately after the word "retiring" the following:

"(other than sums received in pursuance of a retirement benefit scheme)"

(ii) by repealing paragraph (1) thereof and substituting therefor the following new paragraph:

"(1) (i) capital sums not exceeding 25 per centum of the capital value of the pension received by an individual on retirement from any provident society or other fund approved by the Commissioner

(ii) capital sums received by an individual on retirement from any provident society or other fund approved by the Commissioner and established by an exempt or qualifying company registered in Gibraltar for the benefit of the nonresident employees (other than permitted individuals) of such exempt or qualifying company."

(iii) in paragraph (t) thereof:

(a) by omitting the following expression:

"(other than a ship or aircraft registered in Gibraltar)";

(b) by inserting a semicolon immediately after the word "him" which appears at the end thereof

(iv) in paragraph (v) thereof by omitting the expression "£500" in the two places where it occurs and substituting therefor in each place the expression "£600".

(v) in paragraph (w) thereof by omitting the expression "£500" in the two places where it occurs and substituting thereof in each place the expression "£600",

134

Finance Ordinance, 1987. [16 of 1987

12. Section 16 (h) of the Income Tax Ordinance is amended by

Amendment of adding the following further proviso:

Section 16.

"And provided that payments made or becoming due to an employer out of funds which are or have been held by any provident or other fund of the employer shall be treated as receipts of the employer's trade, business, profession or vocation for the period in which they are paid or become due."

13. Section 18(1) of the Income Tax Ordinance is amended-

Amendment of Section 18.

(i) by repealing paragraph (a) thereof and substituting therefor the following new paragraph:

"(a) subject to paragraphs (b), (c), (d) and (e) include a fixture and a fitting"

(ii) by inserting immediately after paragraph (b) the following new paragraph:

"(c) do not include anything that was first acquired by any person after the 30th day of June 1987."

(iii) by renumbering the existing paragraphs (c) and (d) to (d) and (e) respectively.

14. Section 23(1) of the Income Tax Ordinance is amended by omitting the expression "£3,000" and substituting therefor the expression "£4,500".

Amendment of Section 23.

15. Section 24(1) of the Income Tax Ordinance is amended by

Amendment of

omitting the expression "£1,100" in the two places where it occurs
Section 24 and substituting therefor in each place the
expression "£1,450".

16. Section 25(1) of the Income Tax Ordinance is amended by
Amendment of

omitting the expression "£200" in the two places where it occurs and
Section 2S. substituting therefor in each place the expression
"£300".

17. Section 25 of the Income Tax Ordinance is amended -
Amendment of Section 26.

(a) in subsection (1) thereof by omitting the expression "£1,100", and
substituting therefor the expression "£1,350".

135

16 of 19871 Finance Ordinance, 1987.

(b) in subsection (2) thereof by omitting the expression "£1,100" and
substituting therefor the expression "£1,450".

Amendment of 18. Section 27 of the Income Tax Ordinance is
amended - Section 27.

(a) in subsection (1) thereof by omitting the expression "£400", and
substituting therefor the expression "£500";

(b) in subsection (2) thereof by omitting the expressions "£460" and
"£350" and substituting therefor respectively the expression "£560"
and "£450";

(c) in subsection (3) thereof by omitting the expressions "£700" and
"£600" and substituting therefor respectively the expressions "£800"
and "£700";

(d) in subsection (4) thereof by omitting the expressions "£820" and
"£700" and substituting therefor respectively the expressions "£920"
and "£800";

(e) in subsection (8) thereof by omitting the expression "£1,100" and
substituting therefor the expression "£1,350";

(f) by inserting after subsection (1) the following new subsections-
"(1A) (a) An individual is entitled to claim a deduction referred to in
subsection (1) in respect of the maintenance of a child born during the
year of assessment;

Provided that the amount of the deduction shall be reduced by one-
twelfth for each complete month of that year ending before the birth
of the child.

(b) This subsection applies in relation to a step-child or an adopted child as if the date on which the child has become a step-child or an adopted child were the date of birth of that child;

(1B) An individual who proves to the satisfaction of the Commissioner that in the year of assessment he has paid under an order of court or deed of separation maintenance to a child is entitled to claim a deduction

136

Finance Ordinance, 1987.

/t6 of 1987

from the amount of his assessable income of the amount of the maintenance so paid."

(g) in subsection (8) by inserting the following provisos at the end of the subsection -

"Provided that

(i) where a woman has the custody of and maintains such a child, she may claim a deduction under this subsection notwithstanding the fact that a claim is made in respect of her under section 26(1) (b) or (c), such deduction to be reduced by the amount of any maintenance received by her in respect of the child;

(ii) if such a child has income in his own right exceeding the amount of the deduction specified in subsections (1), (2), (3) or (4), as the case may be, the amount of the deduction which may be claimed under this subsection shall be reduced by the amount of such income."

(h) by inserting after subsection (8) the following new subsection

"(8A) If it is proved to the satisfaction of the Commissioner that

(a) the parents of a child are legally separated, and

(b) the father of the child is not entitled to claim a deduction under section 26(1), and

(c) both parents have the custody of and maintain the child, then, subject to section 32, each parent shall be entitled to a deduction from his or her assessable income of one-half of the amount specified in subsection (8);

Provided that if one of the parents dies during a year of assessment, then

137

16 of 1987] Finance Ordinance, 1987.

- (i) the amount of the deduction to which the deceased was entitled under this subsection shall be reduced by one-twelfth for each complete month of that year after the date of the death, and
- (ii) the amount by which the amount of that deduction is reduced shall be added to the amount of the deduction which the surviving parent is entitled to claim under this subsection.

In this subsection the expression "child" includes an illegitimate child."

Amendment of Section 28.

19. Section 28 of the Income Tax Ordinance is amended

(a) by omitting the expression "£1,100" and substituting therefor the expression "£1,450";

(b) in proviso (a) thereof by omitting the expression "£950" and substituting herefor the expression "£1,3W".

Replacement of 20. The Income Tax Ordinance is further amended by repealing

Section 30. Section 30 thereof and substituting therefor the following new

Section:

"Replacement 30. Save as otherwise hereinafter provided, where of Section 30. it is proved to the satisfaction of the Commissioner by the production of a certificate signed by a qualified medical practitioner that an individual or his wife has effectively lost his or her sight, that individual shall be entitled to claim a deduction from the amount of his assessable income of £250."

Replacement of 21. The Income Tax Ordinance is further amended by repealing Section 37. Section 37 thereof and substituting therefor the following new section:

"37. Tax shall be charged on the taxable income of every person including a permitted individual, but excluding a company and a non-resident individual to whom the provisions of section 34(1) do not apply, in accordance with the following bandings:

138

Finance Ordinance, 1987. I116 of 1987

The first £ 1,500 of taxable income at the rate of 20 per cent.

The next £5,500 of taxable income at the rate of 30 per cent.

The next £5,500 of taxable income at the rate of 35 per cent.

The next £3,500 of taxable income at the rate of 40 per cent.

The next £3,500 of taxable income at the rate of 45 per cent.

The remainder of taxable income at the rate of 50 per cent.
Provided that in the case of a permitted individual the amounts of taxable income set out in the above bandings shall be reduced by one-twelfth for each calendar month in the year of assessment during which the permitted individual does not carry on, exercise or undertake any trade, business, profession, vocation or employment in Gibraltar."

22. The Income Tax Ordinance is further amended by repealing Section 37A thereof and substituting therefor the following new sections:

Replacement of Section 37A and insertion of Section 37t3.

"37A. Tax shall be charged on the taxable income of every non-resident individual to whom the provisions of Section 34(1) do not apply, in accordance with the following bandings:
the first £7,000 of taxable income at the rate of 30 per cent; the next £5,500 of taxable income at the rate of 35 per cent; the next £3,500 of taxable income at the rate of 40 per cent; the next £3,500 of taxable income at the rate of 45 per cent; the remainder of taxable income at the rate of 50 per cent.

37B. Tax shall be charged at 20 per cent on an individual on the capital sum received from a provident society or other fund approved by the Commissioner in excess of 25 percent of the capital value of the pension by way of retiring."

23. Section 41(4) of the Income Tax Ordinance is amended
Amendment of Section 41(4).

139

16 of 1987] Finance Ordinance, 1987.

(i) in paragraph (a) (ii) thereof by omitting the figures "27" and substituting therefor the figures " 17";

(ii) by repealing paragraph (b) thereof and substituting therefor the following new paragraph -

"(b) where a qualifying company is required under this Ordinance to deduct tax from the amount of any director's fee, annual payment or other sum payable by it to a non-resident person other than a permitted individual, it shall deduct it at the rate of 2 per cent per pound; and".

Amendment of 24, Section 41 of the Income Tax Ordinance is further amendedSection 41.

(i) in subsection (5) thereof by omitting the figures "27" and substituting therefor the figures "17";
(ii) in subsection (7) thereof by adding immediately after the words "a non-resident person" the words "other than a permitted individual".
Amendment of 25. The Schedule to the Income Tax Ordinance is amended by inserting after paragraph 10 the following new paragraph Schedule,

"Specified amount of tax payable by employer.

10A. (1) If after 14 days following the end of any month the employer has not paid the amount of tax to the Treasury for that month, despite demand being made, and there is reason to believe that the employer is liable so to pay, the Commissioner upon consideration of the employer's record of past payments may to the best of his judgement specify the amount of tax which he considers the employer is liable to pay and serve notice on him of that amount.

(2) If, on the expiration of the period of 7 days allowed in the notice, the specified amount of tax or any part thereof is unpaid, the amount so unpaid shall be certified by the Commissioner and shall be deemed to be an amount of tax which the employer was liable to pay for that month in accordance with paragraph 10.

140

Finance Ordinance, 1987. 116 of 1987

(3) The provisions of sub-paragraph (2) above shall not apply if , during the period allowed in the notice, the employer pays to the Treasury the full amount of tax which the employer is liable to pay under paragraph 10 for that month, or the employer satisfies the Commissioner that no amount is due for that month.

(4) The production of a certificate such as is mentioned in sub-paragraph (2) of this paragraph shall be sufficient evidence that the employer is liable to pay to the Treasury the amount shown in the certificate; and any document purporting to be such a certificate shall be deemed to be such a certificate until the contrary is proved. To the amount shown in the said certificate the provisions of section 86 shall apply.

(5) Provided the employer has not paid the amount of tax for the relevant months a notice may be given by the Commissioner under sub-paragraph (1) of this paragraph which extends to 2 or more consecutive months, and the provisions of this paragraph shall have

effect as if the said consecutive months were the latest month specified in the notice.

(6) A notice may be given by the Commissioner under sub-paragraph (1) of this paragraph notwithstanding that an amount of tax has been paid to him by the employer under paragraph 10 for any month, if after seeking the employer's explanation the Commissioner is not satisfied that the amount so paid is the full amount which the employer is liable to pay for that month, and the provisions of this paragraph shall have effect accordingly, save that paragraph (2) thereof shall not apply if the employer during the period allowed in this notice satisfies the Commissioner that no further amount is due for the relevant month.

(7) If during the period allowed in a notice given by the Commissioner under paragraph 10 the
16 of 19871 Finance Ordinance, 1987.

employer claims, but does not satisfy the Commissioner, that the payment made in respect of the month specified therein is the full amount he is liable to pay to the Treasury for that month, the employer may require the Commissioner to inspect the employer's documents and records as if the Commissioner had called upon the employer to produce those documents and records in accordance with paragraph 15 of this Schedule and the provisions of that paragraph shall apply in relation to that inspection and the notice given by the Commissioner under this paragraph shall thereafter be disregarded.

(8) Notwithstanding anything in this paragraph, if the employer pays any amount certified by the Commissioner under this paragraph and that amount exceeds the amount which he would have been liable to pay in respect of that month apart from this paragraph, he shall be entitled to set-off such excess against any amount which he is liable to pay under paragraph 10 for any subsequent month.

(9) If, after the end of the year, the employer renders a return required by section 63 and pays the total net tax which he is liable to pay any excess of tax paid and not otherwise recovered by set-off in accordance with the provisions of this paragraph shall be repaid".

LICENSING AND FEES ORDINANCE.

Amendment of Section 2,

26. Paragraph 2 of Item 10 of Schedule 2 to the Licensing and Fees Ordinance is amended by omitting the expression "30 pence", and substituting therefor the expression "50 pence".

STAMP DUTIES ORDINANCE.

Insertion of 27. The Stamp Duties Ordinance is amended by inserting
Section 97C.

immediately after Section 97B the following new section:

"97C. No stamp duty shall be payable by any person on any document relating to the issue, allotment, renunciation, transfer, assignment or disposition of shares in a qualifying company."

142

Finance Ordinance, 1987.

I16 of 1987

TRAFFIC ORDINANCE.

28. Section 6(I) of the Traffic Ordinance is amended by inserting

Amendment of

immediately after the words "a motor vehicle" the words "other

Section 6.

than a motor cycle with an engine capacity of 50cc or less".

29. Section 9(1) of the Traffic Ordinance is amended by inserting

Amendment of

immediately before the word "application" the words "and a motor

Section 9. cycle with an engine capacity of 50cc or less".

Passed by the Gibraltar House of Assembly on the 30th day of April, 1987.

P. A. GARBARINO, Clerk to the Assembly.

16 of 1987] Finance Ordinance, 1987.

Printed by the Gibraltar Chronicle Limited Printing Office, 2, Library Gardens. Government printers for Gibraltar. Copies may be purchased at 6, Convent Place. Price £ 1.00p

144