

**EXCHANGE CONTROL ACT****Repealed by Act 2007-13 as from 26.4.07****Principal Act**

<b>Act. No. 1958-16</b>	<i>Commencement</i>	20.4.1959
	<i>Enactment</i>	11.12.1958

Amending enactments	Relevant current provisions	Commencement date
Order of 17.12.1964	Sch. 1	
LN. 1971/117	Sch. 1	
1971/119	Sch. 1	
1971/151	Sch. 1	
1972/024	Sch. 1	
1972/117	Sch. 1	

## English source

Exchange Control Act 1947 (10 &amp; 11 Geo. 6, s.14)

**1958-16**  
**Repealed**

## Exchange Control

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AN ACT TO CONFER POWERS, AND IMPOSE DUTIES AND RESTRICTIONS, IN RELATION TO GOLD, CURRENCY, PAYMENTS, SECURITIES, DEBTS, AND THE IMPORT, EXPORT, TRANSFER AND SETTLEMENT OF PROPERTY, AND FOR PURPOSES CONNECTED WITH THE MATTERS AFORESAID.

**Short title.**

1. This Act may be cited as the Exchange Control Act.

**Interpretation.**

2. (1) In this Act, unless the context otherwise requires—

“authorized dealer” means, in relation to gold or any foreign currency, a person for the time being authorized by an order of the Governor to act for the purposes of this Act as an authorized dealer in relation to gold, or, as the case may be, that foreign currency;

“authorized depositary” means a person for the time being authorized by an order of the Governor to act as an authorized depositary for the purposes of Part III;

“bearer certificate” means a certificate of title to securities by the delivery of which (with or without endorsement) the title to the securities is transferable;

“certificate of title to securities” means any document of title whereby a person recognizes the title of another to securities issued or to be issued by the first-mentioned person, and in the case of any such document with coupons (whether attached or on separate coupon sheets) includes any coupons which have not been detached;

“coupon” means a coupon representing dividends or interest on a security;

“foreign currency” has the meaning ascribed to it by section 3;

“gold” means gold coin or gold bullion;

“policy of assurance” means any policy securing the payment of a capital sum or annuity on the occurrence of a specified event which is certain to happen and include—

- (a) any policy by which the payment of money is assured on death (except death by accident only) or the happening of any contingency dependent on human life; and

(b) any policy securing the payment of an immediate annuity;

and the reference in this definition to the occurrence of a specified event which is certain to happen shall include the occurrence, which is certain to happen, of one of specified events none of which by itself is certain to happen;

“prescribed” means prescribed, for the purposes of the provision in question, by order of the competent authority;

“scheduled territories” has the meaning ascribed to it by section 3;

“secondary securities” has the meaning ascribed to it by section 21;

“securities” means shares, stock, bonds, notes (other than promissory notes), debentures, debenture stock, units under a unit trust scheme and shares in an oil royalty;

“specified currency” has the meaning ascribed to it by section 4 as extended by section 6;

“unit trust scheme” means any arrangements made for the purpose, or having the effect, of providing for persons having funds available for investment, facilities for the participation by them, as beneficiaries under a trust, in profits or income arising from the acquisition, holding, management or disposal of any property whatsoever;

“unit” means, in relation to a unit trust scheme, a right or interest (whether described as a unit, as a sub-unit or otherwise) which may be acquired under the scheme.

(2) Any provision of this Act (however worded) the effect of which is to prohibit the doing of any act where a person to or by whom the act is to be done or who stands in a specified relation to any property possesses any specified attribute as to residence or otherwise shall, where the act is done to or by two or more persons or, as the case may be, where two or more persons stand jointly in that relation to the property, operate to prohibit the doing of that act if any of those persons possess that attribute; and any provision of this Act imposing an obligation on any person to do an act if he possesses any specified attribute as to residence or otherwise shall, in relation to any act which can only be done by two or more persons jointly—

(a) where all those persons possess that attribute, operate to impose a joint obligation on all of them to do the act; and

(b) where some only of them possess that attribute, operate to impose a separate obligation on each one of them who possesses that attribute to do all he can to secure the doing of the act.

(3) Any power conferred by this Act to prescribe the declarations which are to be furnished on any occasion shall include a power to require that the declarations shall be made by specified persons and shall be verified in a specified manner.

(4) Nothing in this Act shall be construed as requiring the Financial and Development Secretary to pay any sum otherwise than in sterling or local currency or otherwise than in Gibraltar, and any provision of this Act requiring the Financial and Development Secretary to pay any sum to any person shall, where that sum is a specified currency, be construed as a provision that the Financial and Development Secretary shall pay to that person the amount in sterling or local currency which he would have received for the specified currency if he had sold it to an authorized dealer in pursuance of an offer made under section 4 at the time when the sum is paid.

(5) The obligations and prohibitions imposed by this Act shall, subject to the express limitations contained therein, apply to all persons, notwithstanding that they are not British subjects.

## **PART I.**

### **GOLD AND FOREIGN CURRENCY.**

#### **Dealings in gold and foreign currency.**

3.(1) Except with the permission of the Governor, no person other than an authorized dealer, shall, in Gibraltar, buy or borrow any gold or foreign currency from, or sell or lend any gold or foreign currency to, any person other than an authorized dealer.

(2) Except with the permission of the Governor, no person resident in the scheduled territories, other than an authorized dealer, shall, in Gibraltar, do any act which involves, is in association with or is preparatory to buying or borrowing any gold or foreign currency from, or selling or lending any gold or foreign currency to, any person outside Gibraltar.

(3) Where a person buys or borrows any gold or foreign currency in Gibraltar or, being a person resident in the scheduled territories does any act which involves, is in association with or is preparatory to the buying or borrowing of gold or foreign currency outside Gibraltar, he shall comply with such conditions as to the use to which it may be put or the period for which it may be retained as may from time to time be notified to him by the Financial and Development Secretary.

- (4) In this Act—
- (a) the expression “foreign currency” does not include any currency or notes issued by the Government or under the law of any part of the scheduled territories but, save as aforesaid, includes any currency other than sterling or local currency and any notes of a class which are or have at any time been legal tender in any territory outside Gibraltar, and any reference to foreign currency, except so far as the context otherwise requires, includes a reference to any right to receive foreign currency in respect of any credit or balance at a bank; and
  - (b) the expression “the scheduled territories” means the territories specified in Schedule 1, so, however, that the Governor may at any time by order amend that Schedule, either by the addition or exclusion of territories or otherwise, and the expression shall be construed accordingly.

**Surrender of gold and foreign currency.**

4.(1) Every person in Gibraltar who is entitled to sell, or to procure the sale of, any gold, or any foreign currency to which this section applies, and is not an authorized dealer, shall offer it, or cause it to be offered, for sale to an authorized dealer, unless the Financial and Development Secretary consents to his retention and use thereof or he disposes thereof to any other person with the permission of the Financial and Development Secretary.

The foreign currency to which this section applies is such foreign currency (hereafter in this Act referred to as “specified currency”) as may from time to time be specified by order of the Governor.

(2) If a person who has obtained the consent of the Financial and Development Secretary to his retention and use of any gold or specified currency, and has stated in an application for the consent that he requires it for a particular purpose, no longer requires the gold or currency for that purpose, subsection (1) shall thereupon apply to him in relation to that gold or currency as if the Financial and Development Secretary had revoked his consent to his retention and use thereof.

(3) A person who acquires any gold or specified currency from an authorized dealer shall be treated for the purposes of this section as if the Financial and Development Secretary had consented to the retention and use by him of that gold or currency (subject, however, to any conditions notified to him in accordance with section 3(3)), and as if any statement made by him in an application for that gold or currency as to the purpose for which he requires it, had been made by him in an application for the Financial and Development Secretary’s consent to his retention and use thereof.



(4) Where a person has become bound under this section to offer or cause to be offered any gold or specified currency for sale to an authorized dealer, he shall not be deemed to comply with that obligation by any offer made or caused to be made by him, if the offer is an offer to sell at a price exceeding that authorized by the Financial and Development Secretary, or without payment of any usual and proper charges of the authorized dealer, or otherwise on any unusual terms.

(5) Where a person has become bound under this section to offer or cause to be offered any gold or specified currency for sale to an authorized dealer and has not complied with that obligation, the Governor may direct that that gold or currency shall vest in the Financial and Development Secretary, and it shall vest in the Financial and Development Secretary accordingly free from any mortgage, pledge or charge, and the Financial and Development Secretary may deal with it as he thinks fit, but the Financial and Development Secretary shall pay to the person who would but for the direction be entitled to the gold or currency such sum as he would have received therefor if he had sold it to an authorized dealer in pursuance of an offer made under this section at the time when the vesting occurred.

(6) In any proceedings in respect of a failure to comply with the provisions of this section, it shall be presumed, until the contrary is shown, that the gold or currency in question has not been offered for sale to an authorized dealer.

## **Bailees of gold and foreign currency.**

5.(1) Every person in Gibraltar by whom or to whose order (whether directly or indirectly ) any gold or any specified currency in the form of notes is held in Gibraltar but who is not entitled to sell it or procure its sale shall notify the Financial and Development Secretary in writing that he so holds that gold or currency.

(2) The Financial and Development Secretary may direct any person in Gibraltar by whom or to whose order (whether directly or indirectly) any gold or any specified currency in the form of notes is held in Gibraltar, whether or not he is entitled to sell it or procure its sale, to cause that gold or currency to be kept at all times in the custody of such banker as may be specified in the direction.

## **Travellers' cheques, etc.**

6. (1) This section applies to any document of a kind intended to enable the person to whom the document is issued to obtain foreign currency from some other person on the credit of the person issuing it, and in particular to any traveller's cheque or other draft or letter of credit so intended.

(2) For the purposes of this Act, the person issuing a document to which this section applies, and the person to whom it is issued, shall be deemed respectively to sell and buy foreign currency and where foreign currency is obtained by means of the document to sell and buy that foreign currency.

(3) Any such document not expressed in terms of sterling or local currency shall, if it is of a kind intended to enable the person to whom it is issued to obtain any specified currency, be treated also for the purposes of this Act as itself being specified currency.

(4) Every person in Gibraltar who holds or to whose order there is held any document to which this section applies, being a document expressed in terms of sterling or local currency, shall encash it or cause it to be encashed in the scheduled territories with the person issuing it or with a banker, unless the Financial and Development Secretary consents to his retention and use thereof and, where in his application for that consent he has stated that he requires it for a particular purpose, unless also he still requires it for that purpose.

(5) A person who acquires any document to which subsection (4) applies from an authorized dealer shall be treated for the purposes of that subsection as if the Financial and Development Secretary had consented to the retention and use by him of that document (subject, however, to any conditions notified to him in accordance with section 3(3)), and as if any statement made by him in an application for that document as to the purpose for which he requires it had been made by him in an application for the Financial and Development Secretary's consent to his retention and use thereof.

**PART II.**  
**PAYMENTS.**

**Payments in Gibraltar.**

7. Except with the permission of the Financial and Development Secretary, no person shall do any of the following things in Gibraltar, that is to say—

- (a) make any payment to or for the credit of a person resident outside the scheduled territories; or
- (b) make any payment to or for the credit of a person resident in the scheduled territories by order or on behalf of a person resident outside the scheduled territories; or
- (c) place any sum to the credit of any person resident outside the scheduled territories:

Provided that where a person resident outside the scheduled territories has paid a sum in or towards the satisfaction of a debt due from him, paragraph (c) of this section shall not prohibit the acknowledgment or recording of the payment.

## **Payments outside Gibraltar.**

8.(1) Except with the permission of the Financial and Development Secretary, no person in Gibraltar shall, subject to the provisions of this section, make any payment outside Gibraltar to or for the credit of a person resident outside the scheduled territories, and no person resident in the scheduled territories shall in Gibraltar do any act which involves, is in association with or is preparatory to the making of any such payment.

(2) Nothing in this section shall prohibit the doing of anything otherwise lawful by any person with any foreign currency obtained by him in accordance with the provisions of Part I or retained by him in pursuance of a consent of the Financial and Development Secretary.

## **Compensation deals.**

9.(1) Except with the permission of the Financial and Development Secretary, no person shall in Gibraltar make any payment to or for the credit of a person resident in the scheduled territories, and no person resident in the scheduled territories shall in Gibraltar do any act which involves, is in association with or is preparatory to the making of any such payment outside Gibraltar, as consideration for or in association with—

- (a) the receipt by any person of a payment made outside the scheduled territories, or the acquisition by any person of property which is outside the scheduled territories; or
- (b) the transfer to any person, or the creation in favour of any person, of a right (whether present or future, and whether vested or contingent) to receive a payment outside the scheduled territories or to acquire property which is outside the scheduled territories.

(2) Nothing in this section shall prohibit the making of any payment in accordance with the terms of a permission or consent granted under this Act.

## **PART III. SECURITIES.**

### **Issue of securities.**

10.(1) Except with the permission of the Governor, no person shall in Gibraltar issue any security or do any act which involves, is in association with or is preparatory to the issuing outside Gibraltar of any security which is registered or to be registered in Gibraltar, unless the following requirements are fulfilled, that is to say—

- (a) neither the person to whom the security is to be issued nor the person, if any, for whom he is to be a nominee is resident outside the scheduled territories; and
- (b) the prescribed evidence is produced to the person issuing the security as to the residence of the person to whom it is to be issued and that of the person, if any, for whom he is to be a nominee.

(2) The subscription of the memorandum of association of a company to be formed under the Companies Act, by a person resident outside the scheduled territories, or by a nominee for another person so resident, shall, unless he subscribes the memorandum with the permission of the Governor, be invalid in so far as it would on registration of the memorandum have the effect of making him a member of or shareholder in the company, so however, that this provision shall not render invalid the incorporation of the company; and if by virtue of this subsection the number of the subscribers of the memorandum who on its registration become members of the company is less than the minimum number required to subscribe the memorandum, the provisions of the Act relating to the carrying on of business of a company the number of whose members is reduced below the legal minimum shall apply to the company as if the number of its members had been so reduced.

**Transfer of securities and coupons.**

11.(1) Except with the permission of the Financial and Development Secretary, a security registered in Gibraltar shall not be transferred, and a security not so registered shall not be transferred in Gibraltar, unless, in either case, the following requirements are fulfilled, that is to say—

- (a) neither the transferor nor the person, if any, for whom he is a nominee is resident outside the scheduled territories; and
- (b) the transferor delivers to the transferee at or before the time of the transfer the prescribed declarations as to his residence and that of the person, if any, for whom he is a nominee; and
- (c) neither the transferee nor the person, if any, for whom he is to be a nominee is resident outside the scheduled territories; and

- (d) except where the security is registered in Gibraltar otherwise than in a subsidiary register, the Financial and Development Secretary is satisfied that the requirements of paragraph (c) of this subsection are fulfilled:

Provided that—

- (i) neither the transferee nor his agent shall be deemed to have committed an offence by reason only that the requirements of paragraph (a) of this subsection were not fulfilled unless the transferee or, as the case may be, his agent, knew or had reason to believe that those requirements were not fulfilled; and
- (ii) neither the transferor nor his agents shall be deemed to have committed an offence by reason only that any of the requirements of paragraphs (c) and (d) of this subsection have not been fulfilled unless, in the case of a non-fulfillment of the requirements of paragraph (c), the transferor or, as the case may be, his agent, knew or had reason to believe that those requirements were not fulfilled.

(2) Except with the permission of the Financial and Development Secretary, a security not registered in Gibraltar shall not be transferred outside Gibraltar if either the transferor or the transferee, or the person, if any, for whom the transferor or transferee is or is to be a nominee, is resident in Gibraltar.

(3) Except with the permission of the Financial and Development Secretary—

- (a) no coupon shall be transferred in Gibraltar if either the transferee or the person, if any, for whom he is to be a nominee is resident outside the scheduled territories;
- (b) no person shall in Gibraltar do any act which involves, is in association with or is preparatory to the transfer of any coupon outside Gibraltar if either the transferor or transferee, or the person, if any, for whom the transferor or transferee is or is to be a nominee, is resident in Gibraltar.

## **Issue of bearer certificates and coupons.**

12. Except with the permission of the Governor, no person shall, in Gibraltar, issue any bearer certificate or coupon or so alter any document that it becomes a bearer certificate or coupon, and no person resident in the scheduled territories shall in Gibraltar do any act which involves, is in

association with or is preparatory to such issue or alteration outside Gibraltar.

**Substitution of securities and certificates outside Gibraltar.**

13. Except with the permission of the Financial and Development Secretary—

- (a) no person in Gibraltar shall do any act with intent to secure—
  - (i) that a security which is—
    - (1) registered in Gibraltar; or
    - (2) transferable by means of a bearer certificate in Gibraltar,

becomes, or is replaced by, a security registered outside Gibraltar or a security transferable by means of a bearer certificate outside Gibraltar; or

- (ii) that a certificate of title to any other security, is issued outside Gibraltar in substitution for or in addition to a certificate of title thereto which is in, or is or has been lost or destroyed in, Gibraltar;
- (b) no person resident in the scheduled territories shall in Gibraltar do any act which involves, is in association with or is preparatory to any such transaction outside Gibraltar as is referred to in paragraph (a) (i) (1) or (2).

**Payment of capital moneys outside Gibraltar.**

14. Except with the permission of the Financial and Development Secretary—

- (a) no person in Gibraltar shall do any act with intent to secure that capital moneys payable on a security registered in Gibraltar are paid outside Gibraltar, or that, where the certificate of title to a security is in Gibraltar, capital moneys payable on the security are paid outside Gibraltar without production of the certificate to the person making the payment;
- (b) no person resident in the scheduled territories shall in Gibraltar do any act which involves, is in association with or is preparatory to any such transaction outside Gibraltar as is referred to in paragraph (a).

**Duties of persons keeping registers.**

15. Except with the permission of the Financial and Development Secretary, no person concerned with the keeping of any register in Gibraltar shall—

- (a) enter in the register the name of any person in relation to any security unless there has been produced to him the prescribed evidence that the entry does not form part of a transaction which involves the doing of anything prohibited by this Act; or
- (b) enter in the register, in respect of any security, an address outside the scheduled territories, except for the purpose of any transaction for which the permission of the Financial and Development Secretary has been granted with the knowledge that it involved the entry of that address; or
- (c) do any act in relation to the register which recognizes or gives effect to any act appearing to him to have been done with such intent as is mentioned in sections 13 and 14, whether done by a person in or resident in Gibraltar or not.

**Additional provisions as to nominee holdings.**

16.(1) Where—

- (a) the holder of a security is a nominee and the person for whom he is a nominee is resident outside the scheduled territories; or
- (b) the holder of a security is not a nominee and is resident outside the scheduled territories,

then, except with the permission of the Financial and Development Secretary, no person resident in Gibraltar shall do any act whereby the holder becomes his nominee in respect of the security.

(2) Except with the permission of the Financial and Development Secretary, a person resident in Gibraltar for whom the holder of a security is a nominee shall not do any act whereby—

- (a) the holder, being a person resident outside the scheduled territories, holds the security otherwise than as his nominee; or
- (b) the holder, not being a person resident outside the scheduled territories, holds the security as nominee for a person resident outside the scheduled territories.

(3) Where the holder of a security is a nominee, then, except with the permission of the Financial and Development Secretary, neither he, if he is

resident in Gibraltar, nor any person resident in Gibraltar through whose agency the exercise of all or any of the holder's rights in respect of the security are controlled, shall—

- (a) do any act whereby he recognizes or gives effect to the substitution of another person as the person from whom he directly receives his instructions unless both the person previously instructing him and the person substituted for that person were, immediately before the substitution, resident in the scheduled territories and not elsewhere; or
- (b) do any act whereby he ceases to be a person bound to give effect to the instructions of another person in relation to the security, unless the person who theretofore instructed him is resident in the scheduled territories and not elsewhere.

(4) Where the holder of a security is not a nominee and is resident in Gibraltar, then, except with the permission of the Financial and Development Secretary, he shall not do any act whereby he becomes the nominee of another person in respect of the security, unless that other person is resident in the scheduled territories and not elsewhere.

(5) No person resident in the scheduled territories shall in Gibraltar do any act which involves, is in association with or is preparatory to any such transaction outside Gibraltar as is referred to in this section.

**Deposit of certificates of title.**

17.(1) This section and section 18 apply to any security except—

- (a) a security which is registered in Gibraltar otherwise than in a subsidiary register, and on which none of the dividends or interest is payable on presentment of a coupon; and
- (b) any such other securities as may be prescribed,

and in the following provisions of this section and in section 18 the expressions “security”, “certificate of title” and “coupon” mean respectively security to which those sections apply, a certificate of title to such a security, and a coupon representing dividends or interest on such a security.

(2) It shall be the duty of every person by whom or to whose order (whether directly or indirectly) a certificate of title is held in Gibraltar, and of every person resident in Gibraltar by whom or to whose order (whether directly or indirectly) a certificate of title is held outside Gibraltar, to cause the certificate of title to be kept at all times, except with the permission of the Financial and Development Secretary, in the custody of an authorized



depository, and nothing in this Part shall prohibit the doing of anything for the purpose of complying with the requirements of this subsection.

(3) Except with the permission of the Financial and Development Secretary, an authorized depository shall not part with any certificate of title or coupon required under this section to be in the custody of an authorized depository:

Provided that this subsection shall not prohibit an authorized depository—

- (a) from parting with a certificate of title or coupon to or to the order of another authorized depository, where the person from whom the other authorized depository is to receive instructions in relation thereto is to be the same as the person from whom he receives instructions;
- (b) from parting with a certificate of title, for the purpose of obtaining payment of capital moneys payable on the security, to the person entrusted with payment thereof;
- (c) from parting with a coupon in the ordinary course for collection.

(4) Except with the permission of the Financial and Development Secretary, no capital moneys, interest or dividends shall be paid in Gibraltar on any security except to or to the order of an authorized depository having the custody of the certificate of title to that security, so, however, that this subsection shall not be taken as restricting the manner in which any sums lawfully paid on account of the capital moneys, interest or dividends may be dealt with by the person receiving them.

(5) Except with the permission of the Financial and Development Secretary, an authorized depository shall not do any act whereby he recognizes or gives effect to the substitution of one person for another as the person from whom he receives instructions in relation to a certificate of title or coupon, unless there is produced to him the prescribed evidence that he is not by so doing giving effect to any transaction which is prohibited by this Act.

(6) Where a certificate of title which under this section should for the time being be in the custody of an authorized depository is not in the custody of an authorized depository, then, except with the permission of the Financial and Development Secretary, no person shall in Gibraltar, buy, sell, transfer, or do anything which affects his rights or powers in relation to, the security, or do any act which involves, is in association with or is preparatory to any such transaction outside Gibraltar.

(7) Except with the permission of the Financial and Development Secretary, no person in or resident in Gibraltar shall, in the case of a

certificate of title with coupons (whether attached or on separate coupon sheets), detach any of the coupons otherwise than in the ordinary course for collection.

**Additional provisions as to deposited certificates.**

18.(1) Where a certificate of title to a security is by section 17 required to be and is in the custody of an authorized depository, the provisions of this section shall, except so far as the Financial and Development Secretary otherwise directs, have effect in relation thereto until—

- (a) there are delivered to him the prescribed declarations as to the ownership of the security and the residence of the owners thereof; and
- (b) in the case of a certificate of title which—
  - (i) would ordinarily be accompanied by coupons (whether attached or on separate coupon sheets); but
  - (ii) when it comes into the custody of the authorized depository wants, in order to render it complete, any coupons which would not in the ordinary course have been detached for collection,

there have also been deposited with him the coupons so wanting at the time when the certificate of title comes into his custody:

Provided that where the declarations have been delivered to an authorized depository and he has parted with the certificate of title, paragraph (a) shall not again apply on the certificate coming into the custody of another authorized depository or again coming into his own custody.

(2) Except with the permission of the Financial and Development Secretary, the authorized depository shall not part with or destroy the certificate of title or any coupons belonging thereto, otherwise than as mentioned in paragraphs (b) and (c) of the proviso to section 17(3), or do any act whereby he recognizes or gives effect to the substitution of one person for another as the person from whom he receives instructions in relation thereto:

Provided that, where the person from whom an authorized depository receives instructions in relation to any certificate of title becomes bankrupt in Gibraltar or dies, this subsection shall not prohibit the authorized depository from recognizing the trustee in bankruptcy or personal representative as the person entitled to give instructions in relation to the certificate of title.

(3) The authorized depositary shall place any capital moneys, dividends or interest on the security received by him to the credit of the person by virtue of whose authority he received them, but shall not permit any part of the sums received to be dealt with except with the permission of the Financial and Development Secretary.

### **Special provisions as to dealings in certain securities.**

19.(1) The Governor may, if in his opinion there are circumstances rendering it necessary or expedient so to do, by order direct that this section shall apply to such securities as may be prescribed, being securities on which capital moneys, dividends or interest are payable in a specified currency or as respects which the holder has an option to require payment of any capital moneys, dividends or interest thereon in a specified currency.

(2) Except with the permission of the Financial and Development Secretary, no person shall, in Gibraltar, transfer, or do anything which affects his rights or powers in relation to, any security to which this section applies, and no person resident in the scheduled territories shall in Gibraltar do any act which involves, is in association with or is preparatory to any such transaction outside Gibraltar.

### **Validation of certain transfers.**

20.(1) The title of any person to a security for which he has given value on a transfer thereof, and the title of all persons claiming through or under him, shall notwithstanding that the transfer, or any previous transfer, or the issue of the security, was by reason of the residence of any person concerned other than the first-mentioned person prohibited by the provisions of this Act relating to the transfer or issue of securities, be valid unless the first-mentioned person had notice of the facts by reason of which it was prohibited.

(2) Without prejudice to the provisions of subsection (1), the Financial and Development Secretary may issue a certificate declaring, in relation to a security, that any acts done before the issue of the certificate purporting to effect the issue or transfer of the security, being acts which were prohibited by this Act, are to be, and are always to have been, as valid as if they had been done with the permission of the competent authority, and such acts shall have effect accordingly.

(3) Nothing in this section shall affect the liability of any person to prosecution for any offence against this Act,

### **Application of Part III to secondary securities.**

21.(1) This Part shall apply, with such modifications, if any, as may be prescribed, in relation to any such document as is mentioned in subsection

(2), as if the document created, and were the certificate of title to, a security (hereafter in this Act referred to as a “secondary security”).

(2) The documents referred to in subsection (1) are any letter of allotment which may be renounced, any letter of rights, any warrant conferring an option to acquire a security, any deposit certificate in respect of securities, but not including a receipt by an authorized depository for any certificate of title deposited in pursuance of this Part, and such other documents conferring, or containing evidence of, rights as may be prescribed.

**Interpretation of Part III.**

22.(1) In this Part—

- (a) the expression “registered” includes inscribed;
- (b) the expressions “registered in Gibraltar” and “registered outside Gibraltar” mean respectively, registered in a register in, and registered in a register outside, Gibraltar;
- (c) the expression “security which is registered in Gibraltar otherwise than in a subsidiary register” means a security which either—
  - (i) is registered in Gibraltar and is not and cannot without the necessity for an entry in the register in Gibraltar become, registered outside; or
  - (ii) is registered both in Gibraltar and outside but on a transfer cannot, without the necessity for an entry in the register in Gibraltar, become registered outside in the name of the transferee; and
- (d) the expression “a register” includes any book, file or index in which securities are registered.

(2) For the purposes of any provision of this Part prohibiting the transfer of securities, a person shall be deemed to transfer a security if he executes any instrument of transfer thereof, whether effective or not, and shall be deemed to transfer it at the place where he executes the instrument.

(3) References in this Part to the person holding a certificate of title or coupon shall be construed as references to the person having physical custody of the certificate of title or coupon:

Provided that where the certificate of title or coupon is deposited with any person in a locked or sealed receptacle from which he is not entitled to

remove it without the authority of some other person, that other person shall be deemed for the purposes of this provision to have the physical custody thereof.

- (4) In this Part, the expression “holder”–
- (a) in relation to a security transferable by means of a bearer certificate or to a coupon, includes the person holding the certificate or coupon; and
  - (b) in relation to a security which is registered in the name of a deceased person, or of any person who, by reason of bankruptcy, unsoundness of mind or any other disability is incapable of transferring the security, means the personal representative, trustee in bankruptcy or other person entitled to transfer the security.

(5) The holder of a security or coupon shall be deemed for the purposes of this Part to be a nominee in respect thereof if, as respects the exercise of any rights in respect thereof, he is not entitled to exercise those rights except in accordance with instructions given by some other person, and references in this Part to the person for whom the holder of a security or coupon is a nominee shall be construed as references to the person who is entitled to give instructions, either directly or through the agency of one or more persons, as to the exercise of any rights in respect of the security or coupon and is not in so doing himself under a duty to comply with instructions given by some other person:

Provided that–

- (a) a person shall not by reason only that he has a controlling interest in a body corporate be deemed for the purposes of this subsection to be entitled to give instructions to that body corporate as to the exercise of rights in respect of any security or coupon of which it is the holder; and
  - (b) a person shall not be deemed to hold a security or coupon as a nominee by reason only that he holds it as trustee if he is entitled to transfer the security or coupon without permission from any other person.
- (6) A certificate of title shall not for the purposes of this Part be treated as in the custody of an authorized depositary if either–
- (a) the depositary has no notice of the nature of the certificate; or

- (b) the certificate is deposited with him in a locked or sealed receptacle from which he is not entitled to remove it without the authority of some other person.

(7) Where a certificate of title outside Gibraltar is by this Part required to be kept in the custody of an authorized depository, it shall be deemed to be in the custody of an authorized depository if—

- (a) by his direction or with his assent it is in the custody of some other person who holds it on behalf of and to the order of the authorized depository; and
- (b) the certificate is not deposited with that other person in a locked or sealed receptacle from which he is not entitled to remove it without the authority of a person other than himself;

and where a certificate of title is by virtue of this subsection deemed to be in the custody of an authorized depository, references in this Part to the depository parting with the certificate or a coupon belonging thereto shall be construed as references to his permitting the person having the actual custody thereof to part with it otherwise than to the depository, and references to his destroying the certificate or such a coupon shall be construed as references to his permitting it to be destroyed.

**PART IV.**  
**IMPORT AND EXPORT.**

**Restrictions on import.**

23.(1) The importation into Gibraltar of—

- (a) any notes of a class which are or have at any time been legal tender in the United Kingdom or any part of the United Kingdom; and
- (b) any such other notes as may be specified by order of the Governor, being notes issued by a bank or notes of a class which are or have at any time been legal tender in any territory; and
- (c) any certificate of title to any security, including any such certificate which has been cancelled, and any document certifying the destruction, loss or cancellation of any certificate of title to a security; and
- (d) any Treasury bills,

is hereby prohibited except with the permission of the Financial and Development Secretary.

(2) In this section the expression “note” includes part of a note and the expression “security” includes a secondary security.

## **General restrictions on export.**

24.(1) The exportation from Gibraltar of—

- (a) any notes of a class which are or have at any time been legal tender in the United Kingdom or any part of the United Kingdom or in any other territory; and
- (b) any postal orders; and
- (c) any gold; and
- (d) any of the following documents (including any such document which has been cancelled ), that is to say—
  - (i) any certificate of title to a security and any coupon; and
  - (ii) any policy of assurance; and
  - (iii) any bill of exchange or promissory note expressed in terms of a currency other than that of a scheduled territory and payable otherwise than within the scheduled territories; and
  - (iv) any document to which section 6 applies not issued by an authorized dealer or in pursuance of a permission granted by the Financial and Development Secretary;  
  
and any document certifying the destruction, loss or cancellation of any such documents; and
- (e) any such articles exported on the person of a traveller or in a traveller’s baggage as may be prescribed; and
- (f) any Treasury bills,

is hereby prohibited except with the permission of the Financial and Development Secretary.

(2) In this section, the expression “note” includes part of a note, the expression “security” includes a secondary security and the expression “coupon” shall be construed in accordance with the meaning of “security.”

**Payment for exports.**

25.(1) The exportation of goods of any class or description from Gibraltar to a destination in any such territory as may be prescribed is hereby prohibited except with the permission of the Financial and Development Secretary, unless the Collector of Revenue is satisfied—

- (a) that payment for the goods has been made to a person resident in Gibraltar in such manner as may be prescribed in relation to goods of that class or description exported to a destination in that territory, or is to be so made not later than six months after the date of exportation : and
- (b) that the amount of the payment that has been made or is to be made is such as to represent a return for the goods which is in all the circumstances satisfactory in the national interest:

Provided that the Financial and Development Secretary may direct that, in cases to which the direction applies, paragraph (a) shall have effect as if for the reference to six months there were substituted reference to such longer or shorter period as may be specified in the direction, or as if the words “or is to be so made not later than six months after the date of exportation” were omitted.

(2) For the purpose of satisfying himself in the case of any goods as to the matters specified in subsection (1) the Collector of Revenue may require the person making entry of the goods for export to deliver to the collector or other proper officer together with the entry such declarations signed by such persons as he may require, and where any such declaration has been so required the goods shall not be exported until it has been delivered.

(3) Where the Collector of Revenue is not satisfied in the case of any goods as to the matters specified in subsection (1)(b), he shall give his reasons to the person making entry of the goods for export and shall take into consideration any representations made by him.

(4) Any reference in this section to the destination of any goods includes a reference to the ultimate destination thereof.

**PART V.**  
**MISCELLANEOUS.**

**Duty to collect certain debts.**



26.(1) Except with the permission of the Financial and Development Secretary, no person resident in Gibraltar who has a right (whether present or future and whether vested or contingent) to receive any specified currency, or to receive from a person resident outside the scheduled territories a payment in sterling or local currency, shall do, or refrain from doing, any act with intent to secure or shall do any act which involves, is in association with or is preparatory to any transaction securing—

- (a) that the receipt by him of the whole or part of that currency, or, as the case may be, of that payment in sterling or local currency, is delayed; or
- (b) that the currency or payment ceases, in whole or in part, to be receivable by him:

Provided that nothing in this subsection—

- (i) shall, unless the Financial and Development Secretary otherwise directs, impose on any person any obligation, in relation to any debt arising in the carrying on of any trade or business, to procure the payment thereof at an earlier time than is customary in the course of that trade or business; or
- (ii) shall, unless the Financial and Development Secretary otherwise directs, prohibit any transfer to a person resident in Gibraltar and not elsewhere of any right to receive any specified currency or payment in sterling or local currency.

(2) Where a person has contravened the provisions of subsection (1) in relation to any specified currency or payment in sterling or local currency, the Financial and Development Secretary may give to him or to any other person who appears to the Financial and Development Secretary to be in a position to give effect thereto (being a person in or resident in Gibraltar) such directions as appear to the Financial and Development Secretary to be expedient for the purpose of obtaining or expediting the receipt of the currency or payment in question, and, without prejudice to the generality of the preceding provisions of this subsection, may direct that there shall be assigned to the Financial and Development Secretary, or to such person as may be specified in the directions, the right to receive the currency or payment or enforce any security for the receipt thereof.

## **Duty not to delay sale or importation of goods.**

27.(1) Where—

- (a) any permission or consent has been granted under this Act, or under any corresponding provision of the law in force in any territory comprised in the scheduled territories, subject to a condition providing that, or on the faith of an application stating an intention that, any goods should be sold outside the scheduled territories; or
- (b) any statement or declaration has been made under any provision of this Act or any such corresponding provision as aforesaid that any goods are to be sold outside the scheduled territories; or
- (c) any currency has been obtained in, or by any person resident in, the scheduled territories on the faith of an application stating an intention that any goods should be sold outside the scheduled territories,

then, except with the permission of the Financial and Development Secretary, no person resident in Gibraltar who is entitled to sell or procure the sale of the goods shall do, or refrain from doing, any act with intent to secure or shall do any act which involves, is in association with or is preparatory to any transaction securing—

- (i) that the sale is delayed to an extent which is unreasonable having regard to the ordinary course of trade; or
  - (ii) that, on the sale, any payment made for the goods is not made in the manner indicated by the condition, statement, or declaration, as the case may be.
- (2) Where—
- (a) any permission or consent has been granted under this Act, or under any corresponding provisions of the law in force in any territory comprised in the scheduled territories, subject to a condition providing that, or on the faith of an application stating an intention that, any goods should be imported from outside the scheduled territories into any part of the scheduled territories; or
  - (b) any currency has been obtained in, or by any person resident in, the scheduled territories on the faith of an application stating an intention that any goods should be so imported,

then, except with the permission of the Financial and Development Secretary, no person resident in Gibraltar who is entitled to procure the importation of the goods shall do, or refrain from doing, any act with intent to secure that the importation thereof is delayed to an extent which is unreasonable having regard to the ordinary course of trade.

(3) Where in any such case as is specified in paragraph (a), (b) or (c) of subsection (1), or paragraph (a) or (b) of subsection (2)–

- (a) the goods have not been sold or imported as indicated by the condition, statement or declaration within the time thereby indicated or, if no time is thereby indicated, a reasonable time, or (in either case) within such further time as may be allowed by the Financial and Development Secretary; or
- (b) it appears to the Financial and Development Secretary that the goods cannot be sold or imported as indicated by the condition, statement or declaration,

the Financial and Development Secretary may give to any person resident in Gibraltar who appears to the Financial and Development Secretary to be in a position to give effect thereto such directions as appear to him to be expedient as to the manner in which the goods are to be dealt with.

(4) Without prejudice to the generality of the provisions of subsection (3), the power conferred thereby on the Financial and Development Secretary to give directions shall extend to the giving of directions that the goods shall be assigned to the Financial and Development Secretary or to a person specified in the directions.

(5) The powers conferred by the two last preceding subsections in relation to any goods shall extend to the giving of directions with respect to any goods produced or manufactured therefrom, and, where goods to be sold outside the scheduled territories or to be imported were to be produced or manufactured from other goods, to the giving of directions with respect to those other goods and any goods produced or manufactured from those other goods.

## **Property obtained by infringement of Act.**

28.(1) Where a person–

- (a) has made any payment which is prohibited by this Act; or
- (b) being bound under this Act to offer or cause to be offered any specified currency to an authorized dealer, has otherwise disposed of that currency,

the Financial and Development Secretary may direct him to sell or procure the sale of any property which he is entitled to sell or of which he is entitled to procure the sale, being property which represents, whether directly or indirectly, that payment or that specified currency, as the case may be, and

may by the same or a subsequent direction specify the manner in which, the persons to whom and the terms on which the property is to be sold.

(2) Without prejudice to the generality of the provisions of subsection (1), the power conferred thereby on the Financial and Development Secretary to give directions shall extend to the giving of directions that the property shall be assigned to the Financial and Development Secretary or to a person specified in the directions.

**Provisions supplemental to preceding provisions of Part V.**

29.(1) Where, under the preceding provisions of this Part, the Financial and Development Secretary has power to give directions that any right to receive any currency or payment in sterling or local currency or to enforce any security for the receipt thereof, any goods, or any other property shall be assigned to him, he shall also have power to direct that the right, goods or property shall vest in him, and it or they shall vest in him accordingly free from any mortgage, pledge or charge, and he may deal with it or them as he thinks fit.

(2) Where, in pursuance of directions under such provisions, any right, goods or property is or are assigned to the Financial and Development Secretary or to a person specified in the directions, or any right, goods or property vests or vest in the Financial and Development Secretary in pursuance of directions given under subsection (1), the Financial and Development Secretary shall pay the net sum recovered by him in respect of the right, goods or property to the person making the assignment or, in the case of any right, goods or property vested in the Financial and Development Secretary under subsection (1), to the person who, but for the directions, would be entitled to the right, goods or property.

**Transfer of annuities, policies, etc.**

30.(1) Except with the permission of the Financial and Development Secretary, no person resident in Gibraltar shall transfer to a person resident outside the scheduled territories, or who is to be a nominee for a person resident outside the scheduled territories, any right to the sums assured by any policy of assurance, so, however, that where the person liable for the sums so assured makes any payment thereof to a person resident in the scheduled territories and not elsewhere, or makes, with the permission of the Financial and Development Secretary, any payment thereof to any other person—

- (a) he shall not be bound to inquire as to the residence of any person other than the person to whom, and, if it is not the same person, the person to whose order, the payment is made; and

(b) the payment shall, to the extent of the sums paid, discharge him from his liability under the policy, notwithstanding that the payment is made to or to the order of a person who was not entitled thereto otherwise than by virtue of a transfer prohibited by this subsection.

(2) Subsections (2) and (3) of section 20 shall apply in relation to any transfer prohibited by this section as they apply in relation to a transfer prohibited by this Act of a security.

(3) In this section, the expression “nominee” has, in relation to any policy, annuity or insurance, the same meaning as it has in Part III of this Act in relation to a security.

## **Settlements.**

31.(1) Except with the permission of the Financial and Development Secretary, no person resident in Gibraltar shall settle any property, otherwise than by will, so as to confer an interest in the property on a person who, at the time of the settlement, is resident outside the scheduled territories, or shall exercise, otherwise than by will, any power of appointment, whether created by will or otherwise, in favour of a person who, at the time of the exercise of the power, is resident outside the scheduled territories.

(2) A settlement or exercise of a power of appointment shall not be invalid by reason that it is prohibited by this section, except so far as it purports to confer any interest on any person who, at the time of the settlement or the exercise of the power, is resident outside the scheduled territories.

(3) Subsections (2) and (3 ) of section 20 shall apply in relation to a settlement or the exercise of a power of appointment prohibited by this section as they apply in relation to a transfer prohibited by this Act of a security.

(4) For the purpose of this section—

(a) any reference to settling property includes a reference to the making of any disposition, covenant, agreement or arrangement whereby the property becomes subject to a trust, or (in the case of a resettlement) to a different trust; and

(b) a person shall be deemed to have an interest in property if he has any beneficial interest therein, whether present or future, and whether vested or contingent, or falls within a limited class of persons in whose favour a discretion of power in respect of the property is exercisable.

(5) No person resident in the scheduled territories shall in Gibraltar do any act which involves, is in association with or is preparatory to any such transaction outside Gibraltar as is referred to in this section.

**Companies.**

32.(1) Where there is served on any person resident in Gibraltar a notice in writing that the Financial and Development Secretary wishes any such requirements as are hereinafter mentioned to be complied with by any such body corporate as is specified in Schedule 2 (hereafter in this subsection referred to as a “foreign company” ), and that person can, by doing or refraining from doing any act,

- (a) cause the foreign company to comply with any of the requirements; or
- (b) remove any obstacle to the foreign company complying with any of the requirements; or
- (c) render it in any respect more probable that the foreign company will comply with any of the requirements,

then, except so far as permission to the contrary may be given by the Financial and Development Secretary, that person shall do, or, as the case may be, refrain from doing, that act.

The requirements with respect to which a notice may be given are as follows, that is to say, that the foreign company shall—

- (i) furnish to the Financial and Development Secretary such particulars as to its assets and business as may be mentioned in the notice;
- (ii) sell or procure the sale to an authorized dealer of any gold or specified currency mentioned in the notice, being gold or specified currency which it is entitled to sell or of which it is entitled to procure the sale;
- (iii) declare and pay such dividend as may be mentioned in the notice;
- (iv) realize any of its assets mentioned in the notice in such manner as may be so mentioned;
- (v) refrain from selling, transferring, or doing anything which affects its rights or powers in relation to any such

Treasury bills or securities as may be mentioned in the notice.

(2) Except with the permission of the Financial and Development Secretary, no person resident in Gibraltar shall do any act whereby a body corporate which is by any means controlled (whether directly or indirectly) by persons resident in Gibraltar ceases to be controlled by persons resident in Gibraltar:

Provided that this subsection shall not prohibit any person from selling any securities authorized to be dealt in on any recognised stock exchange in Gibraltar if the sale takes place in pursuance of an agreement entered into in the ordinary course of business on that exchange.

No person resident in the scheduled territories shall in Gibraltar do any act which involves, is in association with or is preparatory to any such transaction outside Gibraltar as is referred to in this subsection.

(3) Except with the permission of the Financial and Development Secretary, no person resident in Gibraltar shall lend any money, Treasury bills or securities to any body corporate resident in the scheduled territories which is by any means controlled (whether directly or indirectly) by persons resident outside the scheduled territories:

Provided that this subsection shall not apply where the lender after making such inquiries as are reasonable in the circumstances of the case does not know and has no reason to suspect that the body corporate is so controlled.

No person resident in the scheduled territories shall in Gibraltar do any act which involves, is in association with or is preparatory to any such transaction outside Gibraltar as is referred to in this subsection.

(4) For the purposes of this section and of Schedule 2, persons resident in Gibraltar or outside the scheduled territories shall be deemed to control a body corporate notwithstanding that other persons are associated with them in the control thereof if they can together override those other persons.

(5) In this section the expression "security" includes a secondary security.

## **PART VI. SUPPLEMENTAL.**

### **Exemptions.**

33. Any provision of this Act imposing any obligation or prohibition shall have effect subject to such exemptions as may be granted by order of the Governor, and any such exemption may be either absolute or conditional.

**Blocked accounts.**

34. Where—

- (a) under any provision contained in Part II, the permission of the Financial and Development Secretary is required for the making of a payment or the placing of any sum to the credit of any person resident outside the scheduled territories; or
- (b) any payment falls to be made by an authorized dealer on the sale of any gold or specified currency by any foreign company within the meaning of section 32(1), being a sale made to comply with any requirement notified under that subsection,

the Financial and Development Secretary may direct that the sum payable or to be credited shall be paid or credited to a blocked account only, and, where such a direction is given, the provisions of Schedule 3 shall have effect in relation to the payment or crediting of the sum.

**Contracts, legal proceedings, etc.**

35.(1) It shall be an implied condition in any contract that, where, by virtue of this Act, the permission or consent of the Financial and Development Secretary is at the time of the contract required for the performance of any term thereof, that term shall not be performed except in so far as the permission or consent is given or is not required:

Provided that this subsection shall not apply in so far as it is shown to be inconsistent with the intention of the parties that it should apply, whether by reason of their having contemplated the performance of that term in spite of the provisions of this Act or for any other reason.

(2) Notwithstanding anything in the Bills of Exchange Act, neither the provisions of this Act, nor any condition, whether express or to be implied having regard to those provisions, that any payment shall not be made without the permission of the Financial and Development Secretary under this Act, shall be deemed to prevent any instrument being a bill of exchange or promissory note.

(3) The provisions of Schedule 4 shall have effect with respect to legal proceedings, arbitrations, bankruptcy proceedings, the administration of the estates of deceased persons, the winding up of companies, and proceedings under deeds of arrangement or trust deeds for behalf of creditors.



## **Enforcement and administration.**

36.(1) The provisions of Schedule 5 shall have effect for the purpose of the enforcement of this Act.

- (2) Persons belonging to the following classes, that is to say—
- (a) bankers, authorized dealers, authorized depositaries;
  - (b) persons to whom any powers of the competent authority under this Act are delegated;
  - (c) persons who with the permission of the competent authority are in possession of documents which would, but for the permission, have to be in the custody of an authorized depositary;
  - (d) persons concerned with the keeping of any register in Gibraltar; and
  - (e) persons entrusted with the payment of capital moneys, dividends or interest in Gibraltar,

shall comply with such directions as may be given to them respectively by the Financial and Development Secretary, being—

- (i) in the case of any such persons, directions as respects the exercise of any functions exercisable by them by virtue of, or by virtue of anything done under, any provision of this Act; or
- (ii) in the case of authorized dealers, such directions or directions as to the terms on which they are to accept gold or foreign currency or directions requiring them to offer their gold or specified currency for sale to the Bank of England on such terms as may be specified in any such directions.

## **Application to Crown.**

37. This Act shall bind the Crown and shall apply to transactions by a Government department or other person acting on behalf of the Crown, and the competent authority shall not, by virtue of any contract made by them or on their behalf in relation to any securities, be under any obligation to grant any permission under Part III or any exemption from the provisions of Part III.

38. *Omitted.*

**Other powers.**

- 39.(1) Any permission, consent or authority granted under this Act—
- (a) may be either general or special; and
  - (b) may be revoked by the competent authority; and
  - (c) may be absolute or conditional; and
  - (d) may be limited so as to expire on a specified date, unless renewed; and
  - (e) shall be published in such a way as, in the opinion of the competent authority, to give any person entitled to the benefit of it an adequate opportunity of getting to know of it, unless in his opinion publication is not necessary for that purpose.
- (2) Any directions given under any provision of this Act—
- (a) may be either general or special; and
  - (b) may be revoked or varied by subsequent directions; and
  - (c) shall be given to such persons and in such manner as the competent authority thinks appropriate, and if so given shall be valid for all purposes.
- (3) Notwithstanding paragraph (c) of subsection (2), a person shall not by virtue of any direction given by the competent authority under this Act, be convicted of an offence against this Act, unless the direction was served on him or he knew, or avoided getting to know, of the giving thereof:
- Provided that where reasonable steps were taken for the purpose of bringing the purport of the direction to his notice, it shall be for him to show that he neither knew nor avoided getting to know of the giving thereof.
- (4) The competent authority may, to such extent and subject to such restrictions and conditions as he may think proper, delegate or authorize the delegation of any of his powers, other than any power to make orders or to give authority to apply for a search warrant, to any person, or class or description of persons, approved by him, and references in this Act to the competent authority shall be construed accordingly.
- (5) Any document stating that any permission, consent, authority or direction is given under any of the provisions of this Act by the competent

authority, and purporting to be signed on his behalf, shall be evidence of the facts stated in the document.

## **Financial provisions.**

40. Any expenses incurred under or by virtue of this Act by any Government department shall be paid out of moneys provided by the Parliament, and any sums received under or by virtue of this Act by any Government department shall be paid into the Treasury.

## **Branches.**

41.(1) The Governor may, by order or direction, provide that, for such of the purposes of this Act as may be specified in the order or direction—

- (a) any transaction with or by a branch of any business, whether carried on by a body corporate or otherwise, shall be treated in all respects as if the branch were a body corporate resident where the branch is situated; and
- (b) the making of any book entry or other statement recording a debit against a branch of any business in favour of any other branch of that business, shall be treated as a payment to that other branch; and
- (c) any property held by or on behalf of the person carrying on the business shall be deemed to be held by such of the branches of the business as may be determined in accordance with the order or direction,

and any such order or direction which makes, for any of the purposes of Part III, such provision as is mentioned in paragraph (c) may contain provisions declaring the circumstances in which a branch is to be treated as nominee for any other branch.

(2) Any reference in subsection (1) to a branch of a business shall be deemed to include a reference to the head office of that business.

(3) Subsections (1) and (2) shall apply in relation to any body of persons (whether corporate or unincorporate) carrying on any activity, whether for the purpose of profit or not, as they apply in relation to a business.

## **Persons leaving the scheduled territories.**

42. Where a person resident in Gibraltar leaves the scheduled territories, the Financial and Development Secretary may, before, at or after the time he leaves the scheduled territories, direct that, for such period as may be specified in the direction payments by him or on his behalf and to him or to

his credit and transactions in or in relation to Treasury bills, securities or secondary securities in which he is in any way concerned shall, whether or not he continues to be resident in Gibraltar, be subject to such restrictions as may be specified in the direction.

**Determination of residence.**

43.(1) For the purposes of this Act, a personal representative of a deceased person shall, unless the Financial and Development Secretary otherwise directs, be treated as resident in the territory where the deceased person was resident for the purposes in question at the time of his death and as not resident elsewhere, so far as relates to any matters in which the personal representative is concerned solely in his capacity as such.

(2) The Financial and Development Secretary may give directions declaring that for all or any of the purposes of this Act a person is to be treated as resident or not resident in such territories as may be specified in the directions.

**Continuance in force of Defence Regulations.**

44.(1) Regulations 1, 2, 6, 17 and 18 of the Defence (Finance) Regulations, 1942, \*shall continue in force by virtue of this Act.

(2) The Governor may revoke all or any of those regulations and may make such regulations to replace all or any of them as may, in his opinion, be necessary for purposes ancillary to the principal objects of this Act.

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**SCHEDULE 1**

Section 3

**THE SCHEDULED TERRITORIES.**

The United Kingdom, the Channel Islands and the Isle of Man.

Ireland, the Republic of

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**SCHEDULE 2.**

Section 32

**FOREIGN COMPANIES.**

1. The bodies corporate in question are bodies corporate not incorporated under the law of Gibraltar in the case of which any of the following conditions is fulfilled—

- (a) that the body corporate is by any means controlled (whether directly or indirectly) by persons resident in Gibraltar;

*\*See under Emergency Powers (Defence) Act 1939 and 1940.*

- (b) that more than one-half of the sums which, on a liquidation thereof, would be receivable by holders of share or loan capital would be receivable directly or indirectly by or for the benefit of persons resident in Gibraltar:

- (c) that more than one-half of the assets which, on a liquidation thereof, would be available for distribution after the payment of creditors would be receivable directly or indirectly by or for the benefit of persons resident in Gibraltar; or

- (d) that more than one-half—

- (i) of the interest payable on its loans and loan capital, if any; or
- (ii) of the dividends payable on its preference share capital, if any; or
- (iii) of the dividends payable on its share capital, if any, not being preference share capital,

is receivable, directly or indirectly, by or for the benefit of persons resident in Gibraltar.

2. Where the identity of the persons by whom or for whose benefit any sum, assets, interest or dividends are directly or indirectly receivable depends on the exercise by a person resident in Gibraltar of a power of appointment or similar power, the sum, assets, interest or dividends shall, for the purposes of this Schedule, be deemed to be receivable directly or indirectly by or for the benefit of persons resident in Gibraltar.

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## SCHEDULE 3.

Section 34

BLOCKED ACCOUNTS.

1. In this Schedule, the expression “a blocked account” means an account opened as a blocked account at an office or branch in Gibraltar in favour of any person by a banker authorized by the Financial and Development Secretary to open blocked accounts, and the expression “the banker” means, in relation to any person, a banker who opens a blocked account in favour of that person.

2. Where a direction is given that a payment is to be made to a blocked account only, then, subject to the next following paragraph—

- (a) the manner in which the payment may be made shall be either—
  - (i) to the banker, with a direction that it is to be credited to a blocked account of that person (which direction may, in the case of a payment by means of a cheque or warrant, be made by marking the cheque or warrant with the words “blocked account of” (naming the person in question ) or words to the same effect; or
  - (ii) by a crossed cheque or warrant drawn in favour of that person, marked with the words “payable only to blocked account of payee” or words to the same effect; and
- (b) the sum collected shall be credited by the banker to a blocked account of that person.

3. Where a direction is given that a sum is to be paid or credited to a blocked account only, then, notwithstanding the direction, the sum may, with the consent of the person to whom it is to be paid or credited, and subject to the requirements of Part III of this Act, be invested instead in the purchase for that person of any such investments as may be prescribed for the purposes of paragraph (a) of the proviso to the next following paragraph.

4. Any sum standing to the credit of a blocked account shall not be dealt with except with the permission of the Financial and Development Secretary:

Provided that, subject to compliance with the requirements of Part III of this Act—

- (a) the whole or any part of any such sum may, at the request of the person in whose name the account stands, be invested through the banker in such investments as may be prescribed; and
- (b) nothing in this Schedule shall be construed as restricting the manner in which the investments acquired may be dealt with.

5. Where a person in whose name a blocked account is standing becomes bankrupt in Gibraltar or dies, the banker may, notwithstanding anything in paragraph 4 of this Schedule, transfer the account to the name of the trustee in bankruptcy or personal representative, but, save as aforesaid, no change shall, except with the permission of the Financial and Development Secretary be made in the name in which the account stands; and where any such change is made (whether or not the permission of the Financial and Development Secretary is necessary therefor) the account shall remain a blocked account notwithstanding the change and the provisions of this Schedule shall apply accordingly.

6. Where—

- (a) a sum is due from any person to any other person but the Financial and Development Secretary directs that it shall be paid or credited to a blocked account only; and
- (b) the person to whom the sum is due nominates such an account to the person from whom the sum is due,

the last mentioned person is under a duty to the person to whom the sum is due to cause the sum to be paid or credited to that blocked account, and the crediting of any sum to a blocked account in pursuance of a direction of the Financial and Development Secretary shall, to the extent of the sum credited, be a good discharge to the person from whom the sum is due:

Provided that in the case of a sum due under a contract this paragraph shall not apply in so far as it is shown to be inconsistent

**SCHEDULE 4.**

Section 35

LEGAL PROCEEDINGS, ETC.

1. The provisions of Part II of this Act shall apply to sums required to be paid by any judgment or order of any court or by any award as they apply in relation to other sums, and it shall be implied in any judgment or order of any court in Gibraltar, and in any award given under the law of Gibraltar, that any sum required to be paid by the judgment, order or award (whether as a debt, as damages or otherwise) to which the said provisions apply shall not be paid except with the permission of the Financial and Development Secretary.
2. Nothing in this Act shall be construed as preventing the payment by any person of any sum into any court in Gibraltar but the provisions of Part II of this Act shall apply to the payment of any sum out of court, whether under an order of the court or otherwise, to or for the credit of any person resident outside the scheduled territories.
3. Without prejudice to the provisions of any enactments relating to the making of rules of court, rules of court—
  - (a) enabling any person who is required by any judgment, order or award to pay any sum, if he apprehends that the payment of that sum is unlawful under this Act except with the permission of the Financial and Development Secretary, to pay that sum into court; and
  - (b) declaring that payment of a sum into court by virtue of the preceding subparagraph, together with the delivery to the other party concerned of such evidence of the payment as may be prescribed by the rules, shall, to the extent of the payment, be a good discharge to the person making the payment; and
  - (c) so regulating the process of execution which may issue in respect of any sum required to be paid by any judgment, order or award as to secure that, unless it is shown, in such manner as may be prescribed by the rules, that the permission of the Financial and Development Secretary for the payment of the sum is not required under this Act or has been given without conditions, the proceeds of the execution will be paid into court, and, so far as is necessary for that purpose, varying the form of any writ of execution or other similar document or the duties of the sheriff or other officer to whom any such writ or other similar document is directed,



may be made, as respects the Supreme Court, or any other court, by such authority as may be designated in that behalf by the Chief Justice:

Provided that—

- (i) the form of any bankruptcy notice shall be such as may be prescribed by the Financial and Development Secretary; and
- (ii) nothing in this paragraph shall affect the provisions of any legislation which requires rules of court for inferior courts to have the concurrence of the rule-making authority for the Supreme Court.

4.(1) In any proceedings in a prescribed court and in any arbitration proceedings, a claim for the recovery of any debt shall not be defeated by reason only of the debt not being payable without the permission of the Financial and Development Secretary and of that permission not having been given or having been revoked.

(2) No court shall be prescribed for the purpose of this paragraph unless the Financial and Development Secretary is satisfied that adequate provision has been made therefor by rules of court for the purposes specified under the last preceding paragraph.

5.(1) In any bankruptcy, in the winding up of any company or in the administration of the estate of any deceased person (being a bankruptcy, winding up or administration carried on under the law of Gibraltar), a claim for a sum not payable without the permission of the Financial and Development Secretary shall, notwithstanding that the permission has not been given or has been revoked, be admitted to proof as if it had been given and had not been revoked:

Provided that nothing in this sub-paragraph shall be construed as affecting the application of the provisions of Part II of this Act to payments by any trustee, liquidator, personal representative or other person in any such bankruptcy, winding up or administration.

(2) The provisions of this Act restricting the making of settlements shall not apply to any deed of arrangement made for the benefit of creditors generally, and the provisions of subparagraph (1) shall apply in relation to proceedings under any deed of arrangement as they apply in relation to proceedings in bankruptcy.

6. A debt for the payment of which the permission of the Financial and Development Secretary is required under this Act shall, if in other respects it complies with the requirements of section 6(1) of the Bankruptcy Act, be allowed to be a good petitioning creditor's debt, notwithstanding such

requirement, if and to the extent that the debt can be satisfied either by a payment into court or by a payment to a blocked account.

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**SCHEDULE 5.**

Section 36

**ENFORCEMENT.**

**PART I.**

*General provisions as to evidence and information.*

1.(1) Without prejudice to any other provisions of this Act, the Financial and Development Secretary may give to any person in or resident in Gibraltar directions requiring him, within such time and in such manner as may be specified in the directions, to furnish to him, or any person designated in the directions as a person authorized to require it, any information in his possession or control which the Financial and Development Secretary or the person so authorized, as the case may be, may require for the purpose of securing compliance with or detecting evasion of this Act.

(2) A person required by any such directions as aforesaid to furnish information shall also produce such books, accounts or other documents (hereafter in this part of this Schedule referred to as "documents" ) in his possession or control as may be required for the said purpose by the Financial and Development Secretary or by the person authorized to require the information, as the case may be.

(3) Nothing in the preceding provisions of this paragraph shall be taken to require any person who has acted as barrister or solicitor for any person to disclose any privileged communication made to him in that capacity.

(4) Where a person is convicted on indictment for failing to give information or produce documents when required so to do under this paragraph, the court may make an order requiring the offender, within such period as may be specified in the order, to comply with the requirement to give the information or produce the documents.

2.(1) If a justice of the peace is satisfied by information on oath given by a person authorized by the Financial and Development Secretary to act for the purposes of this paragraph either—

- (a) that there is reasonable ground for suspecting that an offence against this Act has been or is being committed and that evidence of the commission of the offence is to be found at any

premises specified in the information, or in any vehicle, vessel or aircraft so specified; or

- (b) that any documents which ought to have been produced under the preceding paragraph and have not been produced are to be found at any such premises or in any such vehicle, vessel or aircraft,

he may grant a search warrant authorizing any police officer, together with any other persons named in the warrant and any other police officers, to enter the premises specified in the information or, as the case may be, any premises upon which the vehicle, vessel or aircraft so specified may be, at any time within one month from the date of the warrant, and to search the premises, or, as the case may be, the vehicle, vessel or aircraft.

(2) A person authorized by any such warrant as aforesaid to search any premises or any vehicle, vessel or aircraft, may search every person who is found in, or whom he has reasonable ground to believe to have recently left or to be about to enter, those premises or that vehicle, vessel or aircraft, as the case may be, and may seize any article found in the premises or in the vehicle, vessel or aircraft which he has reasonable ground for believing to be evidence of the commission of any offence against this Act or any documents which he has reasonable ground for believing ought to have been produced under the preceding paragraph:

Provided that no female shall, in pursuance of any warrant issued under this paragraph, be searched except by a female.

(3) Where, by virtue of this paragraph, a person has any power to enter any premises, he may use such force as is reasonably necessary for the purpose of exercising that power.

3.(1) Any article coming into the possession of an executive authority (whether in consequence of the seizure of the article under or by virtue of this Act or otherwise) which the authority has reasonable ground for believing to be evidence of the commission of an offence against this Act may be retained for a period of three months or, if within that period there are commenced proceedings in respect of such an offence in which the article is, or can properly be, adduced in evidence, until the final determination of those proceedings.

(2) For the purposes of this paragraph, any person to whom any powers of the competent authority under this Act are delegated or on whom any functions are conferred by or by virtue of this Act, including any police officer, shall be deemed to be an executive authority.

(3) For the purposes of this paragraph, any proceedings shall be deemed not to have been finally determined so long as there is pending any appeal

in the matter of the proceedings, and an appeal in that matter shall be deemed to be pending during the ordinary time within which such an appeal may be lodged, and, if such an appeal is duly lodged, the appeal shall be deemed to be pending until it is decided or withdrawn.

(4) The powers conferred by this paragraph in relation to any article shall be in addition to, and not in derogation of, any powers otherwise exercisable in relation thereto.

4. No person in or resident in Gibraltar shall—

- (a) with intent to evade the provisions of this Act, destroy, mutilate, deface, secrete or remove any documents;
- (b) in furnishing any information for any of the purposes of this Act, make any statement which he knows to be false in a material particular, or recklessly make any statement which is false in a material particular;
- (c) obstruct any person in the exercise of any powers conferred on him by virtue of this Part of this Schedule.

**PART II.**

*General provisions as to offences.*

1.(1) Any person in or resident in Gibraltar who contravenes any restriction or requirement imposed by or under this Act, and any such person who conspires or attempts, or aids, abets, counsels or procures any other person, to contravene any such restriction or requirement as aforesaid, is guilty of an offence punishable under this Part of this Schedule:

Provided that an offence punishable by virtue of Part III of this Schedule shall not be punishable under this Part of this Schedule.

(2) Where an offence punishable under this Part of this Schedule has been committed by a body corporate, any person who at the time of the commission of the offence was a director, general manager, secretary or other similar officer of the body corporate, or was purporting to act in any such capacity, shall be deemed to be guilty of that offence, unless he proves that the contravention was committed without his consent or connivance and that he exercised all such diligence to prevent the commission of the offence as he ought to have exercised having regard to the nature of his functions in that capacity and to all the circumstances.

(3) Any person who commits an offence punishable under this Part of this Schedule is liable—

- (a) on summary conviction, to imprisonment for not more than three months and to a fine;
- (b) on conviction on indictment, to imprisonment for not more than two years and to a fine;

and where the offence is concerned with any currency, any security, any gold, any goods or any other property, the court may, if they think fit so to do, order the currency, security, gold, goods or property to be forfeited.

(4) Except in the case of a body corporate convicted on indictment, the maximum fine which may be imposed for an offence punishable under this Part of this Schedule is—

- (a) on summary conviction £500; and
- (b) on conviction on indictment £1,000,

so, however, that (in either case) where the offence is concerned with any currency, any security, any payment, any gold, any goods or any other property, and does not consist only of a failure to give information or produce books, accounts or other documents with respect thereto when required so to do under Part I of this Schedule, a larger fine may be imposed not exceeding three times the amount or value of the currency, security, payment, gold, goods or property.

2.(1) No proceedings for an offence punishable under this Part of this Schedule shall be instituted, except by or with the consent of the Attorney-General or appropriate officer:

Provided that this subparagraph shall not prevent the issue or execution of a warrant for the arrest of any person in respect of such an offence, or the remanding in custody or on bail of any person charged with such an offence.

(2) Proceedings against any person in respect of an offence punishable under this Part of this Schedule may be taken before the appropriate court in Gibraltar having jurisdiction in the place where that person is for the time being.

(3) Any proceedings under a law establishing summary jurisdiction which may be taken against any person in respect of any offence punishable under this Part of this Schedule may, notwithstanding anything to the contrary in that law, be taken at any time within twelve months from the date of the commission of the offence or within three months from the date on which evidence sufficient in the opinion of the Financial and Development Secretary to justify the proceedings comes to the knowledge of the Financial and Development Secretary, whichever period last expires, or, where the

person in question was outside Gibraltar at the date last mentioned, within twelve months from the date on which he first arrives in Gibraltar thereafter.

(4) For the purposes of this paragraph a certificate of the Financial and Development Secretary as to the date on which such evidence came to his knowledge shall be conclusive evidence thereof.

3. The maximum period of imprisonment that may be imposed by the magistrates' court in Gibraltar—

- (a) in respect of the non-payment of a sum adjudged to be paid by a conviction for an offence punishable under this Part of this Schedule; or
- (b) in respect of the default of a sufficient distress to satisfy any such sum,

shall, in cases where the sum exceeds £20, be increased in accordance with the following scale, that is to say,—

<i>Where the amount of the sum adjudged to be paid by the conviction, as ascertained by the conviction, —</i>	<i>The said period shall not exceed, -</i>
Exceeds £20 but does not exceed £100	Four months.
Exceeds £100	Six months.

**PART III.**

*Import and export.*

1.(1) The enactments relating to imports and exports shall, subject to such modifications, if any, as may be prescribed to adapt them to this Act apply in relation to anything prohibited to be imported or exported by any of the provisions of Part IV of this Act except with the permission of the Financial and Development Secretary as they apply in relation to goods prohibited to be imported or exported by or under any of those enactments, and any reference in those enactments to goods shall be construed as including a reference to anything prohibited to be imported or exported by any of the provisions of Part IV except with the permission of the Financial and Development Secretary.

(2) References in this paragraph to the enactments relating to imports and exports shall be taken as including references to the Imports and Exports Act.

2. Any declaration required to be given under Part IV of this Act shall, for the purposes of the Imports and Exports Act, be deemed to be a declaration in a matter relating to the importation or exportation of goods.

3. If anything prohibited to be exported by any provision of Part IV is exported in contravention thereof, or is brought to a quay or other place, or water-borne, for the purpose of being so exported, the exporter or his agent shall be liable to the same penalty as that to which a person is liable for an offence to which the Imports and Exports Act applies.

4. Without prejudice to any of the preceding provisions of this Part of this Schedule, any person who, on any occasion, is about to leave Gibraltar or arrives in Gibraltar (which person is hereafter in this paragraph referred to as "the traveller") shall, if on that occasion he is required so to do by a revenue officer or an immigration officer—

(a) declare whether or not he has with him anything prohibited to be imported or exported by any of the provisions of Part IV except with the permission of the Financial and Development Secretary; and

(b) produce any such thing which he has with him,

and the officer may examine or search any article which the traveller has with him for the purpose of ascertaining whether he is conveying or has in his possession any such thing, and if the officer has reasonable grounds for suspecting that the traveller has about his person any such thing, search him, and may seize anything produced as aforesaid or found upon such examination or search as to which the officer has reasonable ground for suspecting that it is prohibited to be imported or exported by any of the provisions of Part IV except with permission of the Financial and Development Secretary:

Provided that no female shall be searched in pursuance of this paragraph except by a female.

5. Paragraph 1(2) of Part II of this Schedule shall apply also to offences punishable by virtue of this Part of this Schedule.

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## SCHEDULE 6.

*Omitted.*