

**FIRST SUPPLEMENT TO THE GIBRALTAR  
GAZETTE**

**No. 2,288 of 30th APRIL, 1986.**

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I ASSENT,  
PETER TERRY,  
GOVERNOR.  
30th April, 1986.



**GIBRALTAR No. 8 of 1986.**

AN ORDINANCE to amend the Building Societies Ordinance, the Development Aid Ordinance, the Estate Duties Ordinance, the Imports and Exports Ordinance, the Income Tax Ordinance, the Licensing and Fees Ordinance, the Public Health Ordinance and generally for the purposes of the financial policies of the Government.

ENACTED by the Legislature of Gibraltar.

**Short title and commencement.**

- 1.(1) This Ordinance may be cited as the Finance Ordinance, 1986.
- (2) Section 9 shall come into operation on the 17th day of April, 1986.
- (3) Sections 13 to 17 shall come into operation on the 1st day of July, 1986.
- (4) Section 18 shall be deemed to have come into operation on the 1st day of July, 1985.
- (5) Sections 19 to 25 shall come into operation on the 1st day of July, 1986.

(6) Section 26 shall come into operation on the 1st day of November, 1986.

(7) Section 27 shall come into operation on the 1st day of May, 1986.

(8) Section 28 shall come into operation on the 1st day of June, 1986.

### **BUILDING SOCIETIES.**

#### **Amendment of Section 39.**

2. Section 39(1) of the Building Societies Ordinance is amended by inserting immediately after the words "certificate of incorporation" the words "or registration".

#### **Amendment of Section 41.**

3. Section 41 of the Building Societies Ordinance is amended:-

- (i) by repealing sub-section (1)(c) thereof;
- (ii) by repealing sub-section (2)(e) thereof, and substituting therefor the following;

"(e) a statement of the name and address of its principal office in Gibraltar and the names and addresses of every director in Gibraltar;

(f) a statement from the pertinent authorities in the country of incorporation:

(i) that the society complies with the requirements of the legislation of that country appertaining to building societies; and

(ii) that the society is authorised under the legislation of that country to carry on business as a building society in Gibraltar."

#### **Amendment of Schedule 3.**

4. Schedule 3 of the Building Societies Ordinance is amended by omitting the first form entitled "Certificate of Incorporation", and substituting therefor the following new form:

**"CERTIFICATE OF INCORPORATION/REGISTRATION**

No.....

The Registrar of Building Societies in Gibraltar hereby certifies that the ..... Building Society, established at ..... is incorporated/registered under the Building Societies Ordinance this ..... day of..... 19 . The incorporation/ registration of a building society does not imply any approval by the registrar of its rules or tables, or any guarantee of its good management or financial stability.

.....  
Registrar of Building Societies."

**DEVELOPMENT AID.**

5. Section 10 (2)(c)(i) of the Development Aid Ordinance is amended by omitting the expression "£75,000" and substituting therefor the expression "£150,000".

**Amendment of Section 10(3).**

6. Section 10(3)(a) of the Development Aid Ordinance is amended by omitting the expression "£75,000" and substituting therefor the expression "£150,000".

**ESTATE DUTIES.**

**Amendment of Section 8.**

7. The Estate Duties Ordinance is amended by repealing Section 8(1) thereof and substituting therefor the following new subsection: "(1) Property passing on the death of the deceased shall not be deemed to include:

- (a) property held by the deceased as trustee for another person, under a disposition not made by the deceased, or under a disposition made by the deceased more than three years before his death where possession and enjoyment of the property was bona fide assumed by the beneficiary immediately upon the creation of the trust and thenceforward retained to the entire exclusion of the deceased or of any benefit to him by contract or otherwise;

- (b) a chose in action in Gibraltar against the trustees of a settlement if the deceased was not domiciled in Gibraltar and the property subject to the trusts of the settlement is property situate outside Gibraltar or property otherwise exempt from the payment of estate duty".

**Amendment of Section 10A.**

8. The Estate Duties Ordinance is further amended by repealing section 10A(1) thereof and substituting therefor the following new subsection:

- "(1) Where the deceased is at the date of his death a non-resident person, estate duty shall not be payable in respect of any property passing on the death of the deceased that is held on deposit in Gibraltar in any bank or building society, not being property in the form of securities or other documents of title relating to property otherwise situate in Gibraltar other than shares or debentures held in a company which is registered under the Companies (Taxation and Concessions) Ordinance and securities or debentures issued by the Government of Gibraltar which are exempt from estate duty".

**IMPORTS AND EXPORTS.**

**Amendment of Section 2.**

9. Section 2 of the Imports and Exports Ordinance is amended-

- (a) by inserting after the definition of the word "airport" the following definitions:

"`alcohol strength by volume' means the number of volumes of pure alcohol contained at the temperature of 20°C in 100 volumes of the product at that temperature"

“`volume' means alcohol strength by volume "

- (b) by omitting the definition of the term "malt liquors" and substituting therefor the following new definition:

" `malt liquors' includes ale, porter, beer and spruce".

**Amendment of Schedule I Part I.**

10. Part I of Schedule 1 to the Imports and Exports Ordinance is amended by omitting items 1 and 1A and substituting therefor the following new items:

"1. Malt liquors -

(a) in bottles or cans, per litre	27p
(b) in casks, per litre	14p
1A Cider, perry and mead, per litre	14p
1B. Low alcohol beverages made from malt of an alcohol strength by volume not exceeding 1.2% volume, per litre	14p".

**Amendment of Schedule I. Part II.**

11. Section 1 of Part II of Schedule 1 to the imports and Exports Ordinance is amended by omitting Item 1(a)(ix) and Item 1(a)(x) and substituting therefor the following:

"(ix) Accessories (excluding safety belts and car seat covers) specially designed for use in motor vehicles and imported separately; ad valorem	30%
(x) Car seat covers imported separately; ad valorem	12%
(xi) other vehicles, including trailers, not mechanically propelled; ad valorem	25% ".

**Amendment of Schedule 4.**

12. Sub-paragraph (g) of paragraph 1 of Schedule 4 to the Imports and Exports Ordinance is amended by omitting the figure "5" and substituting therefor the figure "2".

**INCOME TAX.**

**Amendment of Section 2.**

13. Section 2 of the Income Tax Ordinance is amended -

- (i) by inserting after the definition of the word "pension" the following new definition:

"`permitted individual' means an individual who-

(a) is a non-resident individual; and

(b) carries on, exercises or undertakes in Gibraltar any trade, business, profession, vocation or employment."

- (ii) by repealing the definition of the term "standard rate" and substituting therefor the following new definition:

"`standard rate' means the standard rate of tax imposed by Section 36".

**Amendment of Section 18.**

14. The Income Tax Ordinance is amended by repealing Section 18(2) thereof and substituting therefor the following new subsection:

"(2) Subject to the provisions of this Ordinance, where-

(a) a person carrying on any trade, business, profession or vocation incurs in any year of assessment capital expenditure wholly and exclusively on the provision of plant or machinery for the purposes of producing income from that trade, business, profession or vocation; and

(b) in consequence of his incurring that expenditure, the plant or machinery belongs to him at some time during the year of assessment-

then for the purposes of ascertaining the assessable income of that person from that trade, business, profession or vocation, there shall be deducted from his income the whole amount of that expenditure."

**Amendment of Section 24.**

15. Section 24(1) of the Income Tax Ordinance is amended by omitting the expression "£850" in the two places where it occurs and substituting therefor in each place the expression "£1,100".

**Amendment of Section 25.**

16. The Income Tax Ordinance is further amended by repealing section 25(1) thereof, and substituting therefor the following new subsection:

"(1) An individual who proves to the satisfaction of the Commissioner that during the year of assessment he was an apprentice shall be entitled to claim a deduction from the amount of his assessable income of £200:

Provided that the sum of £200 shall be reduced by one-twelfth for each complete calendar month that the individual is not resident in Gibraltar during the year of assessment."

**Amendment of Section 26.**

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

- (a) in subsection (1) thereof by omitting the expression "£850", and substituting therefor the expression "£1,100"
- (b) in subsection (2) thereof by omitting the expression "£850", and substituting therefor the expression "£1,100".

**Amendment of Section 26A.**

18. Section 26A of the Income Tax Ordinance is amended by omitting the expression "£1,000", and substituting therefor the expression "£2,000".

**Amendment of Section 27.**

19. Section 27 of the Income Tax Ordinance is amended -

- (a) in subsection (1) thereof by omitting the expression "£300", and substituting therefor the expression "£400";

- (b) in subsection (2) thereof by omitting the expressions "£360" and "£250", and substituting therefore the expressions and "£350" respectively;
- (c) in subsection (3) thereof by omitting the expressions "£600" and "£500", and substituting therefor the expressions "£700" and "£600" respectively;
- (d) in subsection (4) thereof by omitting the expressions "£720" and "£600", and substituting therefor the expressions "£820" and "£700" respectively;
- (e) in subsection (8) thereof by omitting the expression "£850", and substituting therefor the expression "£1,100".

**Amendment of Section 28.**

20. Section 28 of the Income Tax Ordinance is amended -

- (a) by omitting the expression "£850", and substituting therefor the expression "£1,100".
- (b) in proviso (a) thereof by omitting the expression "£700", and substituting therefor the expression "£950".

**Amendment of Section 32.**

21. The Income Tax Ordinance is further amended by repealing section 32, and substituting therefor the following new section:

"32. The deductions allowable under sections 26(2), 27(1) and (8), 28, 29, 30 and 31 shall be reduced by one-twelfth for each complete calendar month that the individual claiming the deduction is not resident in Gibraltar during the year of assessment."

**Replacement of Sections 36 and 37.**

22. The Income Tax Ordinance is further amended by repealing Sections 36 and 37 thereof and substituting therefor the following new sections:



"36. The standard rate of tax shall be 30 per cent.

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

The first £1,000 of taxable income at the rate of 20 per cent.

The next £4,500 of taxable income at the rate of 30 per cent.

The next £4,500 of taxable income at the rate of 35 per cent.

The next £3,000 of taxable income at the rate of 40 per cent.

The next £3,000 of taxable income at the rate of 45 per cent.

The remainder of taxable income at the rate of 50 per cent.

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

37A. Tax shall be charged on the taxable income of every non-resident individual to whom the provisions of section 34(1) do not apply, in accordance with the following bandings:

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

The next £4,500 of taxable income at the rate of 35 per cent.

The next £3,000 of taxable income at the rate of 40 per cent.

The next £3,000 of taxable income at the rate of 45 per cent.

The remainder of taxable income at the rate 50 per cent'.'. .

**Amendment of Section 38.**

23. Section 38 of the Income Tax Ordinance is amended by omitting the figures "40", and substituting therefor the figures "35".

**Amendment of Section 54.**

24. The Income Tax Ordinance is further amended by repealing Section 54(2) thereof and substituting therefor the following new subsection:

"(2) In assessing the income of a deceased person any deduction allowable under Sections 23, 24, 25, 26, 27(1), (2), (3), (4) and (8) and Sections 28 to 31 shall be reduced by one-twelfth for each complete calendar month that the deceased was dead before the end of the year of assessment."

**Amendment of Schedule.**

25. The Schedule to the Income Tax Ordinance is amended by repealing paragraph 9(1) thereof and substituting therefor the following:

"(1) Every employer shall maintain for each of his employees for every year of assessment a record on the appropriate form (to be known as a deduction card) of the employee's gross emoluments payable on each pay-day, and the tax deducted from the gross emoluments in accordance with this Schedule together with such other information as the Commissioner may require:

Provided that no such record need be kept for any employee for any year of assessment for which the emoluments of that employee are exempt from tax under Section 7."

**LICENSING AND FEES.**

**Amendment of Schedule 2.**

26. Paragraph 1(1) of Item 10 of Schedule 2 to the Licensing and Fees Ordinance is amended by omitting the expression "£1.00" and substituting therefor the expression "£2.00".

**PUBLIC HEALTH.**

**Amendment of Section 279.**

27. Section 279 of the Public Health Ordinance is amended by repealing paragraph (h) thereof.

**Amendment of Schedule 1.**

28. Schedule 1 to the Public Health Ordinance is amended by repealing paragraph 1 thereof and substituting therefor the following new paragraph:

"1. The price at which potable water is to be supplied shall, during the accounting period including 1st June 1986, and every such period thereafter, be as follows:-

(i) to shipping from Waterport Wharf and North Mole, at the rate of 35 pence per 100 litres;

(ii) to hotels at the rate of 35 pence per 100 litres and in addition thereto a charge to be known as the Standing Additional charge of £4 per calendar month;

(iii) to hospitals and schools at the rate of 50 pence per 100 litres and in addition thereto a charge to be known as the Standing Additional charge of £4 per calendar month;

(iv) by meter or otherwise to domestic consumers at the rate of 18 pence per 100 litres for the first 4,500 litres registered by any one meter in any one month, and at the rate of 45 pence per 100 litres registered in excess of 4,500 litres and in addition thereto a charge

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to be known as the Standing Additional charge of £1.50 per calendar month;

(v) undelivered supplies from fountains by small barrels, buckets or similar small containers, at the rate of a 5 pence per 40 litres;

(vi) to swimming pools, at the rate of £1 per 100 litres and in addition thereto a charge to be known as the Standing Additional charge of £4 per calendar month;

(vii) to industrial and commercial users, at the rate of 40 pence per 100 litres and in addition thereto a charge to be known as the Standing Additional charge of £4 per calendar month;

(viii) by meter or otherwise to Government departments and the Ministry of Defence and any other consumers not provided for in paragraphs (i) to (vii) at the rate of 50 pence per 100 litres and in addition thereto a charge to be known as the Standing Additional charge of £4 per calendar month;

(ix) for delivery by lorry, an additional charge of £5 per 4,500 litres; and for delivery by temporary pipes, an additional charge of £6 per 4,500 litres."

Passed by the Gibraltar House of Assembly on the 21st day of April, 1986.

J. L. BALLANTINE,  
Acting Clerk to the Assembly.