

Income Tax

PARENT AND SUBSIDIARY COMPANY RULES, 1991.

1952-11
Revoked
Subsidiary
1991/228

Rules made under s.98(1).

PARENT AND SUBSIDIARY COMPANY RULES, 1991

Revoked by LN. 2006/025 as from 9.3.2006

(LN. 1991/228)

1.1.1991

Amending enactments	Relevant current provisions	Commencement date
LN. 2005/159 2(1)		24.11.2005

ARRANGEMENT OF RULES.

Rule.

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PARENT AND SUBSIDIARY COMPANY RULES, 1991.

PARENT AND SUBSIDIARY COMPANY RULES, 1991.**Title and commencement.**

1. These Rules may be cited as the Parent and Subsidiary Company Rules, 1991 and shall come into effect on the 1st day of January 1992.

Interpretation.

2. (1) In these Rules, unless the context otherwise requires—

a “company of a Member State” means a company specified in Article 2 of the Directive on the common system of taxation applicable in the case of parent companies and subsidiaries of different Member States (90/435/EEC) or in article 15 of the Agreement between the European Community and the Swiss Confederation providing for measures equivalent to those laid down in Council Directive 2003/48/EC on taxation of savings income in the form of interest payment;

“relevant participation” means an interest in the voting share capital of another body corporate equal to at least 25% of the total of such share capital;

“share” means a share in the share capital of a company and shall include stock except where a distinction between shares and stock is expressed or implied.

(2) For the purposes of these Rules a company shall be deemed to have an interest in the shares of a company if—

- (a) it holds that interest (other than as bare nominee or trustee thereof) directly or indirectly or through a company or series of companies and whether such interest is legal, equitable or contractual, or
- (b) by reason of any agreement or arrangement with another person, it has the right to acquire an interest in those shares or the right to enjoy a dividend or other benefit from those shares:

Provided that a company shall not be deemed to have an interest in the shares of a company by reason of its holding those shares or an interest therein acting in a representative or financial capacity only, even though it may be entitled to remuneration for so acting or may have a charge or lien on those shares in respect of such remuneration.

Parent and Subsidiary Companies.

3. The provisions of these Rules shall apply to—

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- (a) a parent company, being a company–
 - (i) incorporated or registered in Gibraltar under the provisions of the Companies Ordinance;
 - (ii) ordinarily resident in Gibraltar;
 - (iii) having a relevant participation in a company of a Member State of the European Economic Communities;
- (b) a subsidiary company, being a company–
 - (i) incorporated or registered in Gibraltar under the provisions of the Companies Ordinance;
 - (ii) ordinarily resident in Gibraltar;
 - (iii) in which a company of a Member State has a relevant participation.

Corporation Tax.

4. A parent company shall not be liable to corporation or other taxation under the Ordinance in respect of income from any relevant participation:

Provided that at the date on which the income is received by the parent company, the relevant participation has been held beneficially by the company for a continuous period of 4 months or more.

Withholding Tax.

5. The provisions of section 39(1) shall not apply to dividends paid by a subsidiary to its parent.