

**SECOND SUPPLEMENT TO THE GIBRALTAR
GAZETTE
No. 4006 of 6 June, 2013**

LEGAL NOTICE NO. 81 OF 2013.

INTERPRETATION AND GENERAL CLAUSES ACT

INCOME TAX (AMENDMENT) REGULATIONS 2013

In exercise of the powers conferred on it by section 23(g)(ii) of the Interpretation and General Clauses Act, and of all other enabling powers, and for the purpose of implementing obligations falling within the Treaties, the Government has made the following Regulations—

Title and commencement.

1. These Regulations may be cited as the Income Tax (Amendment) Regulations 2013 and come into operation on 1 July 2013.

Amendment of Income Tax Act 2010.

2.(1) The Income Tax Act 2010 (“the Act”) is amended in accordance with the provisions of this regulation.

(2) In section 74 of the Act, in the definition of “Accrued in and derived from”—

(a) in paragraph (a)—

(i) delete the words “subject to (b)”; and

(ii) delete the words “or the preponderance of activities”;
and

(b) in paragraph (b) delete the words “preponderance of”.

(3) In “Table C” of Schedule 1 to the Act, after the entries for “Class 1” insert the following—

“Class 1A
“Inter-company loan interest”

- (a) Subject to (b) below, interest paid or payable by a company to another company arising from a loan or advance between these companies.
- (b) For the purposes of (a) no interest is chargeable where—
 - (i) the interest received or receivable from any one company is less than £100,000 per annum; or
 - (ii) the interest constitutes a trading receipt as defined by Schedule 3 paragraph 15 and is taxed accordingly.

For the purposes of (a) and (b)—

- (i) interest will be deemed to accrue and derive in Gibraltar where the company in receipt of the interest is a company registered in Gibraltar; and
- (ii) for the purposes of determining whether the threshold in (b)(i) has been exceeded, interest received from different companies will be considered to be from the same company where such companies are connected persons, as defined in paragraph 9 of Schedule 4.”.

Dated 6th June, 2013.

F R PICARDO,
For the Government.

EXPLANATORY MEMORANDUM

These Regulations amend the Income Tax Act 2010 for the purposes of satisfying EU requirements.

