

**SECOND SUPPLEMENT TO THE GIBRALTAR  
GAZETTE  
No. 4516 of 25 October, 2018**

---

---

LEGAL NOTICE NO. 228 OF 2018.

**INTERPRETATION AND GENERAL CLAUSES ACT**

**INCOME TAX (AMENDMENT) REGULATIONS 2018**

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 2018 and come into operation on the date of publication.

**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, after the definition for “Accrued in and derived from” insert the following–

““Artificial and fictitious” whether used conjunctively or disjunctively means –

- (a) not real and not genuine; or
- (b) not consistent with the international standard of the arm’s length principle as defined by the Organisation for Economic Co-operation and Development as part of their Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations as amended from time to time;”.

Dated 25th October, 2018.

F R PICARDO,  
Chief Minister,  
For the Government.

**EXPLANATORY MEMORANDUM**

These Regulations amend the Income Tax Act 2010 to clarify the interpretation of certain sections for the purposes of satisfying EU requirements.