

Gibraltar

Gibraltar is a peninsula at the southern tip of Spain, it is adjacent to Africa but within Europe

Gibraltar was one of the first European jurisdictions that offered exempt companies, which allows companies to be controlled outside the area and still maintain a preferential tax status.

The rock of Gibraltar has been a British Colony since 1704 and remains a British dependence economy. Following the accession of the United Kingdom into the European Community in 1973, Gibraltar became member under the provisions relating to dependent territories.

Gibraltar offers a preferential tax regime that can be applied to a variety of offshore vehicles.

Gibraltar has an area of 5.8 sq km. The Rock of Gibraltar is composed of limestone and has a maximum elevation of 426m. It has a population of approximately 27,649. Most of the civilian inhabitants are Portuguese, Italian, Maltese, English or Spanish descendants. The official language is English, although Spanish is widely spoken.

Gibraltar is a Crown colony with internal self-government and to which the United Kingdom retains the responsibility to protect, defend, and maintain its financial stability.

SALIENT FEATURES

There are several types of companies, which are:

- Company Limited by shares (most common)
- Companies limited by guarantee having a share capital
- Companies limited by guarantee not having share capital
- Unlimited company with or without share capital
- Exempt Companies (Offshore)

Companies Act that prevents the disclosure of details concerning the beneficial owners of exempt and qualifying companies.

CORPORATE REQUIREMENTS

Name: The use of the words relating to the "Crown", "Royal", "Imperial", "Windsor", "Municipal" or "Chartered" are restricted. The names must end in "Limited", "Ltd". The words "International", "European", and "Gibraltar" need a special consent to be used.

Capital / Shares: There is no minimum authorized issued share capital for a company, except in the case of an exempt company which must have a minimum, issued and paid up capital of £100 and the case of a qualifying company that must have a minimum capital of £1000. Capital duty of 0.5%. Bearer shares of non par value are possible yet not practical.

Directors / Officers: Each company must have at least one (1) Director that needs not to be Gibraltarian. The role of the secretary is not a statutory office under the Law but it is customarily to appoint a local agent to undertake the necessary functions associated with the role.

Registered Office / Agent: A registered office must be maintained in Gibraltar where the statutory books must be kept.

Books, Records and Seal: A register book and seal must be kept at the Registered agent office.

Restrictions:

- No Gibraltarians or residents must have any beneficial interest on the company.
- Memorandum and Articles of Association cannot be kept outside Gibraltar if the company was incorporated there. If incorporated outside a true copy must be kept.
- Cannot carry any trade or business in Gibraltar or with Gibraltarians.

CONFIDENTIALITY

The Gibraltar Companies Ordinance is based on the British Companies Act. The source of legislation is the corporate Law 1929 Act introduced as companies ordinance.

The main offshore vehicle in Gibraltar is the Exempt Company, which can be either incorporated directly in Gibraltar or registered as an overseas under the Part IX of the Act.

EXEMPTION FROM TAX

Exempt companies can obtain an exempt certificate that grants a period of 25 years of tax exemption from Gibraltar. The fee for this tax exemption certificate is £100, which will be charge additional to the annual government tax (£225).

Beneficial owner is also entitled to exemption from taxes. No stamp duty is payable any person on any document relating to the issue, allotment, renunciation, transfer, assignment, or disposition of shares in an exempt company.

Taxation shall be charged on the profits of the company at the rate of 2% on income not remitted to Gibraltar and 17% on income so remitted. (For companies that does not have exempt certificate)

Gibraltar is not a signatory of any tax treaty.

TRANSFER OF FUNDS

There is no exchange control of funds in Gibraltar. The unit currency is British Pound £.