



SUPPLEMENT No. 2
TO
THE SOVEREIGN BASE AREAS GAZETTE
No. 448 of 6th September, 1976.
LEGISLATION

ORDINANCE 7 OF 1976.

AN ORDINANCE

TO AMEND THE ESTATE DUTY ORDINANCE, 1965.

R. D. AUSTEN-SMITH

31st August, 1976.

ADMINISTRATOR

BE it enacted by the Administrator of the Sovereign Base Areas of Akrotiri and Dhekelia as follows:—

1. This Ordinance may be cited as the Estate Duty (Amendment) Ordinance, 1976 and shall be read as one with the Estate Duty Ordinance, 1965 as amended by the Estate Duty (Amendment) Ordinance, 1968 (hereinafter referred to as “the principal Ordinance”).

Short title.

Ordinances
6 of 1965 and
13 of 1968.

2. Section 2 of the principal Ordinance is hereby amended:—

Section 2
of the principal
Ordinance
amended.

(a) by deleting sub-paragraph (a) in the definition of “estate” in subsection (1) thereof and substituting therefor the following new definition:—

“(a) in the case of a deceased person who was at the time of his death domiciled in the Areas, all property settled or not settled which passes on his death, except property acquired directly or indirectly in the Areas after the 1st January, 1976 through remittances of money from any place outside the Areas or the Republic as long as the Commissioner is satisfied that such person was at any time prior to his death permanently resident outside the Areas;”;

(b) by deleting the definition of “property” in subsection (1) thereof and substituting therefor the following new definition:—

“‘property’ includes movable and immovable property of every kind and the proceeds of sale thereof respectively and any money or investment or other asset for the time being representing the proceeds of sale, but where a deceased person was not domiciled in the Areas, it does not include shares in a company established in the Republic, the main purpose of which is to acquire and exploit a Cyprus ship as defined in the Merchant Shipping (Tax Provisions) Law of the Republic, or shares in a company established in the Areas or the Republic, the main purpose of which is to transact business or work outside the Areas or the Republic ;” ;

- (c) by inserting in subsection (1) thereof, in its proper alphabetical order, the following new definition :—

“‘child’ means the legitimate child of a deceased person and includes a child born after the death of such person, a step child or a child adopted by the deceased person in accordance with any legislation in force for the time being, as well as an illegitimate child of any deceased woman ;” .

Section 4
of the principal
Ordinance
amended.

3. Section 4 of the principal Ordinance is hereby amended by deleting the word “three” appearing in the second line of the proviso thereto and substituting therefor the word “fifteen”.

Section 5
of the principal
Ordinance
amended.

4. Section 5 of the principal Ordinance is hereby amended by inserting at the end thereof the following new proviso :

“Provided that in determining the value of the estate of any deceased person, the following allowances shall be made :—

- (a) with regard to the surviving spouse of the deceased person, a sum of five thousand pounds ;
- (b) with regard to every surviving child of the deceased person who had not completed his twenty-first year of age at the time of the death of the deceased person or although he had completed his twenty-first year of age is physically or mentally incapacitated, a sum of three thousand pounds ;
- (c) with regard to every surviving child of the deceased person who had completed his twenty-first year of age at the time of the death of the deceased person, a sum of one thousand and five hundred pounds ;
- (d) with regard to the surviving children of a child of the deceased person who has died before the deceased, a sum of one thousand and five hundred pounds for every such child of a child of the deceased person ;
- (e) with regard to gifts or donations made by virtue of a will of a deceased person, or by the administrator of his property, to any religious or charitable institution in Cyprus approved as such by the Chief Officer or the appropriate authority of the Republic, a sum not exceeding twenty thousand pounds ;
- (f) with regard to gifts or donations made by virtue of a will of a deceased person, or by the administrator of his property, to the Crown, the Republic or to a local authority

in Cyprus for religious, charitable, educational, cultural or other public purposes, the whole sum of such gift or donation.”.

5. Section 6 of the principal Ordinance is hereby amended by deleting :—

Section 6
of the principal
Ordinance
amended.

- (a) the two provisos to subsection (1) thereof, and
- (b) the colon after the word “Schedule” appearing in the sixth line thereof and substituting therefor a full stop.

6. Section 7 of the principal Ordinance is hereby amended by deleting sub-paragraph (ii) of the proviso to paragraph (d) thereof and substituting therefor the following new sub-paragraph (ii) :—

Section 7
of the principal
Ordinance
amended.

- “(ii) outright gifts on which the deceased has reserved no benefit whatever by contract or otherwise made to the Crown or to the Republic or to any local authority in Cyprus for religious, charitable, cultural, educational or other public purposes or up to a sum of twenty thousand pounds to any religious or charitable institution in Cyprus approved as such by the Chief Officer or the appropriate authority of the Republic, shall not form property passing on death ;”.

7. The principal Ordinance is hereby amended by inserting immediately after Section 18 thereof the following new section to be numbered 18A :—

New Section
18A added
to the principal
Ordinance.

“Reduction
of duty in
case of gifts
of two years
and over.

18A. Whenever any property in the form of a gift made two years prior to the death of the deceased person is deemed as property passing on death the estate duty payable on such property shall be reduced by fifty per centum.”.

8. Section 19 of the principal Ordinance is hereby amended by deleting :—

Section 19
of the principal
Ordinance
amended.

- (a) in subsection (1) thereof the word “five” in the twenty-sixth, twenty-eighth and twenty-ninth lines and substituting therefor the word “twenty five”, and
- (b) in the second line of subsection (2) thereof the word “five” and substituting therefor the word “twenty five.”.

9. Section 23 of the principal Ordinance is hereby amended by adding at the end of the proviso in subsection (1) thereof, the following new second proviso :

Section 23
of the principal
Ordinance
amended.

“Provided further that, in the case of a donation, where the value of any property at the time of the death of the deceased is higher than that at the time of the donation, the value of such property shall be the price which, in the opinion of the Commissioner, such property would fetch if sold in the open market at the time of the donation.”.

New Section 23A added to the principal Ordinance.

10. The principal Ordinance is hereby amended by inserting immediately after Section 23 thereof the following new section to be numbered 23A :—

“Determination of pending cases.

23A. Notwithstanding the provisions of section 23, whenever the assessment of the estate duty in relation to a person who died prior to July, 1974 is made within a period of six months from the date of the coming into operation of this Ordinance, the Commissioner shall, in determining the value of any property, take into consideration the price which in his opinion, such property would fetch if sold in the open market at the time of the assessment.”.

Section 29 of the principal Ordinance amended.

11. Section 29 of the principal Ordinance is hereby amended by deleting the proviso to paragraph (d) of subsection (3) thereof and the colon after the word “certificate” and substituting therefor a full stop.

Section 49 of the principal Ordinance amended.

12. Section 49 of the principal Ordinance is hereby amended by deleting the word “four” in the first line thereof and substituting therefor the word “six”.

Schedule to the principal Ordinance repealed and replaced.

13. The Schedule to the principal Ordinance is hereby repealed and replaced by the following new Schedule :—

“ S C H E D U L E

(Section 6).

Scale of Rates of Estate Duty Payable.

| | | |
|-----------|--|-----|
| Class 1 : | On every pound in excess of £ 15,000 but not exceeding £ 20,000 | 20% |
| Class 2 : | On every pound in excess of £ 20,000 but not exceeding £ 30,000 | 25% |
| Class 3 : | On every pound in excess of £ 30,000 but not exceeding £ 50,000 | 30% |
| Class 4 : | On every pound in excess of £ 50,000 but not exceeding £ 75,000 | 35% |
| Class 5 : | On every pound in excess of £ 75,000 but not exceeding £ 100,000 | 40% |
| Class 6 : | On every pound in excess of £ 100,000 | 45% |

Operation of this Ordinance.

14. This Ordinance shall apply to the estate of any person who died after the 30th January, 1976.

A.W. STEPHENS
Chief Officer.

31st August, 1976.
(104/11/1)