



SUPPLEMENT No. 2
TO
THE SOVEREIGN BASE AREAS GAZETTE
No. 1527 of 30th January 2009
LEGISLATION

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CAPITAL GAINS TAX (AMENDMENT) ORDINANCE 2009

An Ordinance to amend the Capital Gains Tax Ordinance 2006

J. H. GORDON
ADMINISTRATOR

22nd January 2009.

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

1. Short Title

This Ordinance may be cited as the Capital Gains Tax (Amendment) Ordinance 2009.

2. Section 10 of the Capital Gains Tax Ordinance 2006 amended

Section 10 the Capital Gains Tax Ordinance 2006**(a)** is amended by inserting the following new paragraph (j)-

“(j) a transfer of property from one ex-spouse (referred to as “the donor” in this paragraph) to the other ex-spouse (referred to as “the donee” in this paragraph) giving effect to a court order in the context of-

- (i) divorce proceedings or proceedings for the dissolution of marriage but only if those proceedings were in being on 25th July 2008 or were commenced after that date;
- (ii) a settlement following proceedings under the Settlement of Property Issues between Spouses Law**(b)** of the Republic but only if those proceedings were in being on 25th July 2008 or were commenced after that date:

Provided that:

- (iii) in such a case the value of the property shall be taken to be the lower of its original value and its readjusted value at the time of acquisition by the donor or its value as at 1st January 1980 if this is later:
- (iv) where the property was acquired by the donor before 14th July 1974, the donee may elect for the value of the property to be taken to be its value as at 14th July 1974:
- (v) where the property was acquired by the donor by donation in accordance with paragraph (b), the proviso to paragraph (b) applies instead of this proviso.”

3. Commencement

This Ordinance comes into force on the day it is published in the Gazette.

Notes

(a) Ordinance 2/06.

(b) Law No 232/91, Republic of Cyprus.

EXPLANATORY NOTE

(This note does not form part of the Ordinance)

Introduction

1. This explanatory note relates to the Capital Gains Tax (Amendment) Ordinance 2009 (“the Ordinance”). It has been prepared by the Office of the Attorney General and Legal Adviser in order to assist the reader of the Ordinance. It does not form part of the Ordinance.

2. The Ordinance amends the Capital Gains Tax Ordinance 2006 to add a further circumstance in which a disposal of property does not occur. It does so by adding a new paragraph (j) to section 10. The Ordinance replicates the effect of an amendment made to the Capital Gains Tax Law of the Republic by Law 66(I)/2008. The amendment to the Republican law applies to outstanding proceedings at the date of the entry into force of Law 66(I)/2008. That law entered into force on 25 July 2008 hence that is the date referred to in subparagraphs (j)(i) and (ii) on which proceedings must be in being in order for the amendment to apply.

