

FREQUENTLY ASKED  
QUESTIONS

ANNUAL RETURNS,  
ANNUAL ACCOUNTS,  
AND TAX RETURNS



What is the difference between an Annual Return, Annual Accounts and a Tax Return?

## **The Annual Return**

### **What is an Annual Return?**

An Annual Return is a document filed each year with the Registrar of Companies to confirm the current structure and status of the company.

The Annual Return states the current registered office, directors, shareholders, secretaries, authorised and issued share capital, activity of the company, number of employees, and details of any charges registered against the company.

### **Do I Have to File an Annual Return?**

Yes. It is compulsory for a company registered in Gibraltar to file an Annual Return every year. This document must be signed by a director or secretary of the company.

### **Are There Penalties for Late Filing?**

Yes. The Annual Return must be delivered to the Registrar within 30 days after the end of the period to which the document relates. If the filing requirements are not made in time, the company is guilty of an offence and liable to pay a fixed penalty.

### **Are There any Risks to the Company for Failing to File an Annual Return?**

Yes. In addition to the penalties, after a period of time the Register, will strike-off the Company from the Roll of Registered Companies. The assets of the company will then pass to the British Crown (in other words, the State).



## How can I Avoid my Company Being Struck off the Register?

Make sure all fees are paid on time (invoices are payable on presentation) and that Europa Trust Company Ltd has all the relevant information to prepare the Annual Return and file it with the Registrar of Companies.

If your fees or information are not up-to-date, please contact us immediately to help you find a solution and avoid the company being struck off.

## Annual Accounts

### Must Accounts be Maintained?

Yes. Annual Accounts must be prepared and maintained.

### Must Accounts be Filed at the Companies Registry?

Yes. It is compulsory to file company accounts for each financial year.

### What Type of Accounts Must be Filed?

In the European Union (including Gibraltar) companies are classified by size as micro, small, medium or large.

The type of accounts to be filed at the Companies Registry vary according to the company's classification.

- Micro companies — are required to file an abridged balance sheet only.
- Small companies — are required to file an abridged balance sheet only.
- Medium-sized companies — must file full accounts except that the profit and loss account may be in abridged format.
- Large companies — must file full accounts including a balance sheet, profit and loss account, notes, directors' report and auditors' report.

A public company is not regarded as micro, small or medium-sized company for the purposes of the Act.



## How is a Company Classified?

A company must fall within two out of three parameters in the financial year in question and the preceding year in order to be classified as small or medium-sized. However, if a company exceeds or ceases to exceed the limits of more than one of the parameters it will continue to qualify for the relevant year unless this occurs in two consecutive years. For a newly incorporated company the conditions need only be met in its first financial year.

	<b>Net Turnover (Pro-rated if more than or less than a year):</b>	<b>Balance Sheet Total (Total assets):</b>	<b>Average number of persons employed in each year:</b>
<b>Micro-Entity</b>	Does not exceed £632,000	Does not exceed £316,000	Does not exceed 10
<b>Small</b>	Does not exceed £10.2 million	Does not exceed £5.1 million	Does not exceed 50
<b>Medium</b>	Does not exceed £36 million	Does not exceed £18 million	Does not exceed 250
<b>Large</b>	Exceeds £36 Million	Exceeds £18 million	Exceeds 250

## What are the Filing Dates for a Company?

A company's accounts must be filed with the Companies Registrar once for each financial year of a company. The period allowed for filing is as follows:-

- for a private company, 13 months after the end of the relevant financial year;
- for a public company, 10 months after the end of the relevant financial year.

For example, where a company financial year ends on 30 March, it will have until 30 April the following year to file its accounts.

It is very important to note that while the Companies Registry allows this period of time for filing, the Tax Office allows only 9 months. See further information below regarding Tax Returns.

## Are There Penalties for Late Filing?

Yes. The Registrar will impose a penalty of £50 where the filing is later than 13 months. Where the filing is later than 24 months, the penalty becomes £100 per year.



There are additional criminal sanctions. If the filing requirements are not complied before the end of the relevant period, the company and every officer of the company who is in default, is guilty of an offence and liable to pay a fixed penalty or on summary conviction to a fine up to level 3 on the standard scale and imprisonment.

### **Must Accounts be Filed Anywhere Else?**

Yes. At the Tax Office. See further details below

## **Tax Return**

### **What is a Tax Return?**

A Tax Return is a document that must be filed each year with the Tax Office to disclose the income chargeable to tax received by the company during the financial year.

The Tax Return also discloses the current registered office, the principal activity of the company, trading name and address, company classification, tax computation, number of employees, depreciation, details of dividends paid, directors' fees, intercompany Interest, royalties, and contact details of the company's Tax Office representative.

### **Do I Have to File a Tax Return?**

Yes. It is compulsory for a company registered in Gibraltar to file a Tax Return every year.

### **Are There Penalties for Late Filing?**

Yes. The Tax Return must be filed at the Tax Office within 9 months after the end of the financial year. A failure to file on time will result in heavy penalties payable to the Gibraltar Income Tax Office of:

- £50 if not filed within 9 months; thereafter
- an additional £300 if not filed within 12 months; thereafter
- an additional £500 if not filed within 15 months;

A failure to file within 15 months of the Company's financial year end will, therefore, result in an £850 penalty.

The penalties apply to every year the tax return is not filed on time.



### Will the Company Have to Pay Tax?

Profits accrued *in* and derived *from* Gibraltar are charged with corporation tax of 10%. Profits accrued or derived *outside* of Gibraltar do not suffer corporation tax. There are some exceptions such as royalties and interest in intercompany loans.

### How can I Avoid Penalties?

Make sure all fees are paid on time (invoices are payable on presentation) and that Europa Trust Company Ltd has all the relevant information to prepare the Tax Return and file it at the Tax Office.

If your fees or information are not up-to-date, please contact us immediately to help you find a solution and avoid penalties being imposed.

### Working with Europa Trust Company Ltd

Europa Trust Company Ltd is part of the Europa Group. We have been based in Gibraltar for over 30 years and have built a reputation as a stable and reputable business.

We are licensed and regulated by the Financial Services Commission and ISO 27001 (Information Security Management Systems) and ISO 9001 (Quality Management Systems) certified.

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