

THIRD SUPPLEMENT TO THE GIBRALTAR GAZETTE

No. 5302 GIBRALTAR Wednesday 29th April 2026

B. 18/26

BILL

FOR

AN ACT to amend the Protected Cell Companies Act 2001 to provide for the issue of tokenised shares, to permit share registers to be maintained using distributed ledger technology, to make amendments consequent upon other enactments; and for connected purposes.

ENACTED by the Legislature of Gibraltar.

Title.

1. This Act may be cited as the Protected Cell Companies (Amendment) Act 2026.

Commencement.

2. This Act comes into operation on the day appointed by the Minister by notice in the Gazette and different days may be appointed for different provisions and for different purposes.

Amendment of the Protected Cell Companies Act 2001.

3.(1) The Protected Cell Companies Act 2001 is amended as follows.

(2) In section 2(1)–

(a) after the definition of “administrator”, insert–

“allow-listed” means, in relation to a digital wallet address, that the address has been verified and approved by the protected cell company as eligible for the receipt of share tokens;”;

(b) for the definition of “Chief Executive” substitute–

““cryptographic signature” means an electronic signature that is uniquely linked to and capable of identifying the signatory which is–

- (a) created using electronic data that the signatory can, with a high level of confidence, use under the signatory's sole control; and
- (b) linked to any data signed with that signature in such a way that any subsequent change in the data is detectable;

“digital wallet” means a software application or hardware device that stores the cryptographic keys necessary to access, hold and transfer share tokens;

“distributed ledger technology” or “DLT” has the meaning given in paragraph 138(2) of Schedule 2 to the Financial Services Act 2019;

“DLT share register” means a register of members maintained on a distributed ledger in accordance with section 18D;

“GFSC” means the Gibraltar Financial Services Commission within the meaning of section 21(1) of the Financial Services Act 2019;”;

(c) in the definition of “Minister”, for “Trade, Industry and Telecommunications” substitute “financial services”;

(d) after the definition of “Registrar”, insert—

““share token” means a digital representation of a cell share that—

- (a) is stored in an electronic format on a DLT share register;
- (b) contains, or is linked to or associated with, the information in respect of share certificates required by or under the Companies Act 2014;
- (c) is authorised at the time of issue by one or more electronic messages, commands or transactions signed with the cryptographic signatures of two officers designated in the company's articles or by its board of directors; and
- (d) is capable of being transmitted electronically to the company, the person to whom the share token is issued, and any transferee;

“smart contract” means self-executing code deployed on a distributed ledger that automatically executes, controls or records events and actions according to the terms of an agreement or the protocol rules of the distributed ledger on which it is deployed;”.

(3) In section 2(2), for “Companies Act” substitute “Companies Act 2014”.

(4) In section 3(3), for “Companies Act” substitute “Companies Act 2014”.

(5) After section 8(4), insert–

“(5) Part 1A provides for certain protected cell companies to issue shares in tokenised form.”.

(6) In section 9–

(a) in subsection (1), for “Chief Executive” substitute “GFSC”; and

(b) in subsection (6)(e), for “Chief Executive” substitute “GFSC”.

(7) In section 11–

(a) in the heading, for “Consent of the Chief Executive” substitute “GFSC’s consent”;

(b) in subsection (1)–

(i) in the opening words, for “Chief Executive” substitute “GFSC”;

(ii) in paragraph (a), for “as defined in section 2 of the Financial Services (Insurance Companies) Act” substitute “within the meaning of the Financial Services (Insurance Companies) Regulations 2020”;

(iii) in paragraph (b), for “Authority under the Financial Services (Collective Investment Schemes) Act, 2011” substitute “GFSC in accordance with Part 18 of the Financial Services Act 2019”;

(c) in subsection (2)–

(i) in paragraph (b), for “is not required to be licensed or authorised under the Financial Services (Investment and Fiduciary Services) Act or the Financial Services (Markets in Financial Instruments) Act 2006” substitute “, in order to carry on that activity, is not required to be authorised under the Financial Services Act 2019”;

(ii) in the closing words, for “Chief Executive” substitute “GFSC”;

(d) in subsection (3), for “Chief Executive” substitute “GFSC”;

(e) in subsection (4), for “Chief Executive may, from time to time, in such manner as he” substitute “GFSC may, from time to time, in such manner as it”.

(8) In section 12, for “Companies Act” substitute “Companies Act 2014”.

(9) In section 18(8)(b), for “Chief Executive” substitute “GFSC”.

(10) After section 18, insert–

**“PART 1A
TOKENISED SHARES**

Application.

- 18A.(1) This Part applies to protected cell companies which are (or will be) experienced investor funds authorised by the GFSC in accordance with Part 18 of the Financial Services Act 2019.
- (2) In this Part any reference to a protected cell company is limited to a company to which subsection (1) applies.
- (3) The Minister may by regulations amend the categories of protected cell companies to which subsection (1) applies.

Share tokens.

- 18B.(1) A protected cell company may, with the consent of the GFSC and where permitted to do so by its articles, issue the cell shares in respect of one or more of its cells in the form of share tokens.
- (2) Where a protected cell company issues any cell shares in the form of share tokens, all shares in the same cell must be issued in that form.
- (3) A share token issued in accordance with subsection (1) is a valid share certificate for the purposes of the Companies Act 2014 and—
- (a) the holder of a share token is a shareholder with the same rights and obligations as any other holder of cell shares of the same class; and
 - (b) the issue of share tokens does not alter or affect the legal nature of the underlying cell shares.
- (4) Despite section 153 of the Companies Act 2014, a protected cell company that issues share tokens is not required to issue or deliver physical share certificates in respect of cell shares represented by share tokens.
- (5) An application for consent under subsection (1) must—
- (a) be made in the form and manner the GFSC directs; and
 - (b) contain or be accompanied by—
 - (i) such information as the GFSC reasonably requires; and
 - (ii) any prescribed fee.

- (6) The GFSC may not give consent under subsection (1) unless it is satisfied that the applicant—
- (a) has the competence and capability to issue, manage and safeguard shares in tokenised form; and
 - (b) meets any other prescribed requirements.

Disclosure requirements.

- 18C. A protected cell company that issues share tokens must disclose that fact in any offering document in respect to those shares, together with information on—
- (a) the distributed ledger technology used;
 - (b) the cybersecurity risks associated with share tokens and how it addresses or mitigates those risks;
 - (c) the custody arrangements for share tokens and the procedures for their transfer;
 - (d) the procedures that apply in the event of a technology failure or cybersecurity incident; and
 - (e) any other matters that the GFSC may specify.

DLT share registers.

- 18D.(1)A protected cell company that issues cell shares in the form of share tokens must maintain its register of the members of that cell on a distributed ledger (a “DLT share register”).
- (2) A DLT share register must—
- (a) contain all the information required to be kept in a register of members by section 182 of the Companies Act 2014;
 - (b) enable the protected cell company to verify the identity of each shareholder;
 - (c) maintain a complete and accurate record of all transactions for the issue, transfer or redemption of cell shares;
 - (d) be capable of being produced in a legible printed form; and
 - (e) be secure, resilient and subject to appropriate cybersecurity measures.

- (3) A DLT share register must be under the ultimate control of the protected cell company and, regardless of the physical location of the register's distributed ledger nodes, is to be treated as kept at the company's registered office.
- (4) A DLT share register which is maintained in accordance with this section is to be treated as satisfying the requirements in section of 182 of the Companies Act 2014.
- (5) A protected cell company that issues share tokens is to be treated as satisfying the requirements of section 183 of the Companies Act 2014 if (subject to the payment of any applicable sum prescribed under that section)–
 - (a) it makes its DLT share register available for inspection by providing a member or other person with a means of remote access to the register, such as an internet portal or other appropriate electronic interface; and
 - (b) it provides a copy of the register, or of any part of it, to a member or other person, when requested to do so, by providing it in electronic form.

Custody of share tokens.

18E.(1) Share tokens may be held–

- (a) by the shareholder in a personal digital wallet, if the wallet address has been verified and allow-listed by the protected cell company; or
 - (b) with the GFSC's consent, in a custodial digital wallet on behalf of the shareholder by–
 - (i) the protected cell company's administrator; or
 - (ii) a DLT provider.
- (2) Where share tokens are held in custodial digital wallets, the protected cell company must take appropriate steps to ensure that its administrator or the DLT provider–
- (a) maintains appropriate segregation of share tokens held on behalf of different shareholders;
 - (b) has robust cybersecurity measures in place including, in particular, the use of hardware security modules, multi-signature arrangements and secure key management procedures;
 - (c) maintains business continuity and disaster recovery arrangements; and
 - (d) complies with any other requirements that may be prescribed.

- (3) The protected cell company must ensure that, regardless of whether share tokens are held in personal digital wallets or custodial digital wallets, appropriate procedures are in place for—
- (a) recovering access or reissuing share tokens in the event of the loss of private keys;
 - (b) managing share tokens in the event of the death or incapacity of a shareholder; and
 - (c) complying with any court order relating to share tokens.
- (4) An application by a protected cell company for consent under subsection (1)(b) must—
- (a) be made in the form and manner the GFSC directs; and
 - (b) contain or be accompanied by—
 - (i) such information as the GFSC reasonably requires; and
 - (ii) any prescribed fee.
- (5) The GFSC may not give consent under subsection (1)(b) unless it is satisfied that the administrator or DLT provider—
- (a) has the competence and capability to undertake the custody of shares in tokenised form; and
 - (b) meets any other any prescribed requirements.
- (6) In this section—

“administrator” means an experienced investor fund administrator who meets the requirements in regulation 9(3)(a) or (b) of the Financial Services (Experienced Investor Funds) Regulations 2020; and

“DLT provider” means a person with permission under Part 7 of the Financial Services Act 2019 to carry on the regulated activity in paragraph 139 of Schedule 2 to that Act.

Transfer of share tokens.

- 18F.(1) The transfer of a share token is a valid transfer of the cell share it represents if it is—

- (a) executed with the company's consent and in accordance with the distributed ledger's rules; and
 - (b) recorded on the DLT share register,
- (2) A share token may only be transferred with the consent of the protected cell company, given in accordance with—
- (a) the offering document which applied to the cell share that the share token represents;
 - (b) the company's articles; and
 - (c) any applicable statutory or regulatory requirements.
- (3) The company must ensure that share tokens are only transferred to—
- (a) persons who have been verified as being eligible, in accordance with the applicable statutory or regulatory requirements, to invest in the collective investment scheme of which the cell shares are a part; and
 - (b) digital wallet addresses that have been verified and allow-listed by the company.
- (4) A transfer made in accordance with this section is a valid transfer for the purposes of the Companies Act 2014 and, in particular, for the purposes of section 152 of that Act is to be treated as having been made under a proper instrument of transfer which has been delivered to the company.
- (5) Where a smart contract is used to effect the transfer of a share token—
- (a) the execution of the smart contract in accordance with its terms constitutes the delivery of a proper instrument of transfer; and
 - (b) the cryptographic signature of the transferor authorising the transfer is—
 - (i) as valid as a handwritten signature for all purposes; and
 - (ii) in particular, in the absence of contrary evidence, presumed to be the signature of the person to whom the corresponding public key for that cryptographic signature is attributed.

Application of other provisions.

18G.(1) Subject to any express provision to the contrary, the provisions of this Act and the Companies Act 2014 relating to shares, share certificates and registers of

members apply to share tokens and DLT share registers with any necessary modification.

- (2) In the event of any conflict between this Part and any other provision of this Act or the Companies Act 2014, the provisions of this Part are to prevail.”.
- (11) In section 20–
- (a) in subsection (1)(f), for “Chief Executive” substitute “GFSC”; and
 - (b) in subsection (3)(c), for “Chief Executive” substitute “GFSC”.
- (12) In section 25–
- (a) in subsection (1)(e), for “Chief Executive” substitute “GFSC”; and
 - (b) in subsection (3)(b), for “Chief Executive” substitute “GFSC”.
- (13) After section 29, insert–

“Regulations.

- 30.(1) The Minister may make regulations generally for the purposes of, in consequence of, or for giving full effect to this Act and specifically in respect of anything required or permitted to be prescribed under this Act.
- (2) Without limiting subsection (1), regulations under this section may, in particular–
- (a) make different provision for different purposes;
 - (b) amend, repeal, revoke or otherwise modify an enactment; or
 - (c) make consequential, incidental, supplementary, transitional, transitory or saving provisions.”.

EXPLANATORY MEMORANDUM

This Bill amends the Protected Cell Companies Act 2001 to provide for the tokenisation of cell shares in protected cell companies which are authorised experienced investor funds.

The Bill also makes minor consequential amendments to the Act in respect of the Companies Act 2014 and the Financial Services Act 2019.

Clauses 1 and 2 contain preliminary provisions.

Clauses 3(2), (5) and (10) contain the principal amendments. Clause 3(2) sets out new defined expressions which support the tokenisation changes and Clause 3(5) signposts to the new Part 1A which is set out in Clause 3(10). Clause 3(13) sets out regulation making powers.

The new Part 1A enables protected cell companies which are authorised experienced investor funds to tokenise cell shares. It provides for share tokens to be registered using distributed ledger technology, imposes disclosure obligations and sets out requirements for their transfer and custody. It also makes provision for how share tokens are to be treated for the purposes of the Companies Act 2014.

Clauses 3(3), (4), (6) to (9), (11) and (12) contain consequential amendments which update references in the Act to the Companies Act 2014 and Financial Services Act 2019. Clause 3(13) contains regulation making powers.