

GOVERNMENT OF GIBRALTAR PRESS OFFICE No.6 Convent Place Gibraltar Tel:70071; Fax: 74524

PRESS RELEASE

No. 17/2007

Date: 18th January 2007

Page 1 of 2

The Government notes with deep regret the false and scurrilous accusations made against it that it has repossessed the offices of VOX at New Harbours for political reasons.

The offices that used to be occupied by VOX are owned by Gibraltar Commercial Property Co Limited, a Government owned Company. Rent and services charges have not been paid since May 2002. All letters from the landlord, its agents and Solicitors urging payment have been systematically ignored. In July 2004 a Solicitors letter threatening repossession if rent was not paid was ignored. The PDP leader Keith Azopardi knows this, since it was his law firm that acted for the landlord and wrote the Solicitors letter in July 2004. A further final warning in December 2006 was also ignored, following which the landlord's agents repossessed the property.

Regrettably the Newspaper's failure to pay its dues are not limited to rent. Social Insurance Contributions since <u>1995</u> have not been paid. PAYE Tax since <u>1995</u> has not been paid. Rates since 2002 has not been paid. In all the Newspaper's publishers owe the Government in excess of £300,000.

It is <u>not</u> the policy of the Government to take aggressive proceedings against any company or other citizen without first giving them the opportunity to enter into an agreement to pay off arrears over time. Several offers over a long period of time to enter into such agreements have been ignored by Vox. When agreements have been discussed and drawn up in writing they have not been signed or honoured.

Vox has therefore, of its own choice and making, and by its own failure to pay its taxes, rents and other dues, exhausted what has been an extensive and generous Government arrears recuperation procedure lasting many years.

The Government's obligation not to interfere with the press in a democracy does not extend to exempting companies from their obligations to pay rents, taxes and other legal dues. It is an insult to the intelligence of the people of Gibraltar to say that the Government can only avoid accusations of this sort by allowing a newspaper to indefinitely evade the payment of rents, rates and taxes. The most that the Government can do is to offer arrears agreements to allow payments over time. The Government has done this with Vox repeatedly.

In the above circumstances it is outrageous to suggest that the Government is the cause of Vox's predicament or that the Government has closed Vox for political reasons. Other newspapers are much more critical of the Government than is Vox.

The Government has not yet taken steps to put Vox into liquidation. So far only its premises have been repossessed. However, if Vox does not meet its payments, liquidation eventually is inevitable.