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**PRESS RELEASE**

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**Government has a solution to resolve tax concern**

Her Majesty's Government of Gibraltar notes the reports in various Spanish media sources in relation to statements made to the ECOFIN meeting of EU finance ministers in respect of the Gibraltar Income Tax Act.

The Code of Conduct Group has in fact actually raised only one issue of concern for which the Government has already said it has a solution. The Government had sought to discuss this solution and indeed clear it with the Code Group before yesterday's ECOFIN. We expect that meeting to take place shortly.

The reality is that Spain alone has made a self-serving statement at the meeting (of which Gibraltar and the UK had notice) in respect of the whole of the Act.

The Government has, via its professional advisers, consulted the financial services industry widely to consider a potential minor amendment to the Income Tax Act which would deal with the only issue raised by the Code Group.

As a result, the United Kingdom made clear in the Code Group meeting its satisfaction with the Income Tax Act's compliance with all Code Group recommendations. The UK also expressed its dissatisfaction with the Spanish attempt to continually raise non-points in respect of the Act.

Apart from the unwanted negative publicity generated by no doubt purposely ill-informed comment by Spanish media, the reality is that the Government is working with the Government of the UK to ensure the Income Tax Act is fully understood and accepted by all relevant EU institutions.

The Ministry for Financial Services will be circulating technical details of the proposed amendments to the legislation to the industry.