



HM GOVERNMENT OF GIBRALTAR
PRESS OFFICE
No.6 Convent Place
Gibraltar
Tel:20070071; Fax: 20043057

PRESS RELEASE

No: 19/2013

Date: 9th January 2013

“No Risks for Gibraltar Savings Bank”

In order to allay any concerns by the customers of the Gibraltar Savings Bank following the misleading and inaccurate statement which was issued yesterday by the GSD Opposition, Her Majesty's Government of Gibraltar reminds the public of the following facts which demonstrate that there are no reasons for Savings Bank depositors to have any concerns.

The Gibraltar Savings Bank is in fact subject to the same 'Know Your Client' and anti-money laundering requirements as any other Bank in Gibraltar. In fact, in this respect some basic research would have shown to Mr Feetham that the Gibraltar Savings Bank is actually specifically mentioned in the Crime (Money Laundering and Proceeds) Act as a 'Relevant Financial Business' and is therefore required to comply, and indeed does comply, fully with all its anti-money laundering obligations, as required by law. The issues to which Mr Bossano referred in Parliament relating to difficulties being experienced by operators in the finance sector with some of the local banks not opening accounts for companies with non-resident directors, is not about avoiding any anti-money laundering laws.

The Gibraltar Savings Bank has been in operation as a deposit-taking business for over 130 years. Its operations and activities were established and have always been and are subject to and governed by the provisions of the Gibraltar Savings Bank Act. In fact the Act provides that:

(1) The management and control of the Savings Bank is under the Director of the Gibraltar Savings Bank, who is and will continue to be the Accountant General one of the highest ranking officers of Her Majesty's Treasury.

(2) The investment of the bank's assets are and will continue to be under the direction of the Financial Secretary, the head of HM Treasury as provided for under the Gibraltar Savings Bank Act.

(3) The accounts of the Gibraltar Savings Bank are also subject to audit under the Act by the Principal Auditor, in compliance with relevant and applicable standards, as is the case with the public accounts of Gibraltar itself.

None of this has changed and demonstrates that the Savings Bank is more highly regulated (with its own Act of Parliament) than any Bank that is regulated by the Financial Services Commission (FSC). Regulation by the FSC is designed to provide the safeguards not otherwise applicable to private sector banking entities which are not established and governed by an act, not specifically mentioned in the law on money laundering by name and directed by the Government's Accountant General and the Financial Secretary himself.

The Savings Bank will indeed be expanding its deposits-taking function and this will include the provision of interest-bearing current accounts and business accounts free from any bank charges, including free cash handling services. Unlike any other bank, however, the repayment of all moneys deposited in the Gibraltar Savings Bank together with interest thereon is fully guaranteed by the Government. This is provided for under section 8 of the Gibraltar Savings Bank Act. There is therefore no question of any "risk" arising in respect of deposits in the Gibraltar Savings Bank, as so poorly suggested by Mr Feetham in his alarmist press release which is clearly designed to try to knock confidence in one of Gibraltar's soundest and safest financial institutions.

Mr Feetham should have thought before he issued his press release suggesting there is any risk affecting Gibraltar's oldest bank.