

**Gibraltar Day**

**In London**

**2013**



**Financial Services Lunch**

**Address by the Chief Minister and Minister of Finance,**

**Hon Fabian Picardo MP MA (OXON)**

Thank you Albert.

Ladies and gentlemen,

Thank you for taking the time out of your busy schedules to join us at this lunch hosted by Her Majesty's Government of Gibraltar.

Albert Isola mentioned the fact that he has a legal background. I have just noticed that so do all four government ministers here today and in fact so do my predecessor as chief minister, Sir Peter Caruana QC, and the current leader of the opposition in Gibraltar Daniel Feetham, who has accepted my invitation to attend this event and be seated at my table here today.

I am pleased to say that financial services has never been a politically divisive subject in Gibraltar.

Successive administrations have supported the sector without reservation.

I am delighted to say that my government is totally committed to the continued success of this important sector of our economy.

Albert touched upon the subject of partnership in his opening remarks and i would like to take that theme one stage further and talk of consensus. There is a consensus in Gibraltar (whether it be amongst the government, the industry or regulatory bodies) as

to the direction, shape and form Gibraltar's financial services sector is currently embarked on and should be taking in the future.

This can be summed up neatly by reference to our culture of compliance and our striving always for quality both in respect of the services that we provide and the operators that are licenced in the jurisdiction.

As a jurisdiction we deliver compliance with EU and international rules and norms to create a viable and attractive commercial environment.

We therefore seek business that is founded on sound reputational principles and a long term commercial rationale.

Indeed, this applies to all forms of new business and not just financial services.

I am often asked what has made Gibraltar so attractive to companies locating here.

Taxation is important and may be part of the package but of itself is not a single factor above all else.

The reality is that there are many more important considerations that quality businesses will focus on before low levels of taxation and I should like to take this opportunity to put a few of these considerations into context:

First and foremost, is of course the rule of law and political stability.

Gibraltar is proud of its close constitutional relationship with the United Kingdom.

The fact is that Gibraltar has been British for over 300 years and I paraphrase the support of the prime minister of the United Kingdom when, in a video message to the people of Gibraltar on our national day this past september, he said “Gibraltar has been British for 300 years. Let’s keep it that way...”

We are a self-governing parliamentary democracy; within the European Union with all the responsibilities and obligations that entails but also the rights and benefits that this brings.

Let me put it this way: Gibraltar has complied with its obligations to transpose all EU directives and other rules into Gibraltar law ahead of schedule. There are none pending which have passed their transposition deadlines. Very few other European jurisdictions can make that boast.

We are therefore ideally placed as a point of access to the European single market in services.

Legally speaking, Gibraltar’s enjoys the benefits of a common law system of laws administered by our supreme court.

That system is the one you know well and are familiar with.

The English rules of the supreme court determine the rules of procedure of our courts too.

And the expanded facilities of our court service now boasts four judges at first instance able to determine commercial disputes quickly and effectively in keeping with the principles you are used to working within – something which is always a challenge in civil law jurisdictions.

Our constitutional status is solid with the United Kingdom fully in support of our wishes and interests.

Fiscally Gibraltar is entirely economically self-sufficient and has this year enjoyed GDP growth of almost 8% and a record surplus as well as a four fold increase in available cash reserves.

A European success story in a bleaker background of austerity still dominating much of the rest of southern Europe.

- In fact, Gibraltar is ranked in the top 20 in global terms of GDP growth and is this year placed in the top 4 ranking of GDP per capita! That's right. The top 4. Up from 9<sup>th</sup>!
- Apart from financial services, Gibraltar has record breaking numbers of tourists visiting per annum. Some 10 to 12 million visit in total per annum.

- Gibraltar continues to be one of the largest ship bunkering port in the Mediterranean and in the world (in terms of bunkers delivered).
- Gibraltar is the world's foremost centre for the delivery of e-gaming services with a formidable reputation for the very highest standards of regulation as well as service. The 26 licensed gaming groups is made up of some of the most prestigious names in the sector. We are the silicon valley of online gaming development. That has led the remote gaming industry born in the mid nineties to become a global giant, with approximately 60% of the bets taken online being placed via one of the Gibraltar licencees!

In short, Gibraltar has a prosperous and stable economy within the EU single market.

In all that, Her Majesty's Government of Gibraltar has placed and places a huge amount of store by our reputation and has worked and will work tirelessly to ensure that this is protected above all else.

Today Gibraltar is an internationally cooperative financial services centre and in the words of Prime Minister David Cameron it would be wrong to refer to us as a tax haven.

That is an issue of cross-party consensus in the United Kingdom.

In the nineties, robin cook was already referring to Gibraltar as the benchmark jurisdiction for anti-money laundering regulation.

My government is committed to be at the forefront of international standards in this area; so that our culture of compliance applies not just to EU regulation, but also to

international initiatives which must be applied evenly across the spectrum of jurisdictions in the same space.

Gibraltar cooperates fully on all aspects of the fight against money laundering and the financing of terrorism on an all-crimes basis including tax evasion which is a serious offence in Gibraltar.

We encourage reviews of our jurisdiction by international bodies such as the OECD, the financial action task force and the international monetary fund.

Gibraltar has signed 26 tax information exchange agreements and has implemented the EU directive on administrative cooperation on tax matters with all 28 member states. Tomorrow afternoon i shall be signing our 27<sup>th</sup> tax information exchange agreement.

Gibraltar has sought that the OECD multilateral convention on tax matters be extended to it.

We have embraced the concept of automatic exchange of information for tax purposes along with the united states, the United Kingdom and G 5 pilot programme involving Spain, Italy, France, Germany and the UK (which is likely to be joined by a very significant number of countries).

And ladies and gentlemen, I stress, these are not just random examples of cooperation but rather a systematic strategy (on our part) of ensuring that we can be and are, objectively, considered to be a internationally cooperative financial services hub within the EU, working within the g8, the g 20 and the OECD criteria.

So Gibraltar offers international businesses a truly excellent regulatory environment - to European Union standards - and thus with the ability to access the EU single market in financial services; the single market in banking, insurance, reinsurance, insurance mediation and investment services including the alternative investment fund managers' arrangements within the European Union.

In light of what I have set out for you, I want to pause to thank Marcus Killick for his ten years of dedicated service to Gibraltar as Chief Executive of the financial services commission.

I have no doubt that in Gibraltar our success is always the result of the common endeavour of all those who work in every sector of our economy.

Gibraltar's financial services success is therefore clearly also in great measure the fruit of Marcus Killick's work and dedication.

Thank you Marcus. I know that you will continue to be an important part of the future success of the place you have grown to call home!

Some of you are long standing friends of Gibraltar who need no introduction to us as place to do business.

You already know that Gibraltar has the human capital, the bandwidth, the infrastructure and - despite our size - the space for your business.

So let me tell you a little more about what is happening in Gibraltar that is not strictly business.

Because once your business is done, Gibraltar is developing well as a place to enjoy your downtime too.

I know these soft issues matter also when choosing a place to settle or do business.

Our hotel offering is developing apace. We expect the new Sunborn 5 star hotel to open its doors early in the new year to complement the existing offering and the Rock Hotel have confirmed a refurbishment programme starts in earnest next month. The Caleta hotel have invested hugely already in their room offering and the Elliott will soon benefit from a government project that will convert the external areas from car parking to another one of the green areas that we will deliver in the next two years.

This weekend Gibraltar buzzed - in 25o heat - to Jools Hollands climatic finale of our 2nd international jazz festival at the site of what will become the new queens theatre.

Our annual music festival is going from strength to strength.



And at the end of this week we will have the first Gibraltar Literary Festival.

When added to the Gibraltar open chess tournament, now recognised as the biggest and best open chess festival in the world, and the nascent open backgammon tournament, there is no doubt that Gibraltar is no sleepy backwater - even when we are not the setting for an episode of the BBC's New Tricks, Top Gear or the latest Le Carre novel.

But remember, its in business that our strongest success lies.

16% of all motor insurance policies in the United Kingdom, now written in Gibraltar;

60% of all bets taken online are estimated to be placed with Gibraltar's licenced operators; and

In a regulatory environment that prides itself on its culture of compliance, reflecting our transposition of all EU rules and directives ahead of transposition deadlines.

That includes the transposition of the alternative investment fund management directive, which will make Gibraltar a choice jurisdiction for investment fund management granting passporting access to the single European market.

Combine all of those factors and Gibraltar is clearly amongst the most exciting prospect for European business today providing the building blocks quality businesses are looking for when considering a new location to partner in.

I thank you once more for attending and urge you to find out more about us and what we can offer but before I leave you I have one announcement to make.

My government has made a considerable investment in the hiring of a series of new senior business executives spanning our target areas of:

1. Private client activities : Paul Astengo
2. Insurance and pensions : Mike Ashton
3. Investment services including hedge funds : Philip Canessa and Victor Galliano, the latter based at Gibraltar House in the Strand.

Our new team will bring welcome expertise, energy and I expect, business to Gibraltar and I look forward to welcoming the continued expansion of this industry.

In this context, I should therefore like, on behalf of the Minister for Financial Services and myself, to give you a preview of the new financial services website which we are delighted to be able to launch today and which will be live within the next hour.

This is one further example of our support for this sector and I can promise you that there are more on the way.

Thank you very much once again and I leave you with, the new Gibraltar financial services website.

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