



PRESS RELEASE

No: 491/2015

Date: 9th July 2015

Montoro Does Not Want To Face the Truth

The Chief Minister, the Hon Fabian Picardo QC MP, has written to Spanish Minister for Hacienda, Sr Montoro, noting with amazement the comments he purportedly made on Friday 19 June 2015 to the effect that Gibraltar ought to have featured in the list of 30 uncooperative countries and jurisdictions recently published by the European Commission.

Mr Picardo tells Mr Montoro that although HMGoG can understand his frustration with the truth about Gibraltar's excellent compliance record being known, the level of his self-denial appears to have fallen to new depths. It is to be recalled that on 18 June 2013, the Chief Minister first wrote directly to Sr Montoro, explaining to him in detail Gibraltar's compliance with all EU and international requirements on tax transparency and cooperation and Gibraltar's desire to enter into a tax information exchange agreement with Spain. In addition, the Chief Minister then invited Sr Montoro to send a team of his officials to Gibraltar to verify the position for themselves. A copy of the letter is attached. The Chief Minister tells Sr Montoro he is still waiting for a reply to his first letter and invitation.

In addition, his letter sets out that, since 18 June 2013, Gibraltar has taken further strides to remain at the vanguard of compliance with international standards and requirements on tax transparency and cooperation. In particular:

1. On 4 November 2013, Commissioner Michel Barnier, then European Commissioner for the Internal Market, confirmed that there were (a) no Directives on exchange of information or mutual assistance on tax matters outstanding for transposition in Gibraltar, (b) no Directives to combat money laundering outstanding for transposition in Gibraltar and (c) no well-founded complaints against Gibraltar for an alleged failure to provide or exchange information or to collaborate on tax, financial services or money laundering matters.
2. The OECD and Council of Europe Convention on Mutual Administrative Assistance in Tax Matters (as amended by the provisions of the Protocol amending the Convention on Mutual Administrative Assistance in Tax Matters) was extended to Gibraltar on 13 November 2013 and became effective on 1 March 2014.
3. On 21 November 2013, Gibraltar entered into a Foreign Account Tax Compliance Act ("FATCA") Inter-Governmental Agreement with the United Kingdom on automatic exchange of tax information.



4. On 8 May 2014, Gibraltar entered into a similar FATCA Inter-Governmental Agreement with the USA.
5. On 29 October 2014, Gibraltar signed the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information ("MCAA"), colloquially known as "Global FATCA". Some 90 countries are now committed to this Common Reporting Standard.
6. On 29 October 2014, the OECD published its Phase 2 Review Report on Gibraltar's overall performance on exchange of tax information and transparency. In its Report the OECD gave Gibraltar an overall rating of "Largely Compliant", the same rating as the United Kingdom and Germany.
7. HMGoG is fully committed to transposing, well before the deadline, the recently agreed 4th Anti-Money Laundering Directive pursuant to which it will establish a Central Register on beneficial ownership granting full access to such information to the law enforcement bodies in the Member States.

Commenting on Sr Montoro's latest outburst, the Chief Minister said:

"I have told Sr Montoro that it is clear that he does not want to face what is obviously such an inconvenient truth to him, namely, that Gibraltar is fully compliant with all EU and international standards on tax transparency and cooperation. Gibraltar's absence in the EC's recently published list is entirely justified and reflects the reality of Gibraltar's compliance. What is more, as Sr Montoro ought to know, I remind him that even though Spain refuses to enter into a bilateral agreement with Gibraltar on exchange of tax information, both EU Directive 2011/16 on exchange of information on tax matters and the OECD and Council of Europe Convention on Mutual Administrative Assistance in Tax Matters apply as between Gibraltar and Spain providing internationally agreed standards for exchange of information and transparency. Indeed, the Gibraltar Income Tax Office regularly receives requests from Spain under the EU Directive and responds to all such requests. I have told Sr Montoro that it is therefore difficult to see any justification in his recent statements other than the blind pursuance of the denigration of Gibraltar notwithstanding all the evidence to the contrary. On 18 June 2013, I invited him to send a team of his officials to verify the position in Gibraltar for themselves. He has not replied. I invite him again today to do so. The international community should draw the necessary inferences from his unwillingness to discover the truth."