



HM Government of Gibraltar

Ministry of Financial Services
and Gaming

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Minister for Financial Services and Gaming **The Hon Albert Isola MP** **Budget Speech 2016**

Mr Speaker, I have the honour to present my third Budget address in relation to the areas that form part of my ministerial responsibilities, in what is our Government's fifth Budget since the General Election of December 2011, and first since last year's election.

Mr Speaker, the vote to leave the European Union on the 23rd June has led to the greatest period of political uncertainty in my lifetime. The firms and businesses in Gibraltar have in the main responded to this uncertainty in the manner I would expect; with a calm and professional period of reflection of the challenges and opportunities that lie ahead. The one overriding feature of this process is that there is time, time to consider the options, time to consider the challenges and time to consider the opportunities and time is absolutely necessary as until we understand the direction of travel, it will not be possible to plan with any degree of certainty. But of course I am not suggesting we do nothing, on the contrary, there are many things we need to be thinking about and working together to achieve which I will detail later in my address.

Now more than ever, Mr Speaker, our private sector and of course Government, need to work closely and quietly together in preparing ourselves to be best placed in the coming months and years.

Now that a battered Europe strives to stabilise and cope with the many challenges ahead, I am quietly confident, as is my way, that "project Gibraltar" will continue to benefit from the

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HM Government of Gibraltar • Suite 771, Europort • Gibraltar GX11 1AA

t +350 20068052 f +350 20047677 e mfsg@gibraltar.gov.gi w gibraltar.gov.gi



very fine efforts and significant inroads made by this Administration – on all fronts I might add – since it took office in 2011.

Moving on Mr Speaker, my message is simple; Gibraltar is open for business as usual, but there is work to be done!

That said Mr Speaker, I start by congratulating the Gibraltar International Bank for making a complete success of its first year in operation. Since it opened last year, the Bank led by Lawrence Podesta and Derek Sene, the staff and the Board of Directors have worked tirelessly and deserve the congratulations and thanks of this House and of the Community at large for the fantastic start the Bank has made in its first 12 months of operation. Over 7,000 accounts opened, £244M in deposits and an increasing loan book with some 450 mortgages is a testament to the work of the team at GIB. Many spoke of the doom and gloom at the departure of Barclays in late 2013 and yet today it is a distant memory, with a seamless transition to this modern, innovative and digital bank. There is, of course, still work to be done but I believe that the target date for break even and profitability after 3 years trading will be met. As we speak, they are working on new areas in terms of products and functions, including of course mobile banking which I much look forward to seeing in operation. My sincere thanks to Lawrence, Derek, the Board of Directors and of course the staff at GIB for their professional commitment in delivering the quality and service we asked of them.

FINANCIAL SERVICES

Mr Speaker, in the area of financial services we have introduced significant legislation this last year to further support the sector and we continue with our efforts to attract new business to Gibraltar. We believe more than ever, that it is right to continue working on improving the legal and regulatory framework to enhance and develop the business environment across the whole of this sector. I am most grateful to the Finance Centre Council and the individual associations with whom we frequently meet for their continued support and cooperation on all matters. As a matter of practice, we now share with the relevant association any legislative changes being contemplated, including EU legislation, and work with them to ensure the provisions meet with their expectation. I must thank all the associations and in particular their technical committees for their support and valuable advice in these areas. Mr Speaker it is critical that we are all on the same page in this process.

Mr Speaker, in the field of private client work Senior Executive Paul Astengo has all but completed a legislative review process bringing to Parliament a wide range of legislation arising from a request by STEP some eight years ago. The final piece of this particular



jigsaw, Private Foundations, will come before Parliament during this session. Once again, I am very pleased to recognise the significant contribution to this process by the private sector members, and in particular by STEP, who have been at the forefront of this legislative initiative. We have already seen international firms providing Gibraltar with sourced solutions to their client's needs, using these new products. The promotion of new opportunities created by this legislation remains a priority and continues to feature in our chosen international jurisdictions.

In terms of our business development, we pursue our Business Plan in partnership with the sector and interestingly this year have widened the traditional geographical spread to include, Leeds, Birmingham, Manchester, Edinburgh and Bristol. Of course Mr Speaker, London and Switzerland also feature heavily in this programme, and last year spent some 24 weeks on the road, promoting Gibraltar.

We advised last year of our desire to increase the focus on Family Office business. I am pleased to say Mr Speaker that we have seen tangible results in this regard, which has impacted positively on a number of key private sector areas. We continue to give this area our full attention, and will work this year with the Philanthropy forum in further delivering possibilities in this area.

We have also driven, with private sector professionals, the review of Virtual Currencies. In fact, Mr Speaker, we have consulted twice on the process. The remit has been widened to include, inter alia, FinTech – an economic industry composed of companies that use technology to make financial services more efficient. Mr Speaker, we are happy to embrace this development as long as we are able to regulate effectively in this area and preserve and protect our reputation as a leading international financial services centre. This method of doing business has been gaining significant international acceptance and plays to the particular strengths of Gibraltar. There have been specific expressions of interest from external investors with a view of creating a hub in Gibraltar, and I hope to announce some exciting news in this area in the coming weeks.

I must also at this stage thank the CEO of the Financial Services Commission, her Board and team at the FSC for their work this year. It has been a busy one dealing with new legislation, Directives, the fee funding review and the continuous work to be more efficient and effective. I must also congratulate them on the creation of a “Change and Innovation” team, an acceptance by the Regulator that businesses need to innovate to remain competitive and profitable. The Industry has welcomed this move and so do I. The Sector will also be pleased to learn that the FSC has immediately after the EU vote added resources to the Authorisations team, to ensure that we are faster than we ever have been in considering quality applications from new firms.



Mr Speaker, our Category 2 and HEPSS products continue to provide effective solutions and are attractive to the international client. The uncertainty created with the review of the UK's "Resident Non Domicile" rules provides further opportunity in this area and specific marketing is taking place. As the Chief Minister has announced, I will shortly reconvene the Working Group to further consider their proposals and to also consider a new allowance based system to support key people living and working in Gibraltar.

We also continue to grow our social media presence Mr Speaker as a method of increasing awareness to a wide yet appropriate audience. Our database stands in excess of 4,800 individuals, which we interact with almost on a daily basis. Our electronic "bookshelf", hosted on ISSUU.com, now has 129 publications (up 39 on last year) covering the full range of topics that are of interest to our readers. These include self-generated fact sheets, articles, manuals and guides created by private sector firms. To date, these publications have been read in excess of 9,000 times.

During the year our banking sector has welcomed the addition of Moneycorp (one of the UK's fastest growing foreign exchange companies) to our list of licensed banks. We welcome to Gibraltar the successful establishment of this specialist firm.

INSURANCE

Mr Speaker, in the area of insurance and pensions Senior Executive Mike Ashton has continued in his drive to improve the product range, and develop new and interesting possibilities in this sector.

Mr Speaker, The introduction of Solvency II in January 2016 increases the capital requirements for insurance companies and in turn this makes it harder for smaller start-up insurers. As a result, we believe there is an opportunity to attract more Managing General Agents or MGAs to Gibraltar. MGAs underwrite business using the underwriting authority of a separate insurer e.g. they use an insurance company's paper. A number of new MGAs have or are being established in Gibraltar and we have seen quite some interest in this area. The compelling reasons to establish an insurance company in Gibraltar apply equally well to MGAs and we are keen to increase the number of insurance intermediaries operating from Gibraltar.

In the field of Part VII Transfers, I mentioned last year Mr Speaker that we hoped to have initiated our first Part VII Transfer from the UK to Gibraltar during 2015. I am pleased to



report Mr Speaker that an application for a Part VII Transfer test case was initiated in late 2015 and it is currently being reviewed by both the Prudential Regulation Authority and Financial Conduct Authority in the United Kingdom. We have continued our dialogue with the insurance team at HM Treasury in London who have a particular interest in this “test case” and remain both supportive and positive that a Part VII Transfer can take place under the UK’s existing legislation. We hope that the regulatory review will be completed shortly allowing the lawyers to apply for a hearing in the High Court. We continue to maintain a regular dialogue with the legacy insurance sector so that they are aware of the progress being made. An insurance portfolio transfer is currently being finalised from continental Europe to Gibraltar, which when completed will be very positive news.

Mr Speaker, as regards Insurance Linked Securities (ILS), the ILS transaction that was completed in April 2015 is as we understand being renewed and should be announced shortly. The major effort during the second half of 2015 was the initiative begun by Gibraltar Finance and ably supported by a number of businesses from the ILS sector, local Gibraltar lawyers and the GFSC to create a new class of Protected Cell Company (PCC), the Special Purpose Vehicles Protected Cell Company (SPV PCC). We announced the new SPV PCC in November 2015 and it has been well received. The EU Referendum has acted as a brake on some of these new insurance company applications and likewise the ILS sector was also waiting for the outcome of the vote before taking any decisions on establishing new structures in Gibraltar. I can say Mr Speaker we have in recent months had some very interesting and positive discussions with ILS fund managers and administrators about Gibraltar and we will wait to see how these interests are actively pursued.

Mr Speaker, the new personal pensions regulations have been drafted and will be shared with the pensions sector within the next few weeks. The regulations should come into force in early September 2016. A positive dialogue has been ongoing with both HMRC and HM Treasury in the London. We seek to ensure the new regulations will satisfy HMRC’s requirements, with respect to imported pensions and HM Treasury, as we look to introduce greater flexibility for capital withdrawals for imported pensions, in a similar manner to those introduced within the United Kingdom in April 2015. The new personal pensions regulations will both widen and enhance the existing regulatory framework and will also permit greater use of contract based pension schemes, including for the first time the use of protected cell companies for pensions.

FUNDS

We have continued to work closely with GFIA in all of our efforts to develop our product range and market the Gibraltar proposition. I am most grateful to them for their commitment and assistance in supporting our efforts.



We have worked on a number of significant initiatives in terms of our business development, including our Gibraltar day events in Zurich, Geneva, Singapore, Hong Kong and of course London. We will continue with these efforts and are in regular contact with GFIA to understand and agree their priorities. I must also mention the Gibraltar Stock Exchange, who continue to go from strength to strength and are a catalyst for the further development of this sector. I understand significant new business will be undertaken by GSX in the coming months.

Our acceptance to Moneyval, which will be carrying out their evaluation of Gibraltar in 2018, is a further example of our commitment to meeting and complying with international standards. I am grateful to the public and private sector for their work in preparing us for this evaluation, as well as to David Parody for driving this project forward. We are finalising our arrangements for the Central Registry of beneficial ownership which has been delayed as a result of the changes proposed to its operation by the UK and the 5 EU countries that are driving the new pilot scheme. I would expect the Registry to be operational by the end of the year, in advance of the June 2017 required date.

Mr Speaker, before turning to Gaming, I must thank Mr Jimmy Tipping, our Chief Executive and his fantastic team at Gibraltar Finance for the superb work done last year. It has been a busy year, and I fully expect this coming year to be at least as busy. Jimmy is a consummate professional, always calm but always a step ahead of the issue in hand, a pleasure to work with. I must also thank the Finance Centre Council and participating associations for their continual support and interaction, which as they know I greatly welcome and value. I look forward to working further with them in the coming year.

GAMING

Mr Speaker, in gaming, Gibraltar's continued success in the development and delivery of remote gambling is something we remain very proud of. It is an industry characterised by higher levels of change and uncertainty than many others. The industry has faced strong headwinds in the last 4 or 5 years, with numerous new national licensing regimes, new regulations and additional taxation by other states rapidly becoming the new norm. Nevertheless Mr Speaker, the industry has continued to grow and deepen its roots in Gibraltar. I can only pay tribute to the owners, managers and employees of our licensees who have shown such resilience and commitment to Gibraltar.

Likewise, Phill Brear, our hugely experienced and internationally respected Gambling Commissioner, and his staff work incredibly hard to support our licensees and ensure



operators of the right calibre are aware that we are keen to have them licensed and located in Gibraltar. I cannot underestimate the importance of Mr Brear's work in these areas and I am delighted to acknowledge and thank him for his knowledge and expertise in everything he does for us. I fully understand and appreciate how fortunate we are to have him. It remains the case that at any one time a series of discussions are taking place between my staff and a handful of parties interested in being licensed in Gibraltar. The list is not endless, and it is getting shorter; but it was never the intention of the Government to open the floodgates and we do not intend to do so now. Quality will always prevail over quantity.

The year April 2015 to March 2016 has seen the addition of three new licensees. These have, in part, cancelled out the five licences lost, or consolidated, through the international trend of mergers and acquisitions in the industry. That said, a further three licensees have been added since April 2016, so the total number of licensees continues to grow, 31 as at 31st March, 34 as at 31st May.

Busy as they are, Mr Speaker, the Gambling Division also incorporated the licensing of Gibraltar's slot machines and bookmaker premises into their offices this year. Members will know that land based gambling offers of this type are commonplace throughout Europe and the rest of the world, in different forms, and with their increased sophistication and value, it is important that all our land based services meet the standards applied internationally. This new licensing exercise was initiated on a 'grandfathering' basis with the presumption that existing licences for suppliers and premises would be continued, with a modest additional charging scheme to cover the cost of this.

Members will recall that last year the Government commissioned what proved to be a far more substantial review of the remote elements of the Gambling Act 2005, by four of Gibraltar's most experienced lawyers in this sector. I was very pleased to be able to circulate their report to the industry at the end of April 2016. I have recently written to the industry inviting them to meet on a one to one basis so that the Government can properly identify the industry's own views and expectations in this area and help us develop a comprehensive framework for a full revision of the 2005 Act into 2017. I need not emphasise the importance of finding the right balance for the legislation as it underpins the licensing and regulation of this industry in an ever changing global licensing and regulatory environment, with equally fast moving technology, organisational and ownership changes.

It remains our ambition that legislation that has served us so well for the last 10 years is replaced by legislation that is equally if not more effective in supporting this sector through future decades.



Mr Speaker, as I informed Members last year, it remains the case that the GBGA's judicial review challenge to the UK's point of consumption tax is yet to be concluded. The case has been referred to the European Court of Justice and the Court's own processes have been initiated and may soon come to fruition. It goes without saying that until this key issue is determined it is not practical for the Government to proceed with its own plans to review the current regime for gaming fees, charges, duties and taxes. The international multiplicity of licensing, regulation and taxation of operators is an escalating burden for them. Whilst we remain totally committed to the highest standards of consumer protection, the industry cannot compete and thrive if every jurisdiction it touches treats it as some form of cash cow. The Government hopes to be able to constructively address this matter at least in parallel to the wider review of the associated legislation and complete it before the end of this financial year.

In terms of Government receipts from the industry, I am pleased to report to this House that the annual licensing charges paid by the gambling industry increased in the last financial year. Similarly, Employment in the industry grew by 227 posts to 3,252. So, in licensing charges, in PAYE, in Corporate tax and in numbers employed, every single one of these have increased from the previous record we enjoyed last year.

The Government's relationship and engagement with the industry remains very positive and I have taken steps this year to meet with many of the executives and leaders of the industry and gain their direct feedback on their arrangements in Gibraltar, and while there is more to do, this is always positive. In February, I visited the London International Casino Exhibition and held a series of meetings with licensees and prospective licensees, and I have also used my various engagements in the UK, Europe and further afield to ensure the reputation and access to Gibraltar licensing is properly understood.

To end on Gaming Mr Speaker, that although legislation and taxation in the sector are under review it goes without saying that this Government remains committed to securing a strong and stable future for both the remote gambling and land based gambling sectors in Gibraltar. The industry is strong and stable in Gibraltar and is supported by an excellent team of staff.

My thanks Mr Speaker to Phill Brear and his team of Regulators and to Lorraine Britto and her team at the Gambling Division for the great work they do. At the KPMG e-gaming summit held in April, over 60% of those attending cited the Government Support and Regulatory framework as one of the main reasons for being in Gibraltar. I thank our Regulatory team for their superb work throughout the year.



LIAISON

Mr Speaker, since the Liaison Department was set up it has been providing valuable service and assistance across the private sector. It operates like a problem solving hub providing invaluable customer service to the Finance Centre and Gaming sector. Close interaction with other Government departments is vital for the process to operate efficiently and effectively, and will become even more so as we press to make doing business in Gibraltar even more attractive. My thanks to Lizanne and Tania for their support to the private sector, a service which I know they most appreciate.

GIBRALTAR MARITIME ADMINISTRATION

Mr Speaker, I will now turn to the Gibraltar Maritime Administration. I am very pleased to announce that in 2016, the Gibraltar Ship Registry managed ably by the Gibraltar Maritime Administrator, Richard Montado and his team achieved 'White List' status worldwide for the very first time and our registry is now considered one of the top 20 in the world. The results have been published in the annual International Chamber of Shipping's (ICS's) 'Flag State Performance Table' for 2015/2016.

Mr Speaker, the Gibraltar Ship Registry rates highly in the ICS performance table, with positive performance indicators in every aspect. Gibraltar also ranks highly in its overall technical performance levels by 'Paris MOU' and 'Tokyo MoU' ports and is recognised as a quality register by the US Coastguard in their 'USCG Qualship 21' system, a target scheme used by the US Coastguard to identify poor-quality vessels.

In addition to the improvement in quality Mr Speaker, the overall Gibraltar fleet (both yachts and ships) has increased slightly by 2%. Increased competition from our traditional strong markets such as Germany and Norway has resulted in a number of ship owners returning to their home flags. The GMA is now diversifying its marketing base, by looking at markets in southern Europe, such as Greece and Italy. I am also pleased to announce that we are reviewing our "product" at the Registry by doing a jurisdictional comparison and identifying areas where we may adapt and improve the registry, as well as its service levels and availability in different and important time zones.

Mr Speaker, on completion of the magnificent small boats marina, many Gibraltarians have taken the opportunity to buy a pleasure boat. There are now 700 new 6-8 metres long berths available in Gibraltar. The Yacht Registry is in its final stages of consultation for a



completely new registration type for local boat owners. The new 'Small Ship Registry' should be ready for introduction by the end of July. This service will allow Gibraltar residents to register and operate small boats and jetskis outside Gibraltar waters. Complementing the local 'Red Book' licence, this new 'Blue Book' facility has no restrictions for berthing allocations in Gibraltar. I must highlight that insurance cover and appropriate qualifications will be prerequisites for registration. This new service will be streamlined and affordable for all residents.

I mentioned last year Mr Speaker that the GMA is the central authority for maritime training in Gibraltar and is coordinating with the Gibraltar Port Authority and Ministry for Economic Development to establish a maritime training programme for young persons, with the financial support of the local bunkering companies. It is absolutely crucial to bring young Gibraltarians into this industry. By the end of this year, we will have a number of maritime courses available both in Gibraltar and abroad. These courses include Ship's Cooks, Ratings and Officer training.

Furthermore, Mr Speaker, once again, the GMA's Seafarers' Section reported another record year for crew certification, with over 5,000 provisional and full-term certificates issued in 2015.

The GMA is continually exploring new avenues to diversify its fleet. This year, in conjunction with local ship representatives, the GMA will target ship owners in the Netherlands and Scandinavia.

The Gibraltar Maritime Administration continues to be an example of a public service department that is proactive, positive and proud of its role within our industry. I take this opportunity to thank Richard Montado, Rob Cumbes and their teams for their professionalism and hard work during the year.

PORT OF GIBRALTAR

Mr Speaker, I now turn to the commercial aspects of the Port of Gibraltar. In spite of the direct and residual effects of the recent economic crisis and increasing competition in the region, the Gibraltar Port Authority (GPA) reported growth in both the total number of ships calling at Gibraltar for bunkers and in the quantity of fuel delivered in 2015. This upward trend was reflected more widely with an increase in the number of cruise ships (up by over 13%) and superyachts calling at Gibraltar (up by 60%).



Mr Speaker, the maritime industry is still fighting its way back from the global recession. There is a general downturn in maritime trade, with ship owners constantly trying to cut running costs. This of course has an impact on the number of vessels transiting the Strait. Despite these challenging conditions I am pleased to report that general activity in Gibraltar remains stable, with bunkering volumes pretty much in line with expectations for the year. Initiatives to increase activity, such as a reduction in fees for vessels taking anchorage on the eastern side, an increase in the number of anchorage slots available and the number of bunker barges operating at any one time are also having a noticeable impact.

I am also very pleased to report Mr Speaker that since my last budget speech, the initiatives introduced to promote the Port of Gibraltar have started to bear fruit, with Gibraltar hosting the International Bunker Industry Association (IBIA) Annual Convention in Gibraltar, for the first time ever, later this year, a real feather in Gibraltar's cap.

The Port Authority is now also represented on the board of IBIA, with the recent election of Commodore Bob Sanguinetti as a board member. Mr Speaker, this gives Gibraltar an important and well respected platform from which to raise our profile globally and allow us to promote the Port at the top echelons of the bunkering world.

In line with Government policy, the GPA has continued with its targeted marketing campaign based on direct engagement. I recently visited Singapore to meet some of the biggest ship owners and managers in the world. This was followed with a visit to Hong Kong, in conjunction with our Hong Kong office, to build on the relationships established when my honourable colleague last visited in late 2014. I am convinced that these efforts are crucial in keeping Gibraltar at the forefront of ship owners and operators' minds, and I must thank those members of our shipping community that joined us in selling Gibraltar PLC in Asia.

Mr Speaker, with the opening of the Government's spectacular small boats marina comes the opportunity to provide an additional 500 metres of berthing space for superyachts. Whilst early days, it is very encouraging to report that the GPA is getting much interest from superyacht masters, who are not just considering Gibraltar as a bunkering call but, rather, as a longer stop where crew can enjoy the full range of facilities that we have available in Gibraltar, and provisions and other supplies can be purchased during their stay. Members will know that we currently have the enormous "Le Grand Bleu" berthed here this week.

The Government's plan for land based storage is also underway with a number of very exciting expressions of interest being considered. These will offer the Government the opportunity to carry out a wider review of the Port estate including its facilities, which has



not happened in years. The GPA is working on its Port Vision 2025 as part of the Government's wider initiative to take a long term view of the Port.

I need to thank Bob Sanguinetti and his team for the superb work he and his team have done over the years. None of these very positive results could have been achieved without the excellent relationships between the GPA and the Gibraltar port operators and service providers. I look forward to working closely with them in the coming months to improve our support to the shipping community and maintain our reputation as a centre of maritime excellence.

Before I move on to my closing part, I would like to thank the entire team in my office under the direction of Julian Baldachino, and my secretary Lourdes who are always there for me, providing a professional service and always supporting the work we do, quietly and without fuss. I must also mention and thank Sylvana who has recently retired. I wish her a long and happy retirement. They are all a credit to the Civil Service and I am most grateful to them. I must also thank Vi and her team at the Lotteries section who fight on with delivering a lottery in difficult circumstances which we are looking to reform and improve for the benefit of all.

The year ahead;

In conclusion Mr Speaker, I would like to inform this House of the measures we will adopt in the coming weeks and months in financial services and Gaming to best prepare to meet the challenges that lie ahead.

As I have already said in this House it is indeed very much "business as usual" but that of course does not mean that we will stand still, on the contrary, we will work harder than ever before to preserve the business that we enjoy today and work to seek out the opportunities that the ever changing landscape makes available to us. What is clear is that whatever changes may come, they will not arrive until 2019 at the earliest and therefore we need not panic, but focus and be best prepared for whatever change comes our way.

We are already reviewing our processes to ensure that the path for new business is as smooth and efficient as possible. We have made some progress but there is more to come.

In Gaming;



We have already, since the vote, communicated with all our operators in Gibraltar and of course with the GBGA. We have informed them that the review of the Gambling Act, announced earlier this year following the proposals of the 4 Peter's will be extended to analyse and assess the risk of Brexit to our operators, and to identify the areas and issues that we as a jurisdiction are able to deal with that will maintain our position as the premier Online Gaming Jurisdiction. This will cover and touch many areas, including arrangements with the UK and other markets with whom we may build direct relationships. We will work with the 4 Peter's in these areas as well as of course, with each of the operators.

The gaming community is fully aware of the absolute commitment of this Government to tackle the issues they have and to meet the challenges faced together in the months and years ahead. I am convinced we have the knowledge, expertise and will to make this happen.

In Financial Services;

We have been in contact with the Finance Centre Council and with a number of the major players in the Insurance community as well as most of the investment managers at a face to face meeting last Friday morning. It is clear that the UK market is critical, and that access to the single market is an important part of these businesses.

Mr Speaker, we will shortly be setting up small working groups with professionals in each of the areas of the Sector to assist us in determining the risks arising from the uncertainty and to prepare a route map for the opportunities that any change to our existing arrangements may present. We will also review our existing product line and examine new possibilities, as well as review our business plan moving forward.

Uncertainty, Mr Speaker, is bad for business and we must therefore work to deal with these on a step by step basis. As I have already mentioned in this House, we have now 2 new insurance licence applications (since the 23rd June) before the FSC and I am reliably informed there are more to come across a number of different areas, which is welcome news. These include new lines of business, which are exciting and innovative. At this time our Regulator will pull out all the stops to ensure we are efficient and business friendly in assisting new applicants through the authorisation process. We will work to get better at what we do across all areas of these sectors.

I would like to thank, in advance, the professionals who will form part of these groups to assist us in ensuring we are best placed for the future.



In political terms, there is no doubt that the first priority must be to confirm unequivocally our relationship with the United Kingdom enabling our business community to continue to work in and out of the UK irrespective of the EU relationship. This is critical to our private sector. We must also insist and ensure that whatever arrangements the United Kingdom negotiates for itself must similarly apply to Gibraltar. As the Chief Minister has already said, we are considering and working on all of the options available to us including short, medium and long term. This is what responsible Government is all about and in that respect, we shall not be found wanting. The Chief Minister is working with HM Government at the highest levels to secure these arrangements and progress is being made.

Finally Mr Speaker, last year saw the continued growth and importance to our community of both the Financial Services and Gaming sectors. They both, again surpassed their expectations in every respect. We now face new and unknown challenges, and with the sense and determination that we all have, we will again rise to the challenge and the opportunities that will come before us.

It is not within our gift to predict what will happen, but it certainly is to prepare, and that is exactly what we intend to do.

Thank you, Mr Speaker.