



PRESS RELEASE

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Appropriation Bill 2026 - The Hon Nigel Feetham KC MP - Minister for Justice, Trade and Industry

Madam Speaker, I stand before this House today to deliver my third Budget Address in this Parliament.

I would not be honest if I were to suggest that the past twelve months have not been difficult. They have.

Last year, one of the most significant challenges we faced was the UK's decision on gaming duty. For the better part of four months, I engaged in an intensive programme of lobbying at every appropriate level within the United Kingdom, including with HM Treasury. Throughout that process, I ensured that this House and the public were kept informed of developments.

Ultimately, the decision did not go in Gibraltar's favour.

Madam Speaker, I make no secret of the fact that this was the most difficult period of my life, not merely my Ministerial career. I understood the implications for Gibraltar, and I pursued our case with determination, persistence and carefully reasoned arguments. Despite our best efforts, the outcome was not the one we sought. I have previously explained the party political reasons in the UK behind that decision, and I do not intend to revisit them today.

What matters is what happened next.

No sooner had that decision been made than I accelerated an international programme of Ministerial engagement that was already underway. Over the past ten months, that work has intensified significantly. It has involved continuous engagement with governments, regulators, investors and industry stakeholders across multiple jurisdictions.

In truth, this was not a reaction born solely of that decision. Long before it, I had recognised the need to diversify Gibraltar's sources of tax revenue. Much of the tax policy work undertaken by my Ministry in the last 2 years has been guided by that objective, as I have explained previously to this House. Today, I will outline that work again.

At the same time, we must remain vigilant. We cannot assume that the challenges we have faced are the last we will encounter. As I noted in response to a recent question from the Honourable Mr Clinton, discussions continue between regulators that touch upon historic insurer failures.

The Leader of the Opposition referred to Enterprise Insurance himself yesterday in his Budget speech. Let me say this Madam Speaker: the collapse of Enterprise Insurance was a catastrophic failure and continues to give rise to difficult issues which I have referred to previously as requiring careful navigation.



The Leader of the Opposition has been keen to refer to the findings of the McGrail Inquiry. However, he overlooks the fact that the failure of Enterprise has been the subject of numerous court judgments, including judgments concerning the conduct of directors, serious failures of governance, mismanagement and a litany of other failings at board level. There were also regulatory sanctions imposed by the Gibraltar regulator the GFSC. And legal settlements with the liquidator. These are all matters of public record.

The full consequences of those failures may become clearer still in the months ahead. I sincerely hope not, for Gibraltar's sake, Madam Speaker.

That is why this Budget is not simply about responding to today's challenges. It is about preparing Gibraltar for tomorrow's opportunities while ensuring we are equipped to withstand whatever lies ahead. Because challenges there will be.

Madam Speaker, before I turn to the substance of the Budget, it would be remiss of me not to address some of the contributions we have heard so far from Members opposite.

In particular, I listened carefully to the Honourable Mr Bossino's speech yesterday. What I heard was criticism. Allegations of institutional mismanagement. Personal attacks on the Honourable Chief Minister. In fact, of almost every other Member of this side of the House. What I did not hear was a vision for Gibraltar. I did not hear a plan. I did not hear an alternative. Nothing.

Opposition is easy. Government is harder. The people of Gibraltar expect more than criticism; they expect ideas, solutions and leadership.

The Honourable Member also chastised the succession of the leadership of the GSLP and goaded me to reveal in my memoirs what happened.

Madam Speaker, if I ever write my memoirs, it would not be about this. It would be about what took place behind the scenes when the Honourable Member opposite sought to undermine the former leader of the party opposite (the Honourable Mr Daniel Feetham) and, in more recent years, the current Leader of the Opposition.

Madam Speaker, those who know the history know the history. It cannot be rewritten.

But there is a simple irony here. The Honourable Member repeatedly tells this House that this Government is so damaging for Gibraltar and that it should not be in office. Yet, if he genuinely believed that, he had the opportunity to unite behind the two party leaders. He chose not to do so.

And let us remember, Madam Speaker, the last general election was decided by the narrowest of margins. It was less than a couple of hundred votes.

So when the Honourable Member spoke yesterday about the need for change, perhaps he should reflect on the opportunities for change that existed when he had the ability to deliver it by uniting behind his leaders. Why didn't he? And he still doesn't Madam Speaker. Because Slim Shady, never changes.

Madam Speaker, history is not written only by the words we use in this House. It is also written by the choices we make when those choices matter. It is made by being able to deliver change, real change when it matters. Changes I and other Ministerial colleagues will speak about during our respective budget speeches.



The Honourable Member Mr Bossino also repeated a familiar theme in his speech: that on this side of the House we are simply here to keep the establishment in power. A very brave statement to make, Madam Speaker.

An establishment preserves the status quo. It resists change. It accepts that things should continue because that is how they have always been done.

What I will outline today is the very opposite.

Where has the Honourable Member been for the last two and a half years?

If that is his definition of preserving the establishment, then he clearly has not been listening. He is simply reading from the same old script, because year after year he comes to this House and levels the same old criticisms. He pontificates, Madam Speaker, as though he alone possesses the moral authority to lecture everyone else whether in or outside this House.

I made a similar point to the Honourable Member Mr Bossino during our last GBC Viewpoint debate, and he did not like hearing it. But this distinction is important, Madam Speaker. Whatever criticisms may be made of the Leader of the Opposition, at least he does not come across as judgmental.

I note that the Honourable Member Mr Bossino is not in the Chamber today. I hope he takes the opportunity to read my speech, because the answer to his criticism is contained within it.

TAXATION

I wish to start this Budget Address by turning to my responsibilities as Minister for Taxation.

One of the most difficult but important responsibilities any Minister can have in Government is responsibility for taxation.

It is among the least understood and least appreciated responsibilities of public office.

Governments have fallen over taxation and fiscal policy. Here in Gibraltar, however, we have achieved something different. We have significantly increased tax revenues without increasing personal tax rates, and I have explained on many occasions how we have done it, even though the Honourable Mr Bossino has not been listening.

But I would not be honest, Madam Speaker, if I did not say that this caused me considerable anxiety. Getting it wrong would have been catastrophic, not only politically, but, more importantly, economically for Gibraltar.

Today, the results speak for themselves. What they do not show is the work that made those results possible: work that began months before I assumed office in October 2023. It required experience, careful preparation, clear thinking and a long-term plan. Fiscal success is never accidental; it is built long before the numbers are published.

And few areas of government are more important to the financial health of our nation than the effective administration of our tax system. The revenues we collect fund our schools, support our healthcare services, maintain our infrastructure and enable Government to deliver the public services upon which our community relies.

Financial year results



Madam Speaker, this year's results are once again 'truly exceptional'.

Madam Speaker, I am particularly pleased to report that this marks the second successive year in which tax revenues have significantly outperformed budget expectations, exceeding the forecasts upon which our fiscal planning was based.

Total tax receipts for the 2025/2026 financial year amounted to £533 million, comprising £281 million in personal income tax and £252 million in corporate tax.

Madam Speaker, this not only represents the highest level of tax revenue ever collected in Gibraltar's history by far; it also marks the second consecutive year in which Gibraltar has achieved record tax receipts at unprecedented levels.

Madam Speaker, that is an important distinction.

A single year of exceptional performance can sometimes be attributed to unusual circumstances. Two successive years of exceptional record revenues suggest something more fundamental.

Madam Speaker, whilst a portion of this growth reflects the increase in Gibraltar's corporate tax rate from 12.5% to the globally recognised minimum rate of 15%, the greater part of the story lies elsewhere.

It lies in stronger compliance, more effective administration and the success of our efforts to ensure that big businesses generating significant profits from Gibraltar contribute fairly and lawfully to the public purse.

Indeed, corporate tax receipts have risen by 19 per cent compared with the previous financial year and by well over 50 per cent over the two financial years since 2023/24.

Madam Speaker, Gibraltar has never before recorded corporate tax revenues at anything approaching these levels.

That is a remarkable achievement and one that I am proud of.

We have all in Gibraltar been the beneficiaries of that.

It is also evidence, Madam Speaker, that our efforts to strengthen compliance and reinforce confidence in the tax system are bearing fruit.

National Tax Strategy

But these results have not happened by accident.

These results are the outcome of a sustained programme of reform and a determination to ensure that our tax framework operates as Parliament intended.

Madam Speaker, it is what I have often referred to as our 'National Tax Strategy', and one which I began implementing within weeks of taking Ministerial office.

When we began this work, we faced a number of significant challenges, which I outlined in Ministerial Statements to this House. Large reported tax losses were growing at an alarming rate and there was



also a growing concern that some big businesses viewed their tax obligations as voluntary rather than as a legal responsibility.

Those trends could simply not be allowed to continue.

We therefore acted decisively, introducing legislative reforms, strengthening compliance activity and investing in additional expertise within the Income Tax Office.

The results we are seeing today demonstrate that those decisions were the right ones.

Madam Speaker, a significant element of our strategy has been to reduce the gap between the tax that is legally due and the tax that is ultimately collected.

The principle is simple. Tax policy is not just about corporate tax rates, but about the extent to which tax obligations are properly met and fairly enforced.

The results achieved over the last two financial years demonstrate the progress made. Revenues that might previously have gone uncollected are now being paid into the public purse, helping to fund public services, healthcare, education and much more, whilst strengthening our public finances.

Importantly, Madam Speaker, these results have been achieved not by increasing the tax burden on ordinary working people, but by ensuring that the existing tax obligations of big businesses are properly met.

Resourcing the Income Tax Office

Madam Speaker, strengthening the capacity and capability of the Income Tax Office has always been a central pillar of my National Tax Strategy.

I am therefore particularly pleased to report that the investment we previously made in specialist expertise, through the recruitment of both Senior Tax Professionals and Tax Analysts, has delivered significant returns and continues to do so.

Indeed, Madam Speaker, the results I have just announced to this House are themselves evidence of the value of that investment.

These appointments have substantially enhanced the Office's ability to identify compliance risks, undertake sophisticated data analysis and support more informed, evidence-based decision-making.

Madam Speaker, they have strengthened both the operational effectiveness and technical capabilities of the Income Tax Office, enabling it to respond more effectively to the increasingly complex challenges faced by any modern tax administration.

Their contribution has become firmly embedded within the Office's operational and technical framework, providing a level of expertise that will remain essential to its continued success in the years ahead.

Modern tax administrations require specialist expertise, sophisticated analysis and a willingness to adapt to changing economic realities.

Madam Speaker, we have ensured that the Income Tax Office is equipped with all three.



Madam Speaker, this work does not stop here.

The modernisation of the Income Tax Office and the Central Arrears Unit remain ongoing priorities for the Government.

The future of tax administration lies increasingly in the intelligent use of data, advanced analytics and more efficient digital processes.

The progress achieved to date provides a strong foundation, but there is more to do and we remain committed to doing it.

Prudent fiscal management

Madam Speaker, these results are undoubtedly encouraging and speak to the effectiveness of the measures we have implemented.

However, we must approach them with a proper sense of perspective and prudence.

Record revenues are welcome.

Two consecutive years of record revenues are even more welcome.

But neither should be interpreted as a guarantee of what lies ahead.

It is what I also said in last year's Budget speech.

Economic conditions can change rapidly. International markets remain uncertain. Tax receipts are influenced by factors extending far beyond our borders and, as recent experience around the world, particularly in the United Kingdom, has demonstrated, favourable conditions can reverse unexpectedly.

Madam Speaker, a key example of the uncertainties that lie ahead can be found in the recent changes to the United Kingdom's gaming duty regime.

Whilst the full effects will only become apparent over time, these measures are expected to affect the profitability of parts of Gibraltar's gaming sector and, consequently, the level of corporate tax revenues available to Government in future years. Conservatively, the impact on our corporate tax revenues is estimated at £40 million.

Madam Speaker, this serves as a useful reminder that today's record receipts cannot automatically be assumed to continue indefinitely.

Indeed, Madam Speaker, one of the recurring lessons of public finance is that governments can encounter difficulties when temporary periods of revenue growth are mistaken for permanent income.

Across the world, there are many examples of significant increases in public expenditure commitments being made on the mistaken assumption that strong revenue growth would continue indefinitely, only for economic conditions to change and difficult adjustments to follow.

For that reason, we must resist the temptation to view these record revenues as a permanent feature of our public finances.



Strong revenues are welcome, but we must also recognise that they may not endure. This is particularly so when we take into account the effect that recent changes to the United Kingdom's gambling tax regime are expected to have on parts of Gibraltar's gaming sector and, consequently, on future corporate tax receipts.

Madam Speaker, governments across the world are also wrestling with the same challenge: how to meet growing demands for public expenditure whilst maintaining sustainable public finances.

Many jurisdictions have chosen to respond through higher taxation.

We have taken a different approach.

We have chosen to strengthen compliance and broaden effective enforcement across the tax system.

In doing so, Madam Speaker, we have demonstrated that stronger revenues do not necessarily require higher taxes on working families.

They can also be achieved by ensuring that existing obligations are properly met and fairly enforced.

Responsible tax policy is not measured only by headline rates, but by how effectively the system operates.

As we look ahead, our objective is clear.

We will continue modernising the Income Tax Office.

We will continue strengthening compliance.

We will continue protecting Gibraltar's tax base.

And we will, Madam Speaker, continue ensuring that those who benefit from operating in Gibraltar contribute fairly towards the services and infrastructure that support their success.

Because every pound of tax that is lawfully due and properly collected is a pound that can be invested in our schools, our healthcare services, our infrastructure and the opportunities upon which our community depends.

That is the purpose of a fair and effective tax system.

That is the objective of our National Tax Strategy.

And that is the course upon which this Government will continue.

Measures introduced during the financial year

Madam Speaker, a key component of our compliance agenda has been the modernisation and strengthening of Gibraltar's anti-avoidance framework.

During this financial year, we have introduced legislative amendments which expand and update our domestic anti-avoidance provisions.



Our aim has been to address emerging risks, close potential loopholes and ensure that our legislation remains robust and effective in an increasingly sophisticated and complex tax environment.

Madam Speaker, there is an important distinction between legitimate tax planning and aggressive tax avoidance.

Businesses are entitled to arrange their affairs efficiently and in a tax-efficient manner.

However, where arrangements are structured primarily to frustrate the intention of the tax law or secure unintended tax advantages, Government has a responsibility to act.

These measures are therefore not directed at legitimate commercial activity.

Rather, they are designed to equip the Income Tax Office with the tools necessary to challenge arrangements that seek to undermine the integrity of our tax system and erode Gibraltar's tax base.

Madam Speaker, protecting the tax base is about more than revenue collection alone. It is a matter of fairness.

Every pound of tax avoided or left unpaid by those who should contribute ultimately places a greater burden on compliant taxpayers and reduces the resources available to fund essential public services.

Law enforcement and regulator collaboration

Madam Speaker, the work of the Tax Ministry is supported by cooperation within Gibraltar and beyond.

At both national and international level, there is close cooperation between our tax administration, regulators and enforcement agencies.

Madam Speaker, collaboration with the Gibraltar Financial Services Commission, the Royal Gibraltar Police, HM Customs, the Gibraltar Financial Intelligence Unit, HMRC and HM Treasury in the United Kingdom continues to strengthen information sharing, improve oversight, build strategic partnerships and safeguard Gibraltar's revenue base and international fiscal reputation.

International standing

Madam Speaker, in an increasingly interconnected world, maintaining Gibraltar's reputation as a responsible, transparent and cooperative jurisdiction is of critical importance.

It is therefore essential that we continue to engage constructively with international tax initiatives and demonstrate our commitment to the highest standards of tax governance.

To that end, Gibraltar remains committed to the ongoing evolution of international tax transparency standards.

We are among the jurisdictions preparing to extend the automatic exchange of tax information to crypto-assets under the OECD framework, with implementation currently expected in 2028.

Madam Speaker, Gibraltar's commitment to international tax cooperation has not gone unnoticed.



At the OECD Inclusive Framework on Base Erosion and Profit Shifting Plenary held in Cape Town in 2025, Gibraltar was recognised as one of three jurisdictions actively implementing the Global Minimum Tax in accordance with the OECD Model Rules.

This recognition is significant.

It reflects not only our commitment to meeting international standards, but also our willingness to be at the forefront of major global tax reforms.

Indeed, the expertise developed within the Income Tax Office has increasingly attracted international attention.

During the year, officials from the Tax Office were invited to participate as guest speakers in an international knowledge-sharing session on the implementation of the OECD's Pillar Two framework, attended by more than 120 representatives from tax authorities and policy institutions across the world.

Madam Speaker, these engagements reinforce Gibraltar's standing as a credible, cooperative and well-respected participant in the international tax community.

They also demonstrate that Gibraltar is not merely adapting to international developments, but is increasingly helping to shape the discussions surrounding their implementation.

Madam Speaker, Gibraltar's membership of the Commonwealth Association of Tax Administrations has further strengthened our international presence.

This important organisation promotes collaboration, professional development and the exchange of best practice amongst tax administrations throughout the Commonwealth.

Through active participation in such forums, Gibraltar continues to build relationships, enhance institutional capability and ensure that our tax system remains aligned with the highest international standards.

Tax Treaties

Madam Speaker, expanding Gibraltar's network of international tax agreements remains an important strategic objective.

We continue to actively pursue opportunities for international cooperation and engagement, recognising the important role that modern tax treaties play in facilitating cross-border investment, providing certainty to taxpayers and strengthening economic relationships between jurisdictions.

In that regard, I am pleased to report that Gibraltar has successfully concluded negotiations on an OECD Model Double Taxation Agreement with Guernsey.

The agreement has now completed the necessary stages of negotiation and, subject to the completion of the remaining domestic procedures and notifications, is expected to be formally signed and brought into force in due course.

Madam Speaker, this represents an important milestone in Gibraltar's ongoing efforts to expand its treaty network and further enhance its international tax framework.



More importantly, it demonstrates that Gibraltar is increasingly viewed as a credible and trusted treaty partner.

I am confident that this agreement will serve as a foundation for future negotiations and help pave the way for additional treaty relationships in the years ahead.

Before I conclude, Madam Speaker, I wish to place on record my sincere thanks to the Commissioner of Income Tax, John Lester, his Deputy Commissioner, Julian Baldachino, and the wider team at the Income Tax Office.

FINANCE CENTRE

Madam Speaker, I now turn to my responsibilities for Financial Services.

It has been another year of change for the team at the Finance Centre Department. Ms Kelly Lima has been designated to discharge the statutory duties of Finance Centre Director. I would like to thank Mr Julian Baldachino, the former Finance Centre Director, whose knowledge and support have been instrumental in ensuring a smooth transition.

As I have said on previous occasions, I am committed to investing in the development and upskilling of talented personnel from within the Civil Service. This is evident in recent appointments and the reorganisation of the Ministry. The Finance Centre Department is now composed entirely of Civil Servants, resulting in significant cost savings.

Financial Services Sector

Gibraltar continues to be recognised internationally as a jurisdiction which combines robust regulation with innovation, quality and agility. This Government remains fully committed to maintaining Gibraltar's reputation as a well-regulated, forward-looking and internationally respected financial centre.

Over the course of the last financial year, we have continued to engage constructively with industry stakeholders and regulators to ensure that Gibraltar remains competitive whilst upholding the highest standards of compliance and governance.

The success of Gibraltar's financial services model is built on partnership: between Government, the Gibraltar Financial Services Commission, private sector operators and the professionals whose expertise and commitment continue to drive the sector forward.

I have invested significant time and effort in representing Gibraltar locally and internationally, engaging with potential investors and stakeholders and promoting the development of modern, robust and internationally respected frameworks for digital finance and emerging technologies. I remain committed to growing our financial services sector, strengthening its regulatory framework and securing opportunities for diversification into new areas.

The EU-UK Treaty on Gibraltar creates prospects for expansion into new areas. Gibraltar has always been a first mover, agile in securing new opportunities whilst remaining a trusted international financial services jurisdiction.

As I have previously informed this House, I have taken a more direct approach to promoting Gibraltar's offering and have attended numerous international conferences this year, including ICE



in Barcelona in January, Consensus Hong Kong in February, the Digital Assets Summit in El Salvador in April, Consensus Miami in May and the Bitso Stablecoin Conference in Mexico in June. We have also supported STEP at various conferences and will support them again later this year. At these engagements, I have been supported by members of my Ministry and by industry professionals. I wish to thank them for their continued support and commitment.

Following the passing of the Protected Cell Companies (Amendment) Bill 2026, which provides a legal framework for the issuance of tokenised shares within protected cell companies, there has been considerable interest in our legislation and Gibraltar's offering. We promoted that offering at Consensus Miami and received an overwhelming response. I am confident that Gibraltar is now at the forefront of regulated digital finance. This reflects our ongoing commitment to ensuring that innovation is not only encouraged, but firmly grounded in a robust and legally certain regulatory environment. I would once again like to thank Nathan Catania and Targ Patience, both acting on behalf of industry, for their contribution to and engagement on the original proposal for this legislation. I also wish to thank Mr Jonathan Braken for his advice and legal drafting work.

I am proud to say that Gibraltar is also a first mover internationally in prediction markets, having issued its first licence in March this year. This is proving to be an area with significant potential for Gibraltar, which I also promoted at Consensus Miami. A number of companies have expressed an interest in being licensed in the jurisdiction. This aligns with the Government's strategic objective of diversification and attracting new business to Gibraltar.

Finally, I have recently returned from engagements in Abu Dhabi. This forms part of my continuing work to strengthen Gibraltar's global position and attract investment in areas which are critical to our future prosperity.

Further engagement with international investors interested in established sectors, as well as emerging digital and prediction markets, will continue as part of our broader strategy. We will continue to update this House on our progress in these areas.

Youth Engagement

Madam Speaker, as this House knows, I am a strong advocate for young people and believe that we must nurture talent and ensure workforce sustainability. The Ministry has therefore held a series of Connect Hub events throughout the year, giving young people opportunities to engage with professionals from the financial services and gaming sectors, as well as access to mentoring and networking. The Connect Hub initiative is not simply an investment in industry; it is an investment in Gibraltar's future prosperity.

One example is the Finance Centre Careers Fair held at the Sunborn Hotel. The event included sessions for students, graduates, those already in work, those seeking new opportunities and those considering a career change into Gibraltar's finance, gaming and fintech sectors. The afternoon session included breakout discussions with industry professionals, career insights across those sectors and informal networking opportunities. The event was delivered in collaboration with the Finance Centre Council and formed part of the Government's broader strategy to promote skills development, career progression and the retention of local talent within high-value sectors.

Madam Speaker, we also held the 'Future Skills: AI, Tech and Entrepreneurship' event at the Sunborn in partnership with Startup Grind Gibraltar. This event was specifically aimed at young people and aspiring entrepreneurs and focused on the future skills needed in areas such as Artificial Intelligence, technology and entrepreneurship. This was our largest event and attracted more than 130 attendees.



These events are important because they allow young people to see what is possible. They give them access to people working in industry. They allow them to ask questions, build confidence and understand the skills that will be needed in the economy of the future. This is precisely the kind of practical engagement that the Connect Hub was created to support.

Category 2 Status

Following the Treaty announcement, we have seen growing interest from high-net-worth individuals who continue to see Gibraltar as an attractive jurisdiction. We have already announced reforms to the Category 2 regime to ensure that the regime remains competitive whilst at the same time ensuring that it is not abused.

Finance Centre Strategy and Innovation

We have been clear about the need to broaden our economic base and reduce dependence on traditional markets. Our strategy has been international rather than focused solely on the United Kingdom, engaging proactively with industry and regulators and pursuing opportunities with clarity of purpose, agility and confidence. The Government remains firmly committed to ensuring that Gibraltar continues to lead in secure, innovative and well-regulated sectors.

With this in mind, I wish to highlight the Ministry's ongoing commitment to working closely with both the financial services and gaming sectors. We must look ahead and take every opportunity to keep Gibraltar at the forefront of innovation and thought leadership.

The Ministry continues to work closely with the Finance Centre Council, now chaired by Mr Oliver Andlaw, with Mr Charles Bottaro as Vice-Chair. I would like to thank the Finance Centre Council, in particular Mrs Emma Lejeune, the outgoing Chair, and the various Working Groups for their continued support, time and commitment. Also, the Gibraltar Betting and Gaming Association (GBGA), headed by Nicholas Macias.

Equally, I wish to thank the team at the GFSC led by Kerry Blight for their professionalism and continued support.

Finally, my Finance Centre Department, led by Ms Kelly Lima, for their ongoing hard work, commitment and support.

GAMBLING DIVISION

Madam Speaker, I now turn to the gambling sector.

The new Gambling Act 2025 has been in force since 1 April 2026. This has been followed by new fees regulations, and the Gambling Division is currently managing a transition process which has required and will continue to require significant engagement with industry. Maintaining industry confidence during this transitional period is essential. The passage of what is, in effect, an enabling Act allowing for the development of a new regulatory substructure is only the beginning of a number of significant workstreams to modernise the regulatory framework.

The first workstream was to ensure that all existing licences were "grandfathered" under the new Act. I am pleased to report that licence fees for grandfathered licences for the 2026/27 financial year have already been collected and the issue of new licences under the 2025 Act is in progress. Licence fee income for 2026/27 currently totals £6,486,250. Some operators paid £590,000 in fees early,



which fell into the previous financial year. When the two figures are taken together, the transition to the new Act has had no negative impact on Government revenues. We have achieved the objective of keeping licence fee revenues from the existing industry broadly flat and in line with the estimate.

There are currently 61 operators holding 82 gambling licences: 48 B2C, 32 B2B and two land-based licences.

That said, the new Act has generated a pipeline of applications for new B2C, B2B and gambling support services licences, and the additional licence fees are to be welcomed.

In the previous financial year, 2025/26, licence fee income was £8,002,733.91 and gambling duties totalled £8,591,335.43. Gambling duties are always variable, as they are based on gross gambling yield, namely stakes minus payouts. Sporting results and gaming margins can produce unpredictable outcomes, but the figures tend to normalise over time. Changes to business models may also have an effect.

Running costs for the Gambling Division remain below £1 million and, to its credit, the transition is being achieved without additional internal resources. A considerable amount of work remains before a steady state is achieved, and the transition will extend beyond this financial year into 2027/28.

My Office is also supporting a diversification strategy to secure a broader base of licensees through active jurisdictional marketing, and is considering legislative changes to facilitate gambling and financial services derivative models within our wider legislative framework.

Overall, Gibraltar's gambling sector remains vibrant, employing approximately 3,400 people, around two thirds of whom are cross-border workers. However, structural change is imminent as the sector moves towards greater consolidation, including business sales and merger and acquisition activity. This is expected to result in redundancies and, for the first time, a material reduction in sectoral employment rather than the absorption of employees elsewhere within the industry. The arrival of new licensees should help to mitigate that impact, but lower employment would reduce personal tax receipts. Structural change will also increase the volume of change-of-control work undertaken by the Gambling Division.

Several factors are driving this structural change, but none is more significant than increases in gambling taxes in the United Kingdom. Operators are reducing costs as profitability in the UK market declines, which will also affect Gibraltar's corporate tax receipts. For the avoidance of doubt, new licensees will not in themselves close the estimated corporate tax shortfall, but we expect our diversification strategy to mitigate some of the impact over time.

However, the gambling sector remains an important economic pillar of our economy. Diversification does not diminish the importance of the existing sector.

We expect that the free movement of workers across an open frontier will help to stabilise the industry and enhance Gibraltar's attractiveness as a gambling hub. We thank the industry for its commitment throughout a long period of uncertainty and anticipate the positive impact of a free-flowing border for cross-frontier workers and easier Schengen travel for Gibraltar residents.

None of this could have been achieved without the support of the Gambling Division, led by Andrew Lyman. The team has experienced a significant increase in workload and I thank them all for their work.



ARTIFICIAL INTELLIGENCE

Madam Speaker, I would now like to turn to a further area of work within my Ministry: Artificial Intelligence.

Madam Speaker, Artificial Intelligence is no longer a distant or abstract concept. It is already reshaping economies, public services, regulation, industry and the way in which Governments interact with the people they serve. It is therefore important that Gibraltar does not simply observe these developments from the sidelines, but actively shapes how Artificial Intelligence can be adopted responsibly, safely and in a manner which delivers real value to our community.

Over the past year, my Ministry, through the expertise provided by public servant Karon Cano, has continued to advance work on Artificial Intelligence, with a clear focus on responsible adoption, practical delivery and the identification of use cases which can improve efficiency within the public sector. The objective is not to pursue technology for its own sake. It is to ensure that technology supports public servants, improves productivity, reduces repetitive manual processes and helps deliver better services to the public.

Madam Speaker, a key milestone in this work was the AI Futures and Foresight Conference. This event brought together senior leaders from across finance, gaming, insurance, law, technology and Government. It provided an important opportunity for Gibraltar's leadership to consider the opportunities, risks and governance issues associated with Artificial Intelligence.

Madam Speaker, as with other events held by my Ministry, I was keen to ensure that young people were given the opportunity to attend. A number of young people were invited to the AI event to give them exposure to the private sector and enable them to engage directly with professionals working in key areas of our economy. This is important. If we want our young people to see opportunity in Gibraltar, we must give them access to the rooms where these conversations are taking place. We must expose them to industry, innovation and the sectors which will help shape their future.

Madam Speaker, my Ministry has also continued to explore the wider role that our regulatory bodies can play in supporting technological innovation. In this respect, discussions with the Gibraltar Regulatory Authority have included Artificial Intelligence, smart contracts, blockchain-related frameworks, data protection and cybersecurity. These are all areas relevant to Gibraltar's future as a modern, agile and well-regulated jurisdiction.

In terms of practical delivery, Madam Speaker, the Government has successfully completed an Artificial Intelligence pilot designed to support tax arrears collection. This pilot was developed in-house and focused on assisting the Central Arrears Unit by automating manual and repetitive tasks. The aim was to allow officers to concentrate on more complex and higher-value work.

This is precisely the type of use case that demonstrates the real potential of Artificial Intelligence within Government. It is not about replacing public servants. It is about supporting them. It is about giving them better tools. It is about allowing them to work more efficiently, particularly in areas where resources are limited and where the demands on public administration continue to grow.

Madam Speaker, the direction of travel is clear. Artificial Intelligence, when used properly, can help reduce repetitive workloads, improve turnaround times, support better decision-making and deliver efficiencies across Government. In the current financial climate, this is particularly important. We must continue to identify ways of improving public service delivery whilst controlling costs and making better use of the resources already available to us.



JUSTICE

Madam Speaker, I now turn to Justice.

Over the last year, my work in this portfolio has continued to focus on strengthening public confidence in the criminal justice system, supporting our law enforcement agencies and ensuring that our laws remain clear, modern and responsive to the needs of our community.

This is a portfolio where balance is essential. We must protect victims. We must protect the public. We must support the police and prosecuting authorities. We must respect the independence of the courts. And we must ensure that when Parliament needs to act, it does so by passing the necessary legislation.

Madam Speaker, there has understandably been significant public concern in relation to serious sexual offending, particularly where children are involved. I share that concern.

Following consultation, the Government chose to address this through the parole framework rather than by altering sentencing structures. This maintains alignment with established approaches and avoids unnecessary legal complexity. The Government published the Prison (Amendment) Bill 2026, which provides that offenders aged 18 or over at the time of the offence, convicted of specified sexual offences and sentenced to more than 12 months' imprisonment, will be required to serve at least three-quarters of their sentence before they can be considered for release on licence.

This is an important distinction, Madam Speaker. Eligibility to be considered for release does not mean release. Any decision to release a prisoner on licence remains subject to the proper public protection test. The Parole Board must be satisfied that continued detention is no longer necessary for the protection of the public and that the risk of reoffending is minimal.

Madam Speaker, I want to be clear that this has not been a rushed exercise.

This work has required a significant amount of time, thought and adjustment. My Ministry has engaged with stakeholders across the legal and operational fields, including the judiciary, the UK Ministry of Justice, the Director of Public Prosecutions, the Royal Gibraltar Police, HM Prison senior management and the Parole Board.

The proposals have evolved as a result of that engagement. Different options were considered. The scope of the offences was reviewed. The parole threshold was considered carefully. The operational consequences were assessed. Further drafting work was required. Adjustments were made in response to the views received.

Madam Speaker, I am grateful that these parole changes have received cross-party support. In an area as serious as this, it is important that the community sees Parliament acting with a shared commitment to public protection.

Madam Speaker, this Government will take further steps.

The Government has given notice of amendments to that Bill restricting the circumstances in which cautions may be issued for specified serious offences. In those cases, a caution will only be available where a senior police officer is satisfied that exceptional circumstances exist and with the consent of the Director of Public Prosecutions.



Guidance will also set out how that decision is to be made, including when and how the views of victims and their families should be taken into account.

This is important. Victims must not feel that the justice system happens around them, without them or despite them. Their views must be properly considered, whilst at the same time preserving the operational independence of the Royal Gibraltar Police and the independence of the Director of Public Prosecutions.

Madam Speaker, the Government will also bring forward amendments to increase the maximum penalty for possession of indecent photographs or pseudo-photographs of children from 5 years' imprisonment to 7 years' imprisonment.

That represents a 40% increase.

The reason for this is clear. Possession of indecent images of children is not passive offending. It is not victimless offending. Such material exists because children have been abused or exploited. The possession, retention and circulation of this material contribute to wider harm and sustain demand for child sexual abuse material.

The increase to 7 years will provide the courts with greater sentencing headroom in the most serious cases. It is not for Government to direct the outcome in any particular case. But it is for Parliament to ensure that the statutory framework properly reflects the seriousness of offending, particularly where children are involved.

My sincere gratitude to the Commissioner of Police and his team for working so positively with me in closing the gaps on the existing legislative framework.

Madam Speaker, these reforms are important, but they should not be seen as the end of the work.

Sexual offences legislation must remain coherent, proportionate and capable of responding to modern offending. As part of the Government's ongoing programme of legislative review, I therefore intend to continue to review the wider framework of sexual offences, and child sexual offences specifically.

Madam Speaker, public confidence is not strengthened by words alone. It is strengthened by action, by resources and by ensuring that the agencies responsible for keeping Gibraltar safe have the people, training and tools they need.

That is why the Government has continued to support the Royal Gibraltar Police.

Madam Speaker, that support has also been reflected in legislation.

Last July, Parliament passed the Crimes (Assaults on Emergency Workers) (Amendment) Act 2025. This Act strengthened the protection afforded to those who serve the public in emergency roles, including our police officers.

The message is clear. Those who place themselves in harm's way to protect the public must themselves be protected by the law. Assaults on police officers and emergency workers are assaults on the services on which the community depends. They undermine public order, they place additional pressure on frontline services and they must be treated with the seriousness they deserve.



This reform formed part of the Government's wider commitment to supporting the Royal Gibraltar Police, not only through words, but through legislation, recruitment, facilities and practical resources.

As I have already set out, that commitment is also reflected in the Government's sustained investment in police officers, civilian staff, specialist expertise, facilities and the Economic Crime Unit. Those resources strengthen frontline policing, support complex financial investigations and ensure that specialist officers can focus on the work for which their powers and training are required.

Madam Speaker, this work forms part of Gibraltar's ongoing programme to strengthen its financial crime and sanctions framework in line with international standards. It sends a clear message: Gibraltar is not a safe haven for criminals, illicit gains or those who seek to exploit our systems.

Madam Speaker, I also wish to thank the Government Law Offices and the Office of Criminal Prosecutions and Litigation. Their work is often unseen by the public, but it is essential. They prosecute crime, advise Government, support legislation and provide the legal foundation for many of the reforms I have outlined today.

I also thank the Royal Gibraltar Police, the Gibraltar Police Federation, HM Prison Windmill Hill, the Probation and Community Services team, the Courts Service, the Parole Board, the Gibraltar Financial Intelligence Unit, HM Customs and all other agencies that support the delivery of justice in Gibraltar.

INTERNATIONAL COMPLIANCE, SANCTIONS, MONEYVAL AND FATF

Madam Speaker, I now turn to matters concerning anti-money laundering, counter-terrorist financing, and the broader fight against economic and financial crime.

I have previously made clear that Gibraltar's removal from the FATF Grey List in February 2024 was not the end of the journey. It was an important milestone, but it was never the final destination. Rather, it marked the beginning of a more demanding phase in Gibraltar's ongoing commitment to maintaining the highest international standards in financial integrity, transparency and enforcement. That remains the position today.

The work required to maintain and strengthen Gibraltar's anti-money laundering and counter-terrorist financing framework is constant, technical, resource-intensive and, above all, strategically vital to Gibraltar's reputation as a serious, responsible and well-regulated international finance centre.

Madam Speaker, over the course of the last financial year, the Government has continued to invest in the systems, people, legislation and operational capabilities required to ensure that Gibraltar remains aligned with evolving international standards and best practice. In doing so, we have continued to move beyond siloed structures towards a more coordinated and intelligence-led framework across Government, law enforcement, regulators and operational agencies. That coordinated approach has become one of the defining features of our strategy.

Madam Speaker, Gibraltar has continued its intensive preparations for the strategically vital MONEYVAL and FATF process ahead of its next evaluation cycle in 2027. The work has intensified considerably and our authorities continue to prepare for what will be a rigorous assessment under revised FATF standards.



Madam Speaker, I also wish to highlight a particularly important development for Gibraltar. Mr James Lennane from the Office of Criminal Prosecutions and Litigation and Mr Carl Ramagge from the Gibraltar Financial Intelligence Unit have recently completed specialist training as part of qualifying as MONEYVAL assessors.

This is an important achievement, not simply on a personal or professional level, but for Gibraltar as a jurisdiction. The participation of Gibraltarian professionals and public officials in the international assessment process demonstrates the growing maturity, credibility and expertise of Gibraltar's institutions within the global anti-money laundering and counter-terrorist financing framework. It places Gibraltar in a stronger position to understand evolving assessment methodologies, international expectations and emerging best practice across other jurisdictions. Importantly, it also demonstrates that Gibraltar is not merely participating in the international system, but actively contributing to it.

Madam Speaker, as I noted last year, this sustained process can create what I previously described as "transaction fatigue" across institutions and personnel. Despite these pressures, Gibraltar's authorities have continued to perform with professionalism, resilience and determination. I therefore wish to place on record my sincere thanks to all authorities which form part of the inter-agency sub-committee and are involved in Gibraltar's MONEYVAL preparations for their continued support, hard work and commitment.

Madam Speaker, over the last twelve months the Government has overseen several further enhancements to Gibraltar's financial crime framework.

One of the most significant developments has been the operationalisation of Gibraltar's Unexplained Wealth Orders regime under the Proceeds of Crime Act 2015. The Government has already published a detailed Code of Practice on Unexplained Wealth Orders and Interim Freezing Orders, providing guidance to enforcement authorities, the courts and legal practitioners regarding the proper and proportionate use of these powers.

These measures represent a major enhancement in Gibraltar's asset recovery and illicit finance toolkit and reinforce our commitment to ensuring that such powers are exercised lawfully, proportionately and consistently with the rule of law.

Madam Speaker, we have also continued to strengthen Gibraltar's legislative framework through further initiatives relating to sanctions, proceeds of crime, information sharing, beneficial ownership transparency and investigatory powers.

The publication of the 2025 National Risk Assessment represented another important milestone. The assessment reflects extensive work undertaken across Government, competent authorities, regulators, law enforcement agencies and the private sector to identify and mitigate evolving money laundering, terrorist financing and proliferation financing risks.

In addition, the National Coordinator Delegate has been working closely with the Government's Charities team on a dedicated terrorist financing risk assessment concerning Gibraltar's non-profit organisation sector, which is expected to be completed later this year.

Madam Speaker, whilst much has been achieved, we cannot and must not become complacent. Financial crime continues to evolve rapidly. Complex cross-border structures and increasingly sophisticated criminal methodologies mean that jurisdictions must remain agile, proactive and



operationally prepared. That is why this Government remains committed to continued investment in capability, legislation, training, technology and operational coordination.

Madam Speaker, sanctions also fall within the responsibilities of the Justice Ministry and remain an important part of Gibraltar's wider international compliance framework. A little over a year ago, the Government established a dedicated Sanctions Coordinating Unit to provide a central point for sanctions policy, licensing and coordination. Sanctions licence applications are now processed through the Unit, providing a more streamlined and consistent approach, whilst the team maintains regular dialogue with the relevant agencies and authorities. During this time they have also worked closely with our UK counterparts and beyond.

Madam Speaker, the Government is progressing the introduction of civil penalties for sanctions. In bringing forward this regime, the Government is delivering on the commitment made to Minister Doughty at the Joint Ministerial Council and continuing its close and constructive work with the Convent and the Foreign, Commonwealth and Development Office. This will strengthen Gibraltar's enforcement toolkit by providing a proportionate mechanism to address breaches where criminal prosecution may not be the appropriate or practical route. I would like to thank the team at the Ministry under the leadership of Charles Avellano for their work and support in this important area.

We have demonstrated that Gibraltar is capable of meeting international scrutiny. We have demonstrated that Gibraltar is capable of reform. And we have demonstrated that Gibraltar is fully committed to protecting the integrity of its financial system.

That work will continue, and this Government will continue to provide the resources, leadership and strategic direction necessary to ensure that Gibraltar remains a trusted, transparent and internationally respected jurisdiction. In this respect, I would like to express my appreciation for the work undertaken by Ms Annette Perales in her role as National Coordinator Delegate.

GIBRALTAR COURTS SERVICE

The past year has seen the Gibraltar Courts Service maintain the same reliable standard of service that court users and the judiciary have come to expect. That consistency is worth acknowledging, because it does not happen by accident.

On a typical working day, the Courts Service may be supporting five or six courts sitting concurrently, each with its own administrative requirements, while at the same time keeping public counters staffed and back-office functions running without interruption.

That those demands are met reliably and professionally, is a reflection of the commitment and dedication of the individuals who make up the Courts Service. Their work ensures the smooth functioning of the courts on a daily basis; operating efficiently, accessibly and to a standard that serves the interests of justice. My sincere thanks to the CEO of the Gibraltar Court Service Ms Hazel Cumbo and her staff.

GIBRALTAR LAW OFFICES

Madam Speaker, I now turn to the Office of Criminal Prosecutions and Litigation.

The OCPL has been further resourced through the appointment of an additional Crown Counsel. This reflects an increase in workload across the board, particularly in financial and complex crime. The appointment is also important in preparation for the forthcoming MONEYVAL evaluation and in



demonstrating the sufficiency of resources in relevant areas, including mutual legal assistance and the prosecution of offences under POCA.

The OCPL remains committed to keeping its expertise at the forefront of important areas of law. This calendar year, the department has already received remote training in proceeds of crime at no cost to HM Government of Gibraltar, with a further session having recently been delivered. The department will also receive RASSO training in rape and serious sexual offences to refresh and strengthen knowledge in this important area of law. Sexual offences are, and will continue to be, a priority for the Ministry of Justice, and this is reflected in the OCPL's training programme.

The OCPL has trialled AI software at no additional cost to determine whether and how it might be used by the department in future. This remains under review by the DPP.

The DPP and Crown Counsel have also assisted the Ministry of Justice in developing legislative reforms which affect prosecutorial matters. These include the introduction of video-link evidence in the Magistrates' Court, which should reduce the travel costs of witnesses required to give evidence, and the new parole provisions relating to specified sexual offences.

I wish to express my gratitude to the Director of Public Prosecutions, Christian Rocca, with whom I have worked very closely, particularly in strengthening the law relating to sexual offending.

ROYAL GIBRALTAR POLICE

Madam Speaker, I now turn to my responsibilities in respect of the Royal Gibraltar Police.

Investment and growth

The Government has invested in the RGP over the past two and a half years, strengthening the organisation across a wide range of functions. New officers have been recruited across several intakes, and appointments have been made at Command level and across key police staff roles, including Command and Dispatch, Detention Officers and Financial Crime Investigation. Specialist capability has been added through Crown Counsel, expert consultants, forensic accountants and experienced retired officers. The Public Protection Unit has also moved into dedicated new facilities at New Harbours, which give the most vulnerable victims and witnesses a discreet, safe and dignified place to be heard and supported.

The Government's investment in policing for the policing year from April 2026 to March 2027 is significant. A further uplift of 32 police officer posts has been approved by the Chief Minister, increasing the establishment of warranted officers from 258 to 290, a 12% increase. The recruitment of these officers during the second half of 2026 will enable the RGP to deliver enhanced policing at the land border with Spain and at the airport in the context of the Treaty. This is in addition to recruitment to fill the current 20 vacancies within the RGP, with a new recruit school starting in November 2026.

In addition to increasing the police officer establishment, the Government has invested in 13 police staff posts appointed by the Commissioner under the Police Act. These posts will replace police officers currently performing back-office functions, releasing more officers to the front line.

A significant increase in the capital budget will enable transformational improvements, including refurbishment works at New Mole House, replacement of the ageing records management database, new police vehicles and maritime equipment essential for Treaty and BGTW patrols.



Structure and governance reform

The Force has been redesigned around capability, with a new target operating model to meet Policing Plan priorities. Its new organisational structure aligns people, skills and specialist units with the real demands of modern policing in Gibraltar. Underpinning that design is a new governance structure based on clear thematic and portfolio leads, with each area that matters most to the public carrying named senior ownership, a defined remit and a clear line of accountability. The intention is that nothing important falls through the gaps and that progress can be tracked, challenged and reported openly.

A Police Governance Reform Steering Group has been established to take a longer-term view of how policing in Gibraltar is held to account. It is reviewing the RGP's accountability arrangements, assessing new models of police governance and planning the longer-term reform of policing oversight. The organisation's policing and governance are also increasingly data-led, with quarterly reports now submitted to the Gibraltar Police Authority on the most important matters, including the Force's resources and finances. This gives the Authority, and through it the public, a regular evidence base on which to hold the organisation to account.

The Force has also opened a more direct channel to the public. A new online portal allows any member of the public to express dissatisfaction with the service received, giving the RGP a clear and structured means of resolving concerns and putting things right.

Leadership

The new Commissioner of Police has brought renewed leadership and a clear mandate to drive the RGP's transformation forward and deliver a modern police service for Gibraltar. Below Command level, I am advised that every leadership and supervisory vacancy has been filled through enhanced and transparent promotion processes, including through feedback provided to every candidate.

The work to rebuild culture and morale is bearing fruit. Some officers who previously left the RGP have chosen to return, and further returners are expected in the months ahead. To modernise standards further, new Misconduct and Performance Regulations are being developed for introduction at the end of this year, with training already underway.

The Force has also given attention to the wellbeing of its people. Sickness and absence management has improved, and occupational health direct referrals is helping the Force to support the wellbeing of officers and staff.

Economic Crime Unit

Government investment has strengthened the Economic Crime Unit to its largest staffing level since its establishment. This has included a dedicated Crown Counsel for Economic Crime, Civilian Financial Investigators, a specialist accountant, a consultant with senior policing experience and, most recently, additional civilian support staff. The Government remains committed to increasing resources further, including through the appointment of more Civilian Financial Investigators.

The Unit's work over the past year has produced tangible results under a documented Action Plan. Rigorous investigations have led to successful prosecutions for money laundering, with asset recovery secured in both conviction-based and civil proceedings. Throughout, the Unit has worked closely with the Attorney General on the considered use of civil recovery powers. The Unit will soon



also operate from modern offices close to the Director of Public Prosecutions, which will improve coordination on charging and asset recovery.

I extend my sincere thanks to the continued work undertaken by the Economic Crime Unit under its able leadership and the commitment shown by the entire team and I look forward to the official opening of the new offices we secured for the Unit.

Treaty readiness

The year ahead will bring new demands. The Treaty arrangements and a more fluid land border will place fresh expectations on the RGP in the field of police cooperation. The additional 32 officers I have referred to will be central to meeting those demands, with recruit training due to begin in November 2026. Once trained and in post, they will add directly to the Force's capacity to meet Treaty-related demand, maintain a visible presence across the community and reinforce the core task of keeping Gibraltar safe. The Force has already delivered the overwhelming majority of the Treaty-related tasks and workstreams required in this area, with resources aligned to those expectations so that Gibraltar is ready and is seen to be ready.

Community policing

The reintroduction of the Community Policing Unit has been one of the most visible changes for the public. The resulting increase in officer time available, including through the removal of prisoner escort duties, is now being felt directly on the streets. The Unit has brought more visible policing to the estates and Main Street, a valued and sustained presence in schools and earlier intervention against crime and anti-social behaviour. By putting officers back into neighbourhoods and closer to the people they serve, it supports prevention and earlier action rather than response alone. The reintroduction has been warmly received and is an investment which pays a dividend in public confidence.

I also wish to place on record my sincere appreciation to the Commissioner of Police for the work he continues to lead on, often in challenging and demanding circumstances. My thanks extend equally to every member of the Royal Gibraltar Police for their professionalism, commitment and unwavering dedication to keeping our community safe. Their service to Gibraltar is greatly valued and deeply appreciated.

Gibraltar Financial Intelligence Unit

Madam Speaker, I now turn to the Gibraltar Financial Intelligence Unit.

The GFIU continues to play a critical role in Gibraltar's efforts to combat money laundering, terrorist financing and the financing of the proliferation of weapons of mass destruction. Its work is central to our wider justice and law enforcement architecture, and to Gibraltar's reputation as a responsible, cooperative and credible jurisdiction.

I wish to place on record my particular appreciation to Mr Edgar Lopez, who has now retired as Director of the GFIU.

Edgar has led the GFIU with distinction. Under his leadership, the Unit has strengthened its operational capability, developed its international credibility and played an important role in Gibraltar's engagement with MONEYVAL and FATF-related reforms.



Madam Speaker, Edgar retires with the gratitude of this Government and with the respect of colleagues and peers both in Gibraltar and internationally. I thank him sincerely for his service.

Mr Carl Ramagge has now been appointed as Director of the GFIU.

Carl brings significant operational experience and a deep understanding of the financial intelligence landscape. He has already made an important contribution as Head of Operations, and his selection as Chair of the Egmont Group's Policy and Procedures Working Group is a major achievement for him personally and for Gibraltar.

It reflects the confidence placed in him by international peers and demonstrates that Gibraltar continues to contribute meaningfully to global financial intelligence standards, cooperation and good governance.

The work of the GFIU is not always visible to the public, but it is essential. It supports law enforcement, strengthens our financial crime framework, assists international cooperation and helps protect Gibraltar from those who seek to abuse financial systems for criminal purposes.

I congratulate Carl on his appointment and thank Edgar, Carl and the whole GFIU team for their professionalism, commitment and continued service to Gibraltar.

HM PRISON

Madam Speaker, in respect of His Majesty's Prison, I am pleased to report that there have been no major incidents or disturbances brought to my attention in my capacity as Minister for Justice.

During 2025, the Prison recorded a total of 116 admissions, consisting of 108 male prisoners and 8 female prisoners. The male admissions included five immigration detainees who were subsequently removed from the jurisdiction. The average monthly prison population for the previous financial year was 25.81 inmates. I am also pleased to report that, once again, there were no juvenile admissions during this period.

In the area of rehabilitation, the Prison continues to benefit from the dedicated efforts of professionals and service providers who deliver a broad range of programmes aimed at helping offenders break the cycle of re-offending and successfully reintegrate them into society as responsible and productive members of the community.

Madam Speaker, counselling services remain a key element of inmate support, with 59% of inmates regularly attending counselling sessions. The spiritual guidance and assistance offered by visiting religious denominations also continue to provide meaningful support to inmate wellbeing and rehabilitation.

I wish to express my thanks to the Prison Superintendent Nigel Gaeto and his staff.

ROYAL GIBRALTAR POST OFFICE

Madam Speaker, I now turn to my responsibilities in respect of the Royal Gibraltar Post Office.

Following the United States White House Executive Order of 30 July 2025, which introduced new requirements for the handling and processing of inbound goods into the USA, postal services involving parcels and goods destined for the United States were suspended. Since then, the Royal



Gibraltar Post Office has been actively pursuing, through the Universal Postal Union, a solution to enable the resumption of these services.

Madam Speaker, I am advised that this suspension is expected to be lifted shortly. The acceptance of postal items containing goods destined for the USA will resume once the final arrangements for a Delivered Duty Paid solution with a US-approved provider have been concluded.

As part of the department's ongoing training and development programme, the RGPO will introduce a Long Service Award Policy.

Madam Speaker, this Long Service Award programme will provide an opportunity to formally recognise and celebrate RGPO employees for their loyalty, dedication and continued contribution to the organisation. Recognising long service reinforces a culture of appreciation, boosts morale and acknowledges the valuable experience and commitment which employees bring to the department. In addition to recognising the efforts of its staff, the programme aims to foster motivation, pride and a positive working environment.

Madam Speaker, I am also pleased to announce that, as part of HM Government of Gibraltar's continuing eGov programme delivered through the Information Technology and Logistics Department, service kiosks for the collection of parcels will shortly be installed at the Mail Centre. These kiosks will streamline the experience for service users and help reduce queues when collecting parcels.

I thank the Director of Postal Services Peter Linares and staff at the Post Office.

CONCLUDING REMARKS

Madam Speaker, I wish to place on record my sincere appreciation to my entire Ministry team for their unwavering hard work, professionalism and dedication throughout the past year. This includes every member of my staff, both within the Ministry and at my Constituency Office.

Together, we have worked tirelessly to deliver the Ministry's priorities. The journey has not always been easy, and the challenges have at times been considerable, but I am immensely proud of all that we have achieved together and of the work which still lies ahead.

I would like to offer my particular thanks to Marie Mifsud and Kelly Lima within my Ministry for their leadership, commitment and support during this crucial period for Gibraltar. Their dedication has been invaluable, and I am deeply grateful for their service. My gratitude as well to Julian Baldachino.

Madam Speaker, this has been a year of delivery across each of my portfolios. The work is not complete, but the direction is clear: stronger public finances, a more competitive economy, modern and effective public services and a justice system which protects the public and commands confidence. That is the work this Government will continue to take forward in the interests of Gibraltar and its people.

A focus on effective and timely delivery is also central to this Ministry's economic policy agenda, and increasingly defines how we approach growth, regulation and execution.

It is clear that the systems which support economic development must operate at the pace required by a fast-moving global economy. Our ambitions for growth, diversification and competitiveness



depend on alignment across regulatory bodies and the wider administrative machinery that underpins Government.

As my Ministry, and my team, accelerate the work we are doing (including internationally) this is not simply an administrative objective. It is fundamental to our economic stability.

Because delay is not neutral. Delay becomes constraint, and constraint becomes lost economic opportunity and weaker growth.

We are therefore determined to strengthen execution across the entire system so that ambition is matched by delivery. That means faster execution, clearer accountability, and alignment with a policy approach which recognises that effective delivery is essential to the success of the wider economy, and depends on coordinated performance across both the Government and the regulatory environment.

Ultimately, the success of Government policy depends on timely decision-making and effective execution across the whole system. Where decision-making and execution do not match our ambition, the consequences are borne not by one Ministry, but by the entire Government, the economy, the public finances and, ultimately, the people of Gibraltar.

Madam Speaker, there is a common thread running through everything I have set out today. Whether in taxation, financial services, justice, regulation or the application of new technologies, we have not been content simply to administer the systems we inherited. We have been prepared to challenge established ways of doing things, to modernise where reform has been needed, to embrace innovation where opportunity exists and to expect more from ourselves, from our institutions and also from those entrusted with regulation. That approach has delivered stronger public finances, more robust laws, more forward-looking financial sectors and a regulatory environment better equipped to meet the challenges of a rapidly changing world. Because standing still is not an option. In an increasingly competitive global environment, Governments must have the confidence to reform, the courage to innovate and the determination to seize opportunity before others do, positioning Gibraltar not merely to respond to change, but to help shape it. That requires the whole system to work together, not merely parts of it.

Madam Speaker, before I conclude, I would like to place on record my appreciation to the Chief Minister for the confidence and support he has shown in me and my work. He has given me the trust and space to lead on my Ministerial portfolios, take decisions and deliver the results I have set out today. That trust is something I value greatly, and I am grateful for the opportunity to serve Gibraltar in this way.

Finally, Madam Speaker, the conclusion of the Chief Minister's Budget speech was a reminder of something that is sometimes easy to forget: that Ministers, Members on both sides of this House, and all those entrusted with public office are, first and foremost, human.

In a small community such as ours, the responsibilities of public office are often accompanied by unique personal and family pressures. We strive every day to meet the expectations placed upon us, knowing that those expectations are often high and, at times, impossible to satisfy fully.

We do our utmost to serve the people of Gibraltar with integrity, commitment and professionalism and, while we will not always get every decision right, our dedication to acting in the public interest never wavers.



I hope that, whatever our political differences, and I have no difficulty in saying Madam Speaker that I have friends on the other side of the House, we never lose sight of that shared humanity. It serves neither this House nor the people we represent if we forget that those who hold public office also carry personal burdens that are not always visible.

ENDS