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Spotlight on MONEYVAL

Viewers of the BBC fact-based drama series, *McMafia*, might well be acquainted with the way financial crime, money laundering and terrorist financing have become a worldwide issue, so will have a sense of why Gibraltar is putting such great effort into making sure it has fully adopted identification and preventive measures.

Nearly two decades after Gibraltar first sought to become in its own right, part of MONEYVAL, the international anti money laundering and financing of terrorism compliance body, it was finally successful in 2015. Now the territory's systems and state of preparedness to combat those threats are to be closely evaluated and that presents a unique opportunity to demonstrate how the jurisdiction fares against the relevant international standards.

Potentially any finance centre can be exposed to bribery, corruption, fraud and market abuse, but for Gibraltar it is "imperative" that a positive outcome is achieved from the MONEYVAL evaluation in the first quarter of next year and the resulting report six months later.

The planned external, in-depth examination of the territory's preparedness, understanding and implementation of measures to identify and mitigate financial crime involves not just State departments, regulatory bodies – covering financial services and eGaming (both accounting for around half of the jurisdiction's GDP) and the Office of Fair Trading – but also a host of private sector intermediaries.

It is welcome reassurance that all that can be done in Gibraltar is being done, but also because it will give added weight to this small territory's claim to be a significant player on the world stage. The Gibraltar Financial Services Commission sees it as boosting its credentials and, according to chief executive Samantha Barrass, recently, she is "already detecting a growing confidence on the part of our counterparts in the UK and Europe" in Gibraltar as a strong international regulator in the context of Brexit and beyond.

Although she says there is "no competition between regulators" as they work together to set and administer standards, in the private sector competition is key and as a result there are going to be trading tensions, just as is being experienced now in Gibraltar's telecommunications sector. The battle over broadband packages that feature telephone, but also TV services the supply of which may, or may not, be fully kosher, is symptomatic of a market that is small and growing very little - just about everyone already is being supplied.

The telecoms regulator is charged with promoting competition, but with no power to make it happen. By far the largest supplier of services, Gibtelecom (Gibtel), has for three years been 100% State-owned, which may or may not result in special treatment, and there is the potential for discontent.

Privatising Gibtel may be advisable (much as the UK divested itself of BT), or reducing State interest to less than 50%. The government instead could distance itself by not being directly Gibtel Board members, much as in Jersey or Singapore, for example.

Ray Spencer

Published by
Gibraltar International Publications Ltd.
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PMB 104, PO Box 561
Gibraltar, GX11 1AA

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DLT Regulations come into force

By March 2018 “Tens of licence applications” for Distributed Ledger Technology (DLT) will have been processed by the GFSC after the technology was regulated in January

Supporting FinTech (Financial Technology) - and broader technology - innovation is a cornerstone of Gibraltar’s bid to attract start-up ventures, or others in blockchain to relocate to The Rock as a ‘centre of excellence’.

As Gibraltar Financial Services Commission (GFSC) specialist advisor, Sian Jones, explained: “The rigidity of financial services regulation becomes a barrier to some FinTech business, because rulebooks are written around what is already known and mature, and not an open book of new stuff that isn’t yet understood. With the DLT framework, we are addressing something that to a large extent is new and unknown”



Dr Jonathan Spencer presents the GFSC annual report with chief executive, Samantha Barrass

The level of initial DLT applications was “in line with expectations”, revealed Nicky Gomez, GFSC head of risk & innovation. “No two applications are the same – each has its unique approach.” The GFSC encouraged would-be licensees to first approach local intermediary advisors – accountants, lawyers, etc – to get a better understanding of requirements and the proposed activities.

“We had discussions with some applicants as part of the pre-engagement process and came to the conclusion the activities did not fall within the DLT framework”, he said. Jones added: “Although they may have considered the technical aspects, they may not have thought through adequately the implications of being a financial services business.”

She added: “Over the last few months we have had a steady stream of established businesses [showing interest] from all four corners of the world – Asia, North and South America and other parts of Europe; some to look around to see what our approach is, and subsequently some have set up Gibraltar companies in anticipation of submitting a license application.”

Regulatory certainty

Firms in Gibraltar using DLT (also known as blockchain) to store or transmit value belonging to others, must apply for a GFSC licence, and the outcome is to gain regulatory certainty. Some applications involve use of virtual currencies such as Bitcoin; an eMoney firm has already been authorised to offer Bitcoin debit cards.

Jones declared: “Unfortunately, the EU approach to financial advice only applies to specified forms of financial instruments, not virtual currencies.”

Initial Coin Offerings (ICOs) – a type of start-up crowd funding also known as ‘token sales’ – are next for world-pioneering Gibraltar regulation later this year. “Like virtual currencies, the work with the government is around token sales and distribution, rather than the tokens themselves,” she added. “We again are leading the way in addressing this aspect by preparing legislation to bring that kind of investment advice into the regulated space. I don’t know of any other jurisdictions that are anything like as advanced in regulating this space. We are getting on and doing something about it in Gibraltar,” Jones said, by promoting market confidence, reducing systemic risk and cutting financial crime.

The moves come as Gibraltar prepares for a MONEYVAL assessment of compliance with principal anti-money laundering and terrorist financing international standards. The 47-member State, pan-European organisation, will early next year examine the extent to which there is adequate legislation in place and implementation by organisations such as the police, customs, intelligence services, regulators and sample private sector businesses, lawyers and accountants.

The GFSC supervision of more than 500 licensees of all types is central to the activity as chairman Dr Jonathan Spencer, explains: “A positive outcome from the MONEYVAL

evaluation, [a report is expected in autumn 2019], will represent a distinctive calling card and an incredibly useful tool for Gibraltar’s Brexit-related negotiations with the UK.”

In the GFSC 2016-17 annual report, published in December, Dr Spencer emphasised: “It will also help to cement our position in the international arena, post-Brexit and beyond. The importance of getting this right for both the organisation, as well as the jurisdiction, must not be underestimated.

“An important element here... is to make sure we are a credible jurisdiction,” he noted. MONEVAL presented “a unique opportunity to demonstrate how the jurisdiction fares against the relevant international standards”. It will show how financial crime is in “an even more central position on our supervisory agenda and test how well we meet the expectations of our peers internationally”.

A data collection exercise across the financial services sector in March 2017 provided the basis for a specialist GFSC financial crime team supervisory plan that includes liaising with firms on high-risk issues. The impact is also being felt in the license applications process with an enhanced due diligence methodology “to prevent criminals from holding or controlling a beneficial ownership or a management function within a regulated entity”.

Legislative Reform Programme

Samantha Barrass, GFSC chief executive, declared: “We are looking ahead to an increased activity in the area of combatting financial crime... and more effective use of external skilled persons and inspectors” to provide the resources needed in the medium term.”

But when asked in January, a GFSC spokesperson was unwilling to quantify the extent of financial crime activity, citing “confidentiality provisions”, but confirmed that “a substantive area of work has been conducted by the financial crime team working on specific thematic reviews and sectors. There is no particular sector of concern. We have on-going enforcement cases and with increased powers we are able to address more issues and in turn have a higher case load of work.”

In the next year, GFSC expects to

Continued on page 28



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Gibraltar at the forefront once again

By **Javi Triay & Chris Davis,**
Associates, Triay & Triay Financial
Services Team



Gibraltar's finance sector is dynamic, continually evolving to accommodate the emergence of new industries, technology and the entrepreneurs, whilst always catering for the needs and protection of consumers.

Not since the emergence of the online gaming sector has a new area of business been met with such excitement in Gibraltar. This time, Distributed Ledger Technology (DLT) and Initial Coin Offerings (ICOs), are today's buzzwords.

DLT is essentially a public ledger consisting of replicated, shared, and synchronized digital data spread across multiple sites, countries, or institutions. It is decentralised, meaning that it functions completely peer to peer and therefore does not rely on a centralised institution to police it (such as a government or national bank).

Not since the emergence of the online gaming sector has a new area of business been met with such excitement in Gibraltar

It's disruptive and despite attempts from various authorities around the world over time, it's not going away.

The underlying technology has seen increased use across a variety of sectors in a number of countries (including but not limited to crypto currencies, land property registries, tax systems, etc.)

Landmark bill

On the 1st January 2018, the much

anticipated Financial Services (Distributed Ledger Technology Providers) Regulations 2017 (the **Regulations**) came into force following the publishing of the landmark bill in October 2017. The Regulations, are accompanied by guidance notes (the **Guidance Notes**) published by the Gibraltar Financial Services Commission (**GFSC**) in December 2017 and will seek to create a regulatory framework which will allow new businesses to grow and develop the use of DLT whilst also providing a "safe space" for the potential consumers of these businesses.

Whilst it may seem counterproductive to create a regulatory framework for an industry that prides itself on being decentralised, the regulation of DLT is essential to its success. The Regulations attempt to carefully balance the ultimate goal, one that will protect consumers and Gibraltar's reputation as a finance centre and one that will create an environment allowing DLT related business to flourish due to its enhanced reputation as a regulated entity. DLT's many potential uses means that it is near impossible to establish a "one size fits all" regulatory framework.

9 regulatory principles

The Regulations will regulate the providers of the services (**DLT Providers**) as opposed to the underlying technology itself, which is decentralised. The Regulations will regulate those *"carrying on by way of business, in or from Gibraltar, the use of Distributed Ledger Technology for storing or transmitting value belonging to others"*. In other words the quasi banks (Wallet providers) and quasi bureau de changes (Exchanges).

The Regulations require DLT Providers to satisfy 9 regulatory principles within the Regulations. Principles such as; honesty and integrity, the maintenance of financial and non-financial resources and the management of business with due skill and care are but some of the principles that DLT Providers will need to satisfy in order to be granted a licence. Therefore DLT Providers will be held to account to a high regulatory standard. In order to assist prospective applicants, the Guidance Notes will give DLT Providers examples of the standards and best practice which would be expected of them by the GFSC.

The regulatory framework and licensing procedure is not dissimilar to the

licensing process traditional financial services entities would expect. It should be noted that one particular item which is not covered by the Regulations is that of Initial Coin/token Offerings (ICO), a practice which has become almost synonymous within the business sector.

An ICO is a method which DLT start-ups use to raise funds required to initiate its particular venture. In a nutshell, the company creates and then sells their own tokens/coins to members of the public in consideration for legal tender or other crypto-coins.

Whitepaper

Whilst similarities can be drawn with the traditional IPOs such comparisons can be slightly misleading. ICO's and IPO's are actually quite different. For example, whereas investors to an IPO receive ownership rights in the company by acquiring shares of the company, those who invest in ICO's receive cryptocurrency or other tokens issued on a DLT. Moreover, unlike IPO's, ICO's are generally unregulated, meaning that start-ups effectively bypass the "red-tape" that would ordinarily be required of traditional fundraising methods.

Where start-ups would like to raise money through an ICO, it will typically create a policy paper, known as a "whitepaper", which typically outlines the company's objective, the process the company will undertake to meet the objectives, how much the company is seeking to raise, the utility associated with the coin/token and any rights attached to it.

The ever increasing use of ICO's prompted the Government of Gibraltar to begin examining the way in which this particular form of funding should be regulated. Although the way in which these particular rules will come into play is still unclear, it is expected that much of the focus will revolve around disclosures made within the whitepapers themselves.

With the passing of the Regulations and the publishing of the Guidance Notes Gibraltar has officially opened its doors and welcomes new DLT businesses to the Rock.

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Another lap

By Alan Mudie, head of Research and Strategy, Societe Generale Private Banking



The outlook for 2018 looks very familiar to keen observers of economies and markets. As was the case in 2017, we expect synchronized growth, sub-par inflation and stimulative monetary and fiscal policy, creating a supportive environment for risk assets such as equities.

Main Street versus Wall Street

In the years following the Global Financial Crisis and Great Recession, many observers were struck by the gap between sluggish economies and booming asset markets.

kick-start growth, pulling government bond yields down to historic lows in their wake. This meant less income for depositors, falling net interest margins for banks and rising liabilities for pension funds. Investors felt compelled to stretch for returns in riskier categories of bonds, pushing prices higher and yields lower. In turn, this helped spark a long bull-run in equity markets.

As has become apparent with the increasingly polarized political landscape, the benefits of the rise in asset values accrued in the main to a small number of already wealthy individuals, and the painful recovery from the crisis was mainly felt by the working and middle classes. It is hardly surprising that non-mainstream politicians and parties have gained such traction in recent years.

At last!

But at the same time as Donald Trump and Emmanuel Macron were seizing their presidencies, signs were emerging that a healthier economic recovery was underway.

First, the long slump in global trade has begun to reverse. Volume growth averaged 2.2% between 2010 and 2016, well below the long-run average of just under 5%, but

can look forward to improvements in productivity, which might open the door to higher wage settlements at long last.

Third, the Organisation for Economic Cooperation and Development's latest Economic Outlook report forecasts an acceleration in global growth from 3.1% in 2016 to 3.6% last year, strengthening further to 3.7% in 2018. This is very close to the 1990-2007 average, encouraging news especially given that not one of the 45 countries covered is expected to contract over the next three years.

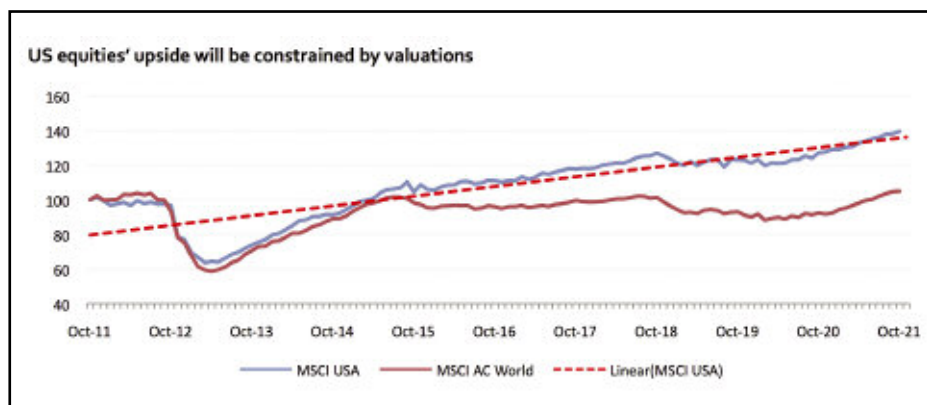
Finally, the United States Federal Reserve System has developed both a template for normalization for other central banks to follow – taper asset purchases and then halt them, hike rates then hike again and finally unwind securities holdings – and two guiding principles to achieve success, i.e. management of expectations and gradual implementation. For 2018, the economic outlook suggests further normalization but sluggish inflation means central banks will be in no hurry to over-tighten policy settings – all in all, a rather benign environment.

Staying the course

When we turn to financial markets, further similarities emerge. Corporate earnings growth is globally robust – the combination of low borrowing costs, negligible wage growth and strong demand helped boost profitability last year and should do so again next. Strong growth and rising inflation should eventually lift the long end of the curve. Credit spreads – the difference between sovereign and corporate bond yields – are narrow and should remain so. And expansion mode in the global economy tends to favour equity markets.

This being said, the economic expansion is well advanced in comparison with previous cycles, the positive backdrop described above is increasingly recognized by a broad consensus of investors and valuations across asset classes are stretched. As we embark on Another Lap of the economic and market track, the environment looks reassuringly familiar but we must be aware that the easy part of the race is behind us – it will be tough to maintain the same rate of progress this year.

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On one hand, companies were reluctant to expand their workforce or to make new capital expenditure commitments. This meant that many workers felt they were losing out, with talk of a jobless recovery. Low capital spending led to low productivity growth, implying little room for wage increases. And spiralling costs – e.g., for healthcare in the United States – suggested a decline in living standards.

On the other, interest rates were cut close to or below zero in an attempt to

accelerated to 5.1% in 2017. Despite worries about “deglobalisation” and protectionism, the synchronized upswing in the global economy is bearing fruit.

Second, companies around the world have begun to sanction higher capital expenditure budgets. And we continue to note signs of growth in corporate capex plans – Standard & Poor's forecast an increase of 5.5% in 2017, after four years of declines. If confirmed, these increases suggest that we



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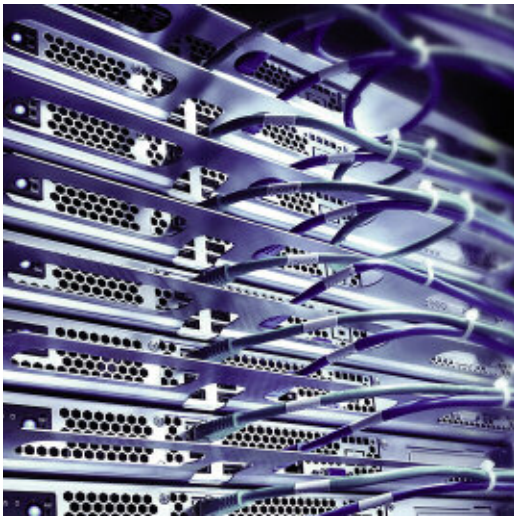
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Broadband competition – phenomenally good for business

Gibraltar's three broadband suppliers, each with a separate infrastructure, is "phenomenally good" for business and consumers with lower prices, faster speeds and wider services



Gibraltar has three separate broadband networks to service business and residents

The dominant supplier, State-owned Gibtelecom (Gibtel), saw its market share of broadband slip to 70% in 2016 from 90% previously, largely as Sapphire Networks, the second largest supplier, diversified from corporate and enterprise business into residential connections through its u-mee subsidiary.

Relative newcomer, GibFibreSpeed has been strongly marketing broadband services, while investing £10m in fibre cabling to service Gibraltar homes and businesses. "I believe it is because of our intervention in the market that prices generally have come down in Gibraltar – we have had a major impact on reducing the cost and raising the speed offering for internet," Julian Sheriff, GibFibreSpeed's development manager, said.

The Gibraltar Regulatory Authority (GRA) reported the number of broadband residential and business subscribers in Gibraltar at the end of 2016 increased by 1,641 to 16,357 and was "due, in part, to the new residential housing estates being constructed around Gibraltar".

The GRA's annual report published in September declared "new broadband packages from u-mee and GibFibreSpeed have attracted substantial [residential]

subscriber numbers and now have market shares respectively of 17% and 11%" at end-March 2017.

"With Gibtelecom upgrading customers to higher broadband speeds at lower prices as well as the wider availability of products from broadband providers ... subscribers are now enjoying fibre to the home (FTTH) broadband with speeds of up to 300Mbps, as well as customisable packages in excess of 300Mbps," the GRA said.

Despite high-speed offerings, 25Mbps was the median purchased in 2016-17, compared with around 7Mbps a year earlier. "It is widely accepted that consumers generally want faster broadband," declared the GRA, which expected the shift to higher bandwidth products to grow.

TV fuels competition

Much of the demand has been fuelled by the two smaller companies packaging broadband and 'phone provision with live TV, something that Gibtel has resolutely refused to provide without the latter being licensed. Now, by end-March, Gibtel expects to launch its IPTV service, which chief executive, Tim Bristow says will be "different to the others, a technically superior product with a range of media services that aren't currently available from our competitors and, crucially, licensed content, for which we are going to pay."

"The dynamics have changed in the last two years; [our competitors] are being particularly aggressive in the market and therefore we had little choice but to move into that space," Bristow said, adding: "With this development, we are going to win more of this market back".

He noted: "It's very expensive to do it properly and legally. We are investing several million pounds over 3-5 years – a large proportion of that is to legally buy the content, which we have to do every year."

Bristow admitted: "With many of the new homes, we haven't done as well and we have started to lose some accounts in other places, but that is to be expected in a competitive market." Loss of broadband subscribers – "not as much as people might think" – had contributed to Gibtel's turnover flat lining year-on-year at around £42m, with 30% coming from fixed line – both

broadband and telephone – and a similar proportion each from mobile and from international business outside of Gibraltar.

u-mee packages combine high definition TV, a proper landline with a local 'phone number and FTTH broadband; they also offer a 'Talk-app' that allows local calls to be received on a mobile phone on any network wherever in the world customers receive 3G, 4G or WiFi connection - a popular added feature included with the higher 'u-mee Plus' bundle.

'TV & Go' (that allows live TV programmes on a smartphone or tablet, or use with a set top box connected to the internet, with 7-day catch-up and programme recording), is available for u-mee and non-customers.

For more than 15 years, Gibsat Ltd has been The Rock's main TV provider using analogue cabling. Sheriff maintained: "Although residential customers have been the foundation of our business, it is the corporate side, where prices remain high compared with the UK and Europe, that represents our biggest opportunity."

Receptive market

Convincing large eGaming businesses and others in the corporate sector that GibFibre's product is a viable alternative is a major challenge. "We are a lower cost alternative with a similar offering to that of the two bigger players, so it will be down to how well we perform", admitted Sean O'Reilly, who joined last year from Dublin where he was country manager for Huawei, the Chinese telecoms and IT giant that he helped establish there 15 years ago.

O'Reilly added: "There is always going to be a degree of drag – traction time – that requires a leap of faith for any new business customers that depend on the internet for their survival, but the market has been very receptive to our arrival and we feel that will be converted into customers." GibFibre says it already has some - undisclosed - large customers, including at least three gaming firms, and others in financial services; "there are also a significant number of smaller businesses moving to us."

Continued overleaf

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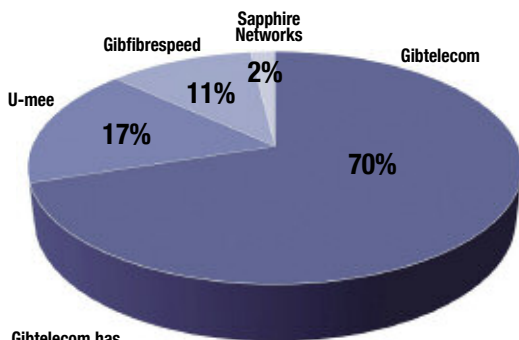
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Broadband competition – phenomenally good for business

Continued from p12

u-mee Business was launched in 2017 aimed at the small office and home office (SoHo) sector – shops, lawyers and accountants - providing 100Mbps fibre internet (utilizing GPON technology, like u-mee residential fibre products) with 20Mbps upload speeds and four telephone lines with extension features, for £75pm. “We see a gap in the market here and an opportunity for us”, declared Sapphire Group chief executive, Lawrence Isola.

This differs from Sapphire’s Business Fibre product, which offers up to 300Mbps download speed with 30Mbps upload, but using direct fibre links similar to those provided to large customers in the eGaming sector, but for £250-350pm. “There has not been more than a single 3 second drop-out of service in ten years”, Isola declared proudly.



Gibtelecom has surrendered more broadband market share in 2017 than this 2016 chart of subscribers depicts

The gaming companies, on which much of Sapphire business is based, “are not growing at the same pace as previously, there are fewer of them given mergers; they generally do not want more capacity – sometimes they want less – but they certainly now do want to spend less for a strong internet service when contract renewals occur”, Isola observed.

Gibtel claims two-thirds of the eGaming market. On gaming sector concerns regarding higher than UK internet costs, Isola is pragmatic. “Prices gaming companies pay are higher when compared with elsewhere in Europe, because here we don’t have a 5m population or a cluster of 500 gaming companies to bring economies of scale... yet service expectations are the highest imaginable, and require significant continuous investment.”

Isola added: “We established u-mee two years ago as diversification to ensure we have market share and to protect profitability. Our prices have not changed despite greater

competition and the significant weakening of Sterling, but we have invested £8-9m in developing the fibre network to support that side of the business. u-mee is accounting for a greater share of the Sapphire group business, while gaming is leveling off.”

Facing realities

However, on increasing competition, Isola rounded: “It is crazy that the substantial cost cutting that is taking place for internet services, involving all three providers, is not good for Gibraltar given its impact on profitability for each of us, and this could well affect future investment and the returns that can be expected”, Isola maintained.

He held: “Gibraltar is too small a place for three telecoms companies” and questioned “the long-term stability, reliability and resilience of service in industries that are key to our economy - realities have to be faced”.

Sapphire has one 48-rack data centre at Europort that is almost full. Gibtel launched its Rockolo subsidiary in March to handle its 400 racks at Mount Pleasant and from Spring 2017 at the Gibraltar World Trade Center.

By mid-June, Rockolo had added Gibraltar’s first locally-hosted cloud computing solution in partnership with GiBVault, a specialist provider, bringing customers “reduced hardware, software and running costs, speed of deployment, greater flexibility and enhanced productivity”, Bristow pointed out.

However, in February this year, the GRA ended a year-long investigation into whether Gibtel had breached its (Significant Market Power) SMP operator obligation having blocked access to the Mount Pleasant data centre and “access to all ducts, manholes and other infrastructure” for GibFibreSpeed to provide potential customers with IP transit and leased lines services.

The GRA concluded its powers “did not extend to mandating operators to cooperate on a commercial level with other operators, even if this is deemed to be positive in the electronic communications market”. Legal advice said Gibtel did not have to offer commercial hosting agreements, or give access to its data centres, to other operators; Gibtel’s SMP obligation did not extend to its customer’s equipment in the data centre.

GibFibreSpeed disagreed and is appealing the GRA decision in Gibraltar’s Supreme Court. It’s the first case of its type and the outcome of a hearing scheduled to begin on 5th March could have far-reaching impact, having also exposed Gibraltar’s lack

of a competition authority covering all aspects of business.

The Gibraltar Communications Act requires the GRA to “promote competition”, but as GRA legal advisor, Maurice Hook noted: “If any operator did something that we considered anti-competitive, there is in reality very little we can do about it.” That has prompted consideration of making GRA competition enforcement possible, or introducing wider-based competition law – something Gibtel’s Bristow said: “We would “welcome a competitions authority.”

The up-coming court case has delayed a GRA public consultation on wholesale broadband access markets; it has twice before proposed reviewing whether Gibtel is sufficiently competitive. “I suspect [the GRA] was out of sync with the EU requirement”, Bristow observed, “where no-one is policing the broadband retail market as proposed”.

Gibtel is mainly regulated on voice fixed lines. It’s mobile business, with download speeds of up to 400mps through 4G+ (faster than broadband at present), accounts roundly for 30% of turnover having only little competition from 2017 newcomer, Limba Telecoms.

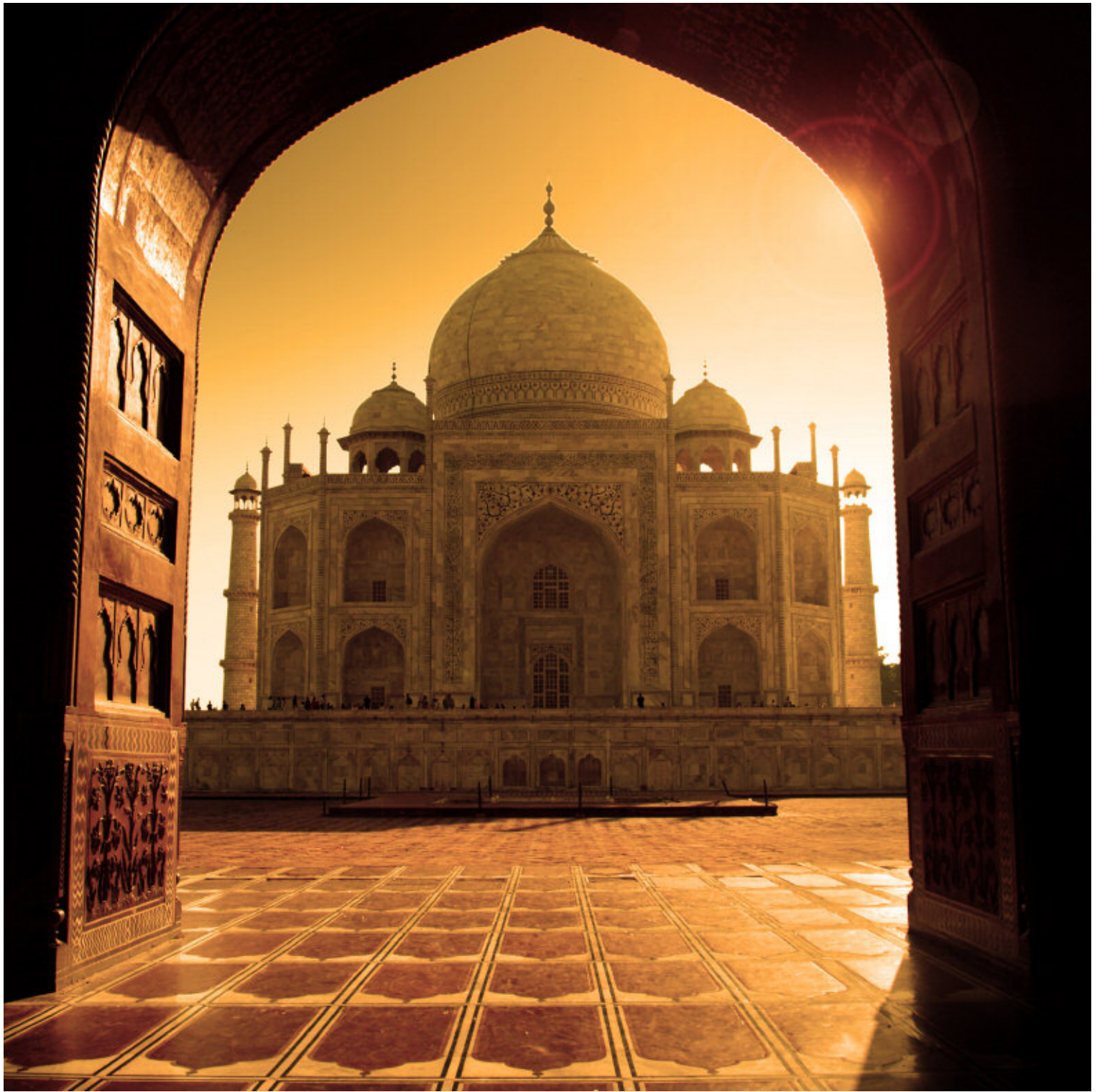
Extending reach

When Telekom Slovenije sold in 2014 its seven years 50% Gibtel holding, the government paid £47.7m, ending 26 years of private sector involvement. Chief Minister Fabian Picardo described it as “a temporary move”, stressing the importance of finding “the right partner and not the quickest partner” in Gibtel. After three years, nothing has changed, and observers believe the State will need to reduce its stake to 49% at most.

Prospective buyers may be interested in the 30% share of revenue Gibtel gains from its international business, some through sales of capacity on its share of the upgraded Europe-India Gateway 15,000 kms-long submarine cable. Gibtel has extended the reach by a third to Singapore after securing a deal with an Asian telco and also now has customers in South Africa and Australia.

“We’ve built a European network with Points of Presence in London, Marseilles and Madrid and can reach there by going north overland or by sea through various points, or through France – it means we have so much route diversity and resilience that Gibraltar can be assured its telecommunications are safe – I don’t think our competitors are even in the same game”, Bristow observed.

Ray Spencer



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Can diversity in eGaming become a safe bet?

Self-help is possibly the best way for women to gain deserved recognition in the largely male-dominated eGaming industry, according to a group of key executives, reports **Ray Spencer**

Women mentoring each other, targeted female recruitment, gaming advertising, and collective lobbying of government for improved childcare benefits and facilities were all identified by the sector's eight women and one man taking part in the KPMG (Gibraltar) 3rd annual 'Roundtable' event organised in conjunction with *Gibraltar International Magazine*.

A general lack of confidence by women

not for them."

KPMG research addressed the myth that women were less confident and explained that women simply tend to present themselves differently than men in interviews. Women typically were "brutally honest and forensically self-analytical about their abilities", whereas men were more likely to 'self-promote', which can lead to "incorrect assumptions that men are better", Micky Swindale, KPMG's director responsible for technology, reported.

Dawn Adams, transformational director at William Hill, declared: "I used to work for a company (in a different sector) which had a mentoring programme and it was evident that junior staff felt the need to ask permission to go for a promotion."

any other sector of industry. This opportunity should be open to anyone, even though gambling has an image of being very male dominated."

Missing a trick

Jon Tricker, KPMG Gibraltar's managing director, interjected: "Fundamentally a woman's brain is different to a man's and operates in different ways when talking about the same thing." He came from a background of working with six male partners, and Swindale was the only KPMG female partner in a group of seven! "We are missing a trick in not having more of the different perspectives women can bring to help grow the business," he concluded.

A poll of some 300 delegates at the April 2017 KPMG Gibraltar eGaming summit revealed that threequarters had 10% or fewer women on the executive team of the gaming company they worked for, or were most closely associated with; "that was quite a wake-up call," Swindale confessed.

She noted: "We are talking about the commercial benefit of having women in the team and we are focused on the idea about understanding what it might take to encourage more female involvement in businesses. Several research studies have shown that women are not getting the same opportunities or treatment."

Agreeing, Nyreen Llamas, chief strategy officer for Addison Global, said: "Women always bring a different perspective and it is of value; we don't always get it right. Different men bring different perspectives and different women bring different perspectives. The more diversity that you can have in the pool, the more you are going to get out – it is exponential."

Balancing work & home

Donna Del Greco, Betvictor's head of legal / general counsel, said women should consider what the organisation's attitude towards female career progression and work/home life balance, and advised: "If either cannot be offered, then the woman needs to be able to recognise this and decide whether she wants to remain in the organisation for the long term and petition for change."

Swindale suggested: "It's about achieving a balance. We need to learn that confidence is self-awareness; confidence is an innate belief, it isn't about being good at self-promotion."

Elicia Bravo, chief strategy officer at

Continued overleaf



Senior management participants in the Diversity Round Table discussion

and their self-doubt on personal ability were quickly identified as key obstacles to having a more gender balanced workforce. As Cristina Turbatu, technical lead at Playtech, noted: "If someone advertises a job, with most women, if they don't tick 80% of the [requirement] boxes, they don't apply. I see a lot of male applicants with a similar level of qualification, who think they still will go for the job."

Turbatu, who is also managing director of not-for-profit Girls in Tech Gibraltar, revealed: "In some cultures girls are encouraged to go into maths and technology, but even from an early age in Gibraltar, US and the UK, they are distanced from maths and sciences and it is regarded as boys stuff; girls don't have the option to study applied maths and they grow up with the idea that it's

She recalled not being able to do technical drawing at school and having "to negotiate my way into doing advanced maths. Businesses can change that experience by working with children in schools and having development managers".

When working for newspapers in the 1980's it was a male dominated environment, but "when they started to bring technology to the fore you could really feel the diversity and flexibility in the roles that technology brought," Adams said.

Picking up that point, Neil Banbury, UK general manager for Kindred, noted: "The reality is that the sector we are in – entertainment, technology – is offering more opportunity to work in an exciting field with more transactions per second than in almost

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Can diversity in eGaming become a safe bet *Continued from p16*

Lottoland, told how she had worked for a City of London firm which, “from their perspective, really were focused on trying to promote women, but whether it is being done in the right way is up for debate. Some of my colleagues definitely experienced a bias towards women!

“Women who are assertive are often perceived as aggressive - also if they appear too much like a man, then they lose their edge,” warned Bravo, whose firm has two thirds of its 300 employees in Gibraltar. Women bring something very different to the table, which has an intrinsic value, however it is difficult to achieve a perfect balance when it comes to diversity.”



Women do not need to gamble on top jobs in eGaming

Nevertheless, Janet Ainsworth, Ladbrokes Coral head of talent & development, felt: “We have to help women challenge themselves. I hear women say ‘I’ve got a child so I can’t do that’, or ‘I’m not as confident as men in this situation’, or ‘I’ve not got the right qualifications’, and feel that it would be great if we could support them to be more confident and believe these are not always blockers to being a senior leader”.

Her colleague, human relations director, Katie Hirst, said that following the Ladbrokes merger with and Gala/Coral, (which had been “male dominated”) she was seeking ways to attract female candidates, and asked: “Where do we advertise roles, where do we go to get them interested in our environment. We know there is an opportunity for women to progress.” Whilst the business was changing internally, “everything external is reinforcing the male stereotype, so how do we express what we really are, because of the perception of gambling?”

Ainsworth maintained: “We need to be challenging on what industry we are really in – how we describe it; we are in the entertainment industry and this may be more

attractive; we need to think differently about how we describe it to potential employees and customers alike.”

Negative perceptions

There was a “lot of the noise in the UK about the gambling industry in society and it’s not helping when the perception is very negative”, Llamas formerly a partner in a local law firm, asserted. Ainsworth declared: “We should look at how the finance sector has improved its image and re-established trust again [following the 2008 crisis]”.

Swindale observed that financial services firms had long attempted to appeal to women through their advertising, but had not practiced what they preached [on greater inclusion of women] within their organisations “and the public is seeing through that approach.” She added: “The approach to bingo advertising has noticeably changed from omnipresent pink five years ago to the likes of tombola advertising showing men and women in a bar, having parties, generally enjoying themselves, and this has had a positive impact on participation by men.”

Women make up a good proportion of the on-line gaming market, yet “most gambling advertising doesn’t appear to try to appeal to women as customers” and it perhaps needed to be presented as “less macho and aggressive”, Swindale submitted.

Hirst judged: “This is not a sector that has been traditionally attractive to women and not enough women in the business are singing about how good it is, singing the diversity hymn sheet to attract other women”, conceding her HR team was all-female!

“Without sounding too negative, I’m not sure whether the customer base in the demographics of the products is ever truly going to change from basically appealing to males”, Hirst declared, while suggesting that before giving sports betting a greater feminine appeal there was need for research “to see whether women genuinely are interested in sports betting”.

If advertising was doing well, why would a firm change it and possibly antagonise its predominately male customer base, Del Greco questioned: “We are very much a male [appeal] company, so would we alienate a large number of customers? When females are put into the mix, the tendency is to make [advertising] sexy.”

This led Ainsworth to wonder: “Is there a correlation then between demographics of the customer and those of an organisation,

where the customer is primarily male?”

Banbury observed: “The industry’s advertising has been very focused towards men – lads, drinking and going out - but the demographic is all types. We’ve tried female targeted sports betting, but the industry could also broaden its targeting from stereotypes, even within the male audience.”

Llamas determined that future diversity would bring balance “and this industry hasn’t been particularly good at it, but it is at a crossroads. Sometimes women are not very good at mentoring and there is an element of female jealousy. I’m not suggesting for a minute it’s going to be easy, but if we have female [as well as male] role models it will be more helpful.”

More help needed

Recording that working mothers frequently experienced problems dealing with school timetables, Hirst stated: “Childcare is very expensive and some flexibility in benefits would be beneficial. We [in Gibraltar] have not got a voucher scheme as in the UK; everything comes out of salary. There ought to be communication with the government about what more can be done - looking at options around use of benefits - to give women more opportunity from working.

Llamas maintained: “It is also up to this industry to do something about it. It’s all very good saying that the government should do it, but I think the industry should lobby and try to do something itself. When one of the first gaming companies arrived here, there weren’t any nurseries, so they set one up. It was very successful and developed from providing a facility for employees’ families to include others more generally.”

The industry had not been good at collective efforts, although its response to the UK Point of Consumption Tax had been an example of working together. “Even in a competitive industry like ours, childcare provision could be achieved by doing things together,” Llamas determined.

Ladbrokes Coral research into local benefits packages for mothers, found “there’s not a huge amount out there that goes above and beyond”, Hirst related. “Together we should see what can be done to help women and agree on whom we can go to for help, to influence change,” she believed.

Sarah Wood, head of compliance at Betvictor, pointed out: “As you can see from the people around this table, there is genuine progress in the area especially in management and executive roles.”

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Close family encounters help ensure law firm's progress

Peter Isola joined the family law firm in 1982 to manage its transition into an efficient, modern business: 25 years later, he thinks Gibraltar's oldest legal practice has become the most progressive.

Ray Spencer finds out more

In his mid-teens this 60 year old senior partner flirted with becoming an accountant after completing modern mathematics at 'A' Level, and architecture, which he then found tiresome – "I thought it took too long". Isola's 'light-bulb' moment came aged 18. "I really enjoyed studying history and English at 'A' level, so I thought that actually the law was a good fit – the use of English and history for the precedent of law", he recalls.

Quietly spoken, Isola recounts: "I had to re-sit my 'A' levels at Oxford Brookes College and at the same time I did the entrance exams for Oxford University's Pembroke College, which I passed, but after an interview I didn't get a place for law; I could have done a history degree course, though."

Instead, he studied law at Kingston Polytechnic, "which suited me because polytechnics at the time were more an extension of school; teachers tended to teach rather than be there for research.

"Moving from the corridors of a Jesuit School in the middle of Lancashire, where I had been at a boarding school for nine years – almost like a borstal – and to suddenly be thrown into a university where you had tremendous freedom, I think would have been a bit too much", he concludes.

Taking the reins

He returned to Gibraltar after being called to the English and Gibraltar Bars in 1982 "to a practice run in a sort of liberal arts manner and I decided that it needed some efficiency and modernising; from an early stage that interested me".

Management didn't particularly interest his father, (Peter J Isola) or brother, (Albert, who now is Minister for financial services and gaming), so it seemed natural that he took that mantle on from an early stage in 1985. In the intervening period the number of partners in



Peter Isola proud to head a Tier 1 law firm

the firm grew from 2 to 10 to become the second largest Gibraltar law firm today.

In October, ISOLAS celebrated its 125 years anniversary, having been founded in 1892 by Horace Parody, whose family emigrated from Genoa and who was joined in his law practice 29 years later, in 1921, by Peter Isola's great grandfather, Albert Richard Isola. It wasn't until Peter J Isola's father's elder brother, William Isola, joined Albert in the late 1940's and Peter's father followed in 1950, that the firm became Isola & Isola.

Peter has three siblings – Albert, Rosanne Garcia, a property manager at Fiduciary Property, and Lawrence, who manages Sapphire Networks and also Europort. "We are a very close family as evidenced by our combined economy: we always share our interests, so we invest together – both our time and money – so for example Fiduciary we started in 1982 is owned by our three families, and a lot of our property involvement such as Euro Plaza and Kings Wharf we have developed together with varying partners."

Despite the law firm's long history, it lacked a partnership deed and that fact weighed on Isola's mind for a decade as he struggled to find time to set things right by establishing ISOLAS as a Limited Liability Partnership (LLP), a cross between limited company and partnership status, and adopted progressively since 2001 by most UK law

firms. Last year ISOLAS became listed LLP number 00001, the first major lawyers' practice to do so locally, and only the second Gibraltar law firm established as an LLP.

Previously, the firm's equity had been totally family owned, and now Isola reveals: "As a family, we have given up 80% of the value of the business; that's extremely significant and I think that is the future." It was "to ensure the firm's longevity, it's continuity within a framework that enables younger lawyers in the firm to take a more active part", he says.

Isola adds: "I think that as you get older you naturally become more conservative, less open to risk and new ideas. I'm conscious that the energy and entrepreneurial spirit that I had in the 1980's and 90's is hardly likely to be there going towards 2020." He decided three years ago to recruit the former Financial Services Commissioner and qualified lawyer, Marcus Killick, in the new post of chief executive officer, charged with converting the partnership into an LLP.

Change takes time

Isola is candid: "Sometimes it's easy to forget I am the highest fee-earner in the firm and have been so for the last 15 years. I do an awful lot of legal work and management has a very limited amount of my time." Things were not getting done: "I was very engrossed in work and I could see that I wasn't giving it the time, that's for sure, and the LLP was never going to happen, because I didn't have the time to do it," he explains.

In addition, fellow lawyer, Selwyn Figueras, is now development manager, and there's a chief financial officer and a human resources manager to complete a limited company-style management team that is strong on IT. "We have reports from each: the partners see all of the figures and we all know what we are all earning, including bonuses – it's totally transparent and that is very important, which you may think is obvious, but it doesn't always happen!"

As a result in part, ISOLAS in 2017 achieved Band 1 status from internationally-respected legal rankings firm Chambers & Partners. "Normally, it's difficult for a firm of our size to be Band1—it's a bit like a 5-star

Continued overleaf



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Close family encounters help ensure law firm's progress

Continued from p20

hotel with a gym, pool and everything else, but more difficult for a boutique firm to be Band 1 or 5-star", Isola reports proudly.

He riles at the suggestion that the transition to LLP might be to protect partners against risk. "We have never been sued, touch wood, we have not become an LLP because of that; in fact, our professional indemnity insurers have made a lot of money out of us without ever having to pay out on any claim."

Strong advocate

But being a strong advocate of FinTech (Financial Technology) and development of ICOs (Initial Coin Offerings), with his firm organising Gibraltar's first last year, he cautions: "I think there is misunderstanding about ICOs, which essentially are money raisers: I'm not even going to call them investments.

had now, but I'm too cautious. I thought I was quite open to risk until doing a profile for a bank investment and asked how much of my accumulated wealth I was prepared to lose – 30%, 'no', 20%, 'no', 10%, 'not really'." He was classed "a very cautious investor, because I think it's quite hard to earn money in the first place, and I'm more concerned about retaining it than growing it."

Until this year, the only other Band 1 Gibraltar legal firm was Hassans, which was established by Sir Joshua Hassan in 1939, and features in much of the Isola history. "I think when Sir Joshua, [who served four terms as Gibraltar's Chief Minister], and my great grandfather- he was Leader of the Opposition - started in politics, it was as much a social service – they did it all for the right reasons".

But it was inevitable, Isola suggests that "at the time if you are Chief Minister (CM) of Gibraltar and Joshua Hassan was a practicing lawyer – don't forget it's changed now - it is not surprising that when people came here

adding: "The executive members of the FSC are extremely sensitive to conflict – I would say over-sensitive on some occasions – but it means we have a very strict policy on conflict."

Keen on keep fit, skiing, paddle tennis and golf, Isola is only interested in politics, with a small 'p'. He declares: "I think as a family, we are quite liberal, with a socialist bent. I certainly support the GSLP government at the moment, although I've supported the GSD at times previously." He supports policies and individuals, preferring to split votes between people, rather than block vote.

He married Danish accountant Dorte in 1993 when she was working as an account manager for Jyske Bank in Gibraltar and a year after officially becoming managing partner of the then Isola & Isola. "It's very refreshing to be married to someone from a different culture. She brought a Danish outlook on life, very much concentrated on children and on holidays and having time for the family, which I was not good at, being in the heat of developing a law firm and Fiduciary as a business."

Two of their four children are already destined to join the firm: Katrina (23) is doing a conversion to law from the theology degree she did at Exeter, and Thomas (21) is a third year law degree student at Durham University, where Emma (19) is studying economics, French and Arabic, whilst Alice (16) is working for her International Baccalaureate.

Still growing

Amongst the dynasty's 5th generation, brother Albert Isola's son, also called Albert, is training to be a solicitor in the UK, and will probably join other family members – partners Joseph (Joey) Garcia, his sister's son, and Mark Isola QC, his cousin, whose son Nicholas is at ISOLAS as a trainee.

Isola's firm is growing despite Brexit - "I don't know an area that has not grown in this firm, why I couldn't tell you and at times coping with the workload is difficult." He'd rather Brexit didn't happen and wishes the decision could be reversed, "because Gibraltar had positioned itself well as an EU finance centre.

"But having said that, we are entrepreneurial and we will overcome it. Of course, there may be pain to come with Brexit, but all I am saying is that we would have expected pain, and instead we have had growth," Isola observes.



Peter Isola with his brothers, Albert and Lawrence

"You can participate in ICOs, where there will be some that fail and some that succeed tremendously. It is obviously much safer investing in a FTSE 100 company and getting your secure return, relatively speaking. (He sits on the board of gaming giant, GVC plc, and "its value has gone up 100% in the time I've been there - not that I've impacted the result as a non-executive director.

"People should realise that ICOs come with a high-risk health warning, but having said that, some of these enterprises are the companies of the future," Isola emphasises. We are a facilitator for ICO launches and we do our due diligence, but we are not judging what the money is being raised for. Gibraltar is looking at regulating the next stage, but ICOs are the future and have tremendous potential."

On cryptocurrencies, Isola divulges: "I haven't bought any Bitcoin – with the tremendous rise in value, obviously I wish I

they would be introduced to the CM and, therefore, to his law firm."

"My father and Sir Joshua were politicians first, commercial lawyers second", he notes, adding spiritedly: "The development of Isolans has been organic from when I came in, whereas other firms grew through mergers, although there's nothing wrong with that."

Isola was appointed in 2017 to the Gibraltar Financial Services Commission (GFSC) board – he's already on the Gibraltar International Bank board – and says it is important that the GFSC Board has local people with local knowledge, but concedes: "Anyone dealing with the GFSC - lawyer, accountant or banker - has a prima facie conflict. Ideally, Commissioners would be people keeping up their knowledge, but no longer in practice, semi-retired, maybe, but there is the danger that they may no longer have relevant knowledge."

He declares an interest whenever there is a potential conflict with his business interests,

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The route to the Capital Markets for small companies

By Eran Shay, **Managing Director, Benefit Business Solutions Ltd**

In November, a delegation from the London Stock Exchange visited the Rock for the first time, as part of a Capital Markets conference organised by the Gibraltar-Israel Chamber of Commerce. One of the key messages delivered by the directors of the London Stock Exchange has been that Gibraltar companies should consider the Exchange, and particularly the AIM market, as a viable route to raising capital. Indeed, they have reiterated that the AIM market is specifically designed to accommodate young, growing companies and the listing requirements are far less onerous than those for a Main Market listing. Indeed, AIM's success is underpinned by its regulatory environment, which has been specifically designed to meet the needs of smaller and growing companies while offering

appropriate investor protection. The AIM market also benefits from being an integral part of the portfolio of markets offered by the London Stock Exchange. The entry criteria for AIM Stock Market are tailored for growing companies with no trading record required, no minimum size criteria and there is no prescribed level of shares to be in public hands. AIM's balanced regulatory environment is specifically tailored to support the needs of smaller companies. Moreover, the AIM market is open to companies from a wide range of industry sectors, as shown by the diagram opposite.

The Advantages

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established for your stock. A public market makes it easier for you to dispose of a portion of your interest should you want to diversify your investment portfolio or if you are ready to leave the company.

● **Improved credibility with business partners.** The simple fact that you are “public” provides business partners such as suppliers, distributors, and customers with more information and makes a strong statement that your company is a business of substance. Prospective suppliers and customers thus feel more secure about entering into a relationship with your company.

Better employee morale and productivity. Stock options and other incentive compensation plans enable personnel to participate in the company’s success, without increasing cash compensation. The chance to acquire stock in the company they work for also causes employees to take a longer-term view of the company.

The Disadvantages

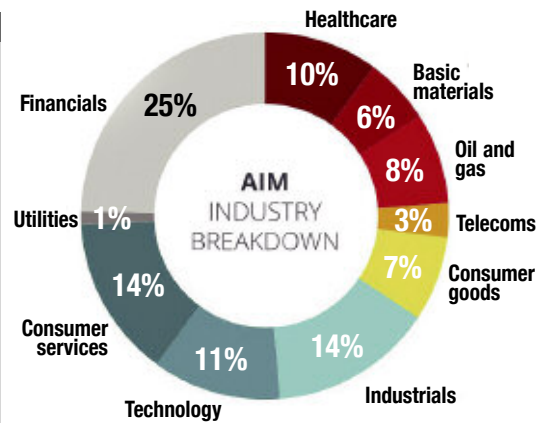
There are also some very challenging issues associated with going public, that some view as significant disadvantages that should be

weighed against the many advantages:

● **Disclosure of information.** As a publicly held corporation, your company’s operations and financial situation are open to public scrutiny. Information concerning the company, officers, directors, and certain shareholder information is suddenly available to competitors, customers, employees, and others. Information such as your company’s sales, profits, and the salaries and perquisites of your officers and directors must be disclosed not only initially, when you go public, but also on a continuing basis thereafter.

● **Management demands.** Top management must be available to shareholders, brokers, securities analysts, and the press - all of whom want up-to-date information about company progress. Executives must also be involved in preparing written information about financial results and other company matters that must be reported to the public and the regulatory authorities.

● **Pressure to maintain growth pattern.** Management will have to begin reporting operating results on a quarterly basis. That means that parties will now evaluate your



Source: London Stock Exchange, AIM Market July 2017

company quarterly, which will intensify the pressure and shorten your planning and operating horizons significantly.

● **Less control.** The sale of shares to the public will dilute your ownership and reduce your level of control of the company. In addition, you will be required to have a Board of Directors consisting of a majority of independent directors. The Board of Directors is responsible for protecting the shareholders’ interests and you will be accountable to them.

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Gibraltar Bankers' Association (GBA)

Established in 1982, the Gibraltar Bankers' Association was formed to both promote and protect the local banking industry

The unification of one voice on behalf of our stakeholders, providing the necessary forums to resolve common issues, making available adequate training and representing the Association's members on the Gibraltar Finance Centre Council are some of the ways in which we protect and promote the local banking industry.

Our members, made up of large global institutions as well as specialist private and investment banks and building societies, are able to provide a breadth of modern day solutions to their clients' needs in all areas of finance. All our members are committed to compliance with the highest level of international and European rules and regulations regarding the business of Banking.

In order to achieve this, the Gibraltar Bankers' Association works closely with local organisations including the Gibraltar Financial Services Commission and the Gibraltar Finance Centre Department to contribute towards the implementation of policies designed to protect our members, customers and the Gibraltar Banking sector as a whole.

both current and future regulations. Examples such as the Payments Services Directive II, MIFID and Common Reporting Standards mean that the level of engagement from banks with the regulatory environment requires a high level of interaction and we provide the platform for all member organisations to support each other as a single voice. The Gibraltar

Gibraltar Bankers' Association works closely with local organisations including the Gibraltar Financial Services Commission and the Gibraltar Finance Centre Department

Current and future regulations

The organisation contributes towards working and policy groups locally where we are able to draw upon the diverse range of skills and experience of our members for the implementation and ongoing supervision of

Bankers' Association is a non-political organisation and is committed to working with the government of the day to achieve the best banking environment for Gibraltar. To this effect we work closely with ministers to support and offer our guidance.



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Innovative banking

In recent years the organisation has arranged a series of training events. In conjunction with our partnership with UK Finance, formerly known as the British Bankers' Association, we will be seeking to extend this across a wider range of events and activities with attendance open not just to our members, but to interested parties across Gibraltar.

The existence of a strong banking community is seen as the basis for a vibrant economy. Whilst the Gibraltar market has seen the departure of some organisations in recent years we have also seen new entrants open in Gibraltar, bolstering the traditional banking sector as well as other more innovative banking and eMoney firms. In addition - interest from a number of newer FinTech type businesses means that banking in Gibraltar currently has a strong future. Gibraltar does face challenges through the potential loss of our passporting rights into the E.E.A. from any Brexit deals however the Gibraltar Bankers' Association remains committed to working with Government in

The objectives of the GBA are:

- ✓ **To further** the development and preserve the reputation of Gibraltar as a first class international banking and financial centre.
- ✓ **To arrange** and sponsor training courses for bank and building society personnel and to encourage and support institutions in Gibraltar in the furtherance of commercial education with the emphasis on banking and trust administration and fiduciary practices.
- ✓ **To identify** promote and uphold the common interests of members in their relationships with the Gibraltar Government, the Financial Services Commission, the media, private individuals and business and professional organisations.

order to achieve the best outcome for Gibraltar.

For all queries relating to the Gibraltar Bankers' Association or to express your interest in participating with the organisation please visit our website at www.gba.gi/ or contact us at GBAGib@outlook.com

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DLT Regulations come into force

Continued from p6

enhance IT intelligence databases, and liaise with the industry to “raise awareness of financial crime risks and the important role that firms play in ensuring that financial crime is identified and mitigated”. It will target “activities that dishonestly generate wealth for those engaged in a criminal conduct, or activities that protect the proceeds of illicit activities”, including bribery, corruption, fraud and market abuse.

Supervision of licensees has been stepped up and featured “intrusive interaction where necessary in order to protect consumers and policyholders”. Barrass said it was “critical that there be real and meaningful consequences where unacceptable behavior has occurred and our action in this area is underpinned by a real desire that those firms and individuals that pose an unacceptable risk to our regulatory objectives are controlled or removed from the financial services environment and that our work in this area serve as a credible deterrent to others.”

A Legislative Reform Programme to

overhaul financial services and related Gibraltar legislation should be complete by mid-2018 and as a result, the GFSC also hopes to gain a much greater financial deterrent.

Intervention used

In the review year a senior legal adviser was appointed and is supporting work “to address the legacy of poor performing insurance companies, particularly in relation to the application of our regulatory powers, including the appointment of skilled persons and inspectors”. This has enabling intervention in relevant companies, and the GFSC has “effectively resisted legal challenges to the use of our powers”.

Gibraltar is a net exporter of insurance - over 97% of premiums being written outside of Gibraltar's - with the UK accounting for in excess of 80% of premiums. The Commission was shaken by the unprecedented scale of the insolvency of insurance giant, Enterprise, in mid-July 2016 with a deficit of £96m and “a number of contraventions of insurance legislation”, the thrust of continuing investigations by the GFSC enforcement team.

There had been “a significant increase in insurance companies coming to Gibraltar”, Barrass said despite the prospect of Brexit, but GFSC was unable to provide comparative figures for license applications. “There is a strong attraction for companies outside of Gibraltar and outside of the UK to secure access to the UK, and Gibraltar is an attractive option”, she insisted.

Key to the jurisdiction being considered a credible regulator has been growing relationships and joint activity with European and international standard setting, regulatory and enforcement bodies. Establishment of the European Insurance and Occupational Pensions Authority - which GFSC helped to spearhead - for information exchange and supervisory collaboration in respect of firms, that have a presence or are active in multiple European jurisdictions, “is indicative of our pragmatic, inclusive approach”, Barrass emphasised and “has clearly illustrated our willingness to cooperate with regulatory counterparts to levels that previously have been largely unprecedented in the global regulatory environment.”

Ray Spencer

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GFSC introduces DLT Regulatory Framework

The Gibraltar Financial Services Commission (GFSC) Distributed Ledger Technology (DLT)



Regulatory Framework came into effect on 1st January 2018. Firms in Gibraltar that use or want to use DLT (also known as blockchain) to store or transmit value belonging to others, now have to apply for a licence from the GFSC.

The regulator offers an outcomes-focused, principles-based regulatory framework for DLT that is objective, targeted and flexible.

It holds as its primary objective, to protect consumers and the reputation of Gibraltar when considering any licence application and in its supervision and enforcement functions. The GFSC have been working to make sure the

DLT Regulatory Framework meets with their regulatory and strategic objectives, as laid out in the 9 regulatory principles designed for DLT applications.

For further information visit: www.gfsc.gi/dlt

GBX to launch cryptocurrency

The Gibraltar Blockchain Exchange (GBX) - a subsidiary of the Gibraltar Stock Exchange (GSX) - which aims to be one of the world's first licensed and regulated token sale platform and digital asset exchange, has



announced its public Token Sale Event, which will commence on 7th February and conclude on 14th

February. Tokens issued in the Token Sale will be called Rock Tokens (RKT). Approximately 60 million RKT, equivalent to \$6 million USD in total will be issued during the event.

Nick Cowan, GBX CEO, commented: "We're very excited to share the Rock Token with the world. Everyone at the GBX is fully committed to blockchain technology and its potential to change the way that people build their own projects".

British Airways new Gatwick to Gibraltar service

British Airways announced in January the launch of a new seasonal route from London Gatwick to Gibraltar. The new service will commence at the end of May, covering the peak summer season

and will run until the end of September, offering flights every day, except Tuesdays. Over 2,000 additional return seats will be offered each week, with a total of 37,000 seats for the period of operation. This is in addition to the 11 weekly flights from London Heathrow during the summer.



Minister for Tourism and Commercial Aviation, Gilbert Licudi, said: "This is fantastic news for Gibraltar, with much needed capacity left behind by Monarch Airlines being filled up by British Airways. London Gatwick is Gibraltar's busiest route and these additional weekly services highlight the demand on this route, and will complement the British Airways existing London Heathrow services".

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