

GIBRALTAR INTERNATIONAL

FINANCE • INVESTMENT • BUSINESS

FUNDS:
**Update of fund legislation
brings UCITS IV
to Gibraltar**



T & T

MANAGEMENT SERVICES LIMITED

ORIGINAL THINKING AND DEDICATION TO OUR CLIENTS SINCE 1974



- Companies & trusts
- Company formation
- Company management
- Trust & trustee services
- Accountancy services
- Estate planning

T&T Management Services Ltd, 2 Irish Town, Gibraltar
t: +350 200 76108 f: +350 200 72270 enquiries@ttms.gi www.ttms.gi

SPONSORS



Gibraltar International Magazine is grateful for the support of the finance industry and allied services (with the encouragement of the Finance Council) in the form of committed sponsorship.

We would like to thank the following sponsors:

GIBRALTAR FINANCE CENTRE

Tel: + (350) 200 50011 • Fax: + (350) 200 51818
www.gibraltar.gov.gi

DELOITTE

Tel: + (350) 200 41200 • Fax + (350) 200 41201
www.deloitte.gi

EUROPA TRUST COMPANY LIMITED

Tel: + (350) 200 79013 • Fax + (350) 200 70101
www.europa.gi

INVESTGIBRALTAR OFFICE

Tel: + (350) 200 52634 • Fax + (350) 200 52635
www.investgibraltar.gov.gi

MONARCH AIRLINES

Tel: + 44 (0)8700 405040 • Tel: + (350) 200 47477
www.monarch.co.uk www.flymonarch.com

HASSANS

Tel: + (350) 200 79000 • Fax + (350) 200 71966
www.gibraltarlaw.com

GRANT THORNTON

Tel: + (350) 200 45502 • Fax: + (350) 200 51071
www.grantthornton.gi

BAKER TILLY (GIBRALTAR) LTD

Tel: + (350) 200 74015 • Fax: + (350) 200 74016
www.bakertillygibraltar.gi

PIRANHA DESIGNS

Tel: + (350) 200 45599 • Fax + (350) 200 52037
www.pdg.gi

HILL INSURANCE COMPANY LIMITED

Tel and Fax: + (350) 200 62407
www.hillinsurance.eu

GIBRALTAR FUNDS & INVESTMENTS ASSOCIATION (GFIA)

Tel: + (350) 200 64740
www.gfia.gi

COMPUTACENTER

Tel: + 44 (0)1707 631 000
www.computacenter.com

ISOLAS / FIDUCIARY GROUP

Tel: + (350) 200 78363
Tel: + (350) 200 76651
www.gibraltarlawyers.com
www.fiduciarygroup.com

QUEST INSURANCE MANAGEMENT LTD.

Tel: + (350) 200 74570 • Fax + (350) 200 40901
www.quest.gi

BARCLAYS WEALTH

Tel: + (350) 200 41222
www.barclayswealth.com

GIBTELECOM

Tel: + (350) 200 52200 • Fax: + (350) 200 71673
www.gibtele.com

KPMG

Tel: + (350) 200 48600 • Fax: + (350) 200 49554
www.kpmg.gi

SAPPHIRE NETWORKS

Tel: + (350) 200 47200 • Fax + (350) 200 47272
www.sapphire.gi

TRIAI & TRIAY / T&T MANAGEMENT SERVICES LTD

Tel: + (350) 200 72020
Tel: + (350) 200 76108
www.triay.com • www.ttms.gi

LOMBARD ODIER DARIER HENTSCH PRIVATE BANK LTD

Tel: + (350) 200 73350 • Fax: + (350) 200 73475
www.lombardodier.com

PWC

Tel: + (350) 200 73520 • Fax: + (350) 200 48267
www.pwc.gi

BDO LIMITED

Tel: + (350) 200 47300 • Fax: + (350) 200 47590
www.bdo.gi

Contents

NEWS	p6
Change of government on growing economy	
FUNDS	p8
Update of fund legislation brings UCITS IV to Gibraltar	
TAX	p12
Tax challenges help progress on-shore acceptance	
FUNDS	p14
The importance of Total Expense Ratios	
GIBRALTAR HOUSE	p16
Surprise lies within - there's more than meets the eye	
TRAVEL	p20
Step-change air travel ahead	
BUSINESS ROUND UP	p28

GIBRALTAR INTERNATIONAL MAGAZINE

Published by GIBRALTAR INTERNATIONAL PUBLICATIONS LTD.
G7 Cornwall's Centre
PMB 104
PO Box 561
Gibraltar

Editor
editor@gibraltarinternational.com

Sales
sales@gibraltarinternational.com

Design
bilgoker@gmail.com

UK Agent:
Tel: + 44 (0)1993 703560

No part of this publication may be reproduced without the written permission of the publishers. The publishers have tried to ensure that all information is accurate, but emphasise that they cannot accept responsibility for any errors or omissions. The publishers accept no responsibility for statements made by contributors or for any claim made in an advertisement.

© 2012 Gibraltar International Publications Ltd.



EDITORIAL COMMENT

A new government, a new dawn?

A shift to a Socialist Labour administration in Gibraltar from Social Democrats was helped by an alliance with Liberals, after 15 years in Opposition. It was a close run thing, with Fabian Picardo's GSLP getting only marginally more votes than outgoing Chief Minister Peter Caruana's GSD Party.

Of Genoese origin, Picardo is a lawyer on leave of absence from the jurisdiction's largest law firm and only relatively recently elected Leader of the Socialist Labour Party.

Comparison with the UK is intriguing: the Lab/Lib alliance in Gibraltar being diametrically opposite to the Conservative/Liberal Alliance that came to govern in the UK – both after so many years in Opposition.

Caruana noted ruefully before the election result that it would be ironic if his government, which had overseen strong economic growth, lost office, when other European governments had been punished by voters for their poor economic performance!

This new government has a young 39 years old Leader in Picardo, who (like Tony Blair in 1997) promises youthful enthusiasm for change in how the administration relates to the people – a more “open government”, with regular, more frequent, Parliamentary sittings, greater accountability (and responsibility for action) by Ministers, transparency in planning, contract delivery and a whole host of areas.

There's no doubt however, that Gibraltar has done well, the jurisdiction being ranked 5th most prosperous state worldwide in political stability, economy and security. Gross Domestic Product is likely to be £1.1bn this year and Picardo sees it growing to £1.65bn in four years' time.

Yet despite these moves to grow the economy as a mainstream EU territory and a thriving finance centre complying with all EU Directives, Anti-Money Laundering requirements and having up to 30 Tax Information Exchange Agreements (TIEAs), Gibraltar remains on the unofficial tax ‘black list’ of several countries.

Spain, Portugal, France and others see the Rock's 10 per cent business tax as ‘predatory’ – significantly below most other EU countries – and have maintained potentially unlawful barriers to trade, there being no double taxation agreements.

Attempts by Gibraltar to gain international acceptance that it is no longer a ‘tax haven’ have received strong endorsement with the publication of an OECD report on tax transparency that shows the jurisdiction has made “significant progress”.

The OECD has been encouraged by the jurisdiction's progress not just in the number of TIEAs concluded, but in the measures and procedures in place to give substance to them. Some things still have to be done, adjustment to laws, and these are needed sooner rather than later.

The Picardo government fully supports tax transparency and exchange of information, and has a raft of measures planned to further promote the Finance Centre and expand the jurisdiction's appeal for incoming investment.

Will he succeed? Yes, perhaps, if he can help break down the unofficial ‘tax barriers’ and also promote the jurisdiction internationally, particularly in the key London market, where most business is done.

Ray Spencer



GIBRALTAR
– the European finance centre

International
finance centre within
the European Union

Regulated to EU
and UK standards

Only European
Union finance centre
exempt from VAT

Attractive fiscal
environment

Direct access to
EU financial
services markets

High-quality
infrastructure

Government of Gibraltar
Finance Centre
Suite 761, Europort, Gibraltar
Tel: (+350) 200 50011
Fax: (+350) 200 51818
info@financecentre.gov.gi
www.gibraltar.gov.gi

Change of government on growing economy

A raft of measures to expand Gibraltar's economy, infrastructure and social environment are being promised in the next four years by a new government, elected in December by a small 2 per cent margin and high 82.52 per cent turnout, reports *Ray Spencer*.

Out of power for want of 300 votes went Peter Caruana's Gibraltar Social Democratic (GSD) Party, which he led for 15 years and established the territory as a significant on-shore finance centre, rather than the tax haven he inherited in 1996.

In has come Fabian Picardo, 39 years old lawyer and Leader for eight months of the Gibraltar Socialist Labour Party and Liberal Alliance (GSLP) promising political reform and "a new style of government, open and accessible".

His manifesto has been costed on a Gross Domestic Product (GDP) predicted to grow 50 per cent - from the expected £1.1bn this financial year, to become £1.65bn in 2014-15.

Under Caruana's tenure, Gibraltar's economy tripled. But as Caruana told a Chamber of Commerce meeting, "global financial markets are in a dire state" and he warned of "the difficult times that we may all be facing as part of an increasingly difficult and dangerous world."

Picardo wants an Economic Advisory Council to advise him and to include people from different shades of political opinion to work on ways to develop Gibraltar.

The Chief Minister, interviewed live on Spanish regional television in early January,

agreed Gibraltar's economy was being adversely affected by the current European economic climate; tourists were spending less and international finance centre business was down too.



Fabian Picardo, new Chief Minister

"As we are smaller, it affects us to a lesser extent since less money goes further in a place with a population of 30,000 than in one with 52m people," Picardo observed.

And he told Spanish viewers: "Gibraltar is a very well regulated finance centre, perhaps among the best in the world, and we have worked very hard - both my predecessor Peter Caruana and myself - to ensure that our finance industry is compliant with every EU directive on financial services and applies internationally recognised regulatory frameworks."

His government aims to increase Gibraltar revenue by:

- bringing in "new business, not only from London, but also from emerging markets" –

the BRIC (Brazil, Russia, India, China) economies;

- attracting with tax breaks, new research & development companies in software / IT, and TV, cinema and music production;
- making Gibraltar one of Europe's premier jurisdictions for hedge funds;
- encouraging major international banks and financial services business to set up in Gibraltar;
- fiscally stimulating, incorporation and headquarters of companies in research & development of alternative energy, in particular those selling EU services.

He aims to achieve this in part by increasing significantly the marketing budget for the finance centre and widening representation on its advisory Gibraltar Finance Centre Council (GFCC).

Neil Costa - first Minister with special responsibility for small business and entrepreneurship - will chair a new Small Business Development Board to include Gibraltar business organisations.

A Financial Services Ombudsman is to be established, along with an independent Anti-Corruption and Anti Bribery Authority and by June, legal protection for "whistle-blowers".

Not a new idea – and promised in effect by all three political parties – the GSLP wants to provide small business loans to help with expansion and cash flow problems, and a loan guarantee scheme through an expanded Gibraltar Savings Bank.

The government already subsidies electricity and water costs to reduce the impact of

the rising cost of materials, but Picardo has committed to freeze utility bills until 2015.

The allowance based personal tax rate will be cut this summer to 15 per cent when the standard rate falls to 18 per cent, whilst the top 30 per cent tax rate goes down to 24 per cent in 2013/14 and 18 per cent a year later.

Government revenue is projected to grow from £400m to £600m, with expenditure rising from £375m to £525m. On these figures, if achieved, the current year surplus would be £25m growing threefold to £75m at the time of the next General Election.

Picardo says: "In effect, Government revenue is being kept at constant ratio to GDP and will grow at the same rate as the economy. Growth in government expenditure will be kept below that of the economy and limited to an increase of 40 per cent over the 4 year period".



Gilbert Licudi, Minister for Financial Services

The result, he says, is that in four years the present national (gross) debt of £500m "will be halved".

That might prove hard with the new airport terminal still being paid for and the biggest project, the much-needed £130m Electricity Generating Station to replace three old ones, still to be satisfactorily funded. A bank had agreed to finance fully the project, but is no longer able to do so; alternative means are being sought.

IMAGINE A BANK

Imagine a bank where your interests really do come first.

Imagine a bank without risky sovereign debt or toxic assets on its balance sheet.

Imagine a bank whose owners have unlimited personal liability for its actions.

Imagine a bank that's been looking forward for seven generations.

Imagine a bank that manages and protects your family's wealth.

Welcome to Lombard Odier.

LOMBARD ODIER
LOMBARD ODIER DARIER HENTSCH

Geneva · Amsterdam · Bermuda · Brussels · Dubai · Frankfurt · Fribourg · Gibraltar · Hong Kong · Lausanne · London · Lugano · Luxembourg · Madrid · Milan · Montreal · Moscow · Nassau · Paris · Singapore · Tokyo · Vevey · Zurich

Lombard Odier Darier Hentsch Private Bank Limited
Suite 921 Europort · P.O. Box 407 · Gibraltar
Telephone +350 20073350
Regulated and authorised by the Financial Services Commission, Gibraltar.

Update of fund legislation brings UCITS IV to Gibraltar

Anthony Jimenez, fund lawyer at Hassans Law Firm, reports on behalf of GFIA to review the recently enacted Financial Services (Collective Investment Schemes) Act 2011 (CIS Act 2011) and its key provisions with regards to the UCITS IV regime.

The backbone of Gibraltar's fund legislation

The CIS Act 2011 came into force on 13th October 2011 and is now the primary legislation with regards to collective investment schemes in Gibraltar. It repeals the Financial Services (Collective Investment Schemes) Act 2005 (CIS Act 2005) in its entirety.

The CIS Act 2011 continues to regulate the promotion, establishment and operation of all collective investment schemes in Gibraltar and, along with subsidiary legislation derived from it under section 52 and 53, such as the Financial Services (Collective Investment Schemes) Regulations 2011 (CIS Regs 2011), and the Financial Services (Experienced Investor Fund) Regulations 2005 (EIF Regs 2005), establishes Gibraltar's regimes for private funds, experienced investor funds, UCITS funds and non-UCITS retail funds.

The central objective behind the enactment of the CIS Act 2011 was to transpose EU Directive 2009/65/EC on Undertakings for Collective Investment in Transferable Securities (otherwise known as the UCITS IV Directive) into Gibraltar law. The CIS Act 2011 allows for UCITS IV funds and UCITS management companies to be domiciled and operate in Gibraltar.

The European Gold Standard of Retail Funds

The UCITS IV Directive is a consolidation of all previous directives on UCITS funds and its aim is to enhance the current European UCITS regime to allow greater efficiency and transparency. UCITS funds are open-ended collective investment schemes which may be offered to the general

public across EU member states. UCITS funds must obey certain diversification dynamics with regards their investments, and are only permitted to invest in specified liquid securities.

It is the combination of strict diversification criteria, strong regulation and attention to risk management that make UCITS funds appropriate for retail distribution. The recognised UCITS brand has proved popular within the EU retail investment industry, with investors comforted with the knowledge that a UCITS product meets the highest in EU regulatory standards.

UCITS funds in Gibraltar

The combination of 'on-shore' status, EU membership, an efficient tax system and a solid infrastructure for investment funds, makes Gibraltar a strong alternative to traditional jurisdictions with regards domiciling UCITS funds and UCITS management companies.

Under section 5(2) of the CIS Act 2011, a UCITS fund can be established in Gibraltar as either a "common fund" (constituted by a trust deed or a binding agreement between the manager and trustee), or an 'open ended investment company' (OEIC) (a Gibraltar body corporate established by memorandum and articles, which includes a Gibraltar protected cell company).

A UCITS funds in Gibraltar may be structured as an 'umbrella' scheme allowing multiple sub-funds within one structure.

The choice of structure will be influenced by the need for tax transparency and whether investors can benefit from fiscal arrangements between their jurisdiction of residence and the jurisdiction of investments.



UCITS Marketing Passport

One key feature of the UCITS IV regime is that UCITS funds will benefit from a full "marketing passport". This passport allows UCITS funds established in one member state to market their shares/units in other member states by following a simplified regulator-to-regulator notification procedure via standardised electronic documentation.

This removes the burden of undergoing time-consuming authorisation procedures in each member state where the UCITS wishes to raise investment.

A Gibraltar UCITS intending to distribute its shares/units in another member state must inform the Gibraltar authority, the Financial Services Commission (FSC) in accordance with section 108 of the CIS Regs 2011.

The Gibraltar UCITS fund must submit a notification letter of its intention to market in the target member state to the FSC, who will verify the application and transmit the request, along with other relevant documents relating to the fund, to the competent authority of the member state where the Gibraltar UCITS wishes to distribute and raise investment.

Once the transmission has been confirmed by the FSC, the Gibraltar UCITS may begin marketing in that member state.

Continued on page 10

Jumping the queue in Gibraltar

Seeing you through the mind map



pwc

As Gibraltar embarks on a new tax regime, our staff at PwC are well placed to walk you through your regulatory, tax and accounting requirements. You do the talking, and we'll do the listening, so contact us at www.pwc.gi for more information.

Edgar Lavarello
Kristian Menez
Patrick S Pilcher
Lalit Khatwani

edgar.c.lavarello@gi.pwc.com
kristian.menez@gi.pwc.com
patrick.s.pilcher@gi.pwc.com
lalit.khatwani@gi.pwc.com

Continued from page 8

UCITS Management Company

A UCITS fund structured as a common fund must appoint an authorised ‘UCITS management company’. A standard arrangement would be for the UCITS fund to engage a UCITS management company, which in turn would contract with service providers such as an investment manager, administrator and distributor.

On the other hand, a UCITS fund structured as an OEIC may opt to be ‘self-managed’ by its directors. In this case, the fund will contract directly with service providers in its own name. It should be noted that in both cases, the UCITS fund must appoint and open an account with a licenced UCITS depositary in its own name (the only service provider which is required to be in the same jurisdiction as the UCITS fund).

The decision to structure a UCITS fund with or without a UCITS management company depends on factors such as corporate tax, legal structure, consolidation of agreements, commercial arrangements, oversight and costs.

One further important consideration is capital requirements; a UCITS management company, under section 5 of the CIS Regs 2011, is required to have an initial capital of EUR 125,000 and increase this by 0.02% of the amount by which the value of the portfolios they manage exceeds EUR 2.5m (with a cap of EUR 10m).

A self-manage UCITS fund which has not appointed a UCITS management company, under section 26 of the CIS Regs 2011, must have an initial capital of EUR 300,000.

One fundamental feature of the UCITS IV regime is that a UCITS management company will be able to passport its services from the member state where it is domiciled, to another member state where it wishes to provide services.

For example, pursuant to section 4(2)(a) of the CIS Regs 2011, a UCITS management company authorised in Gibraltar may passport its services into another member state in order to manage a UCITS fund in that

member state.

This keeps inline with the principle that an authorisation to manage a UCITS fund granted in one member state is valid in all member states. Pursuant to section 14 of the CIS Regs 2011, a management company authorised in Gibraltar may passport into another member state by either the establishment of a branch in that member state or under the right of freedom to provide services.

The Key Investor Information Document

The UCITS IV regime replaces the requirement for a UCITS fund to issue a simplified prospectus with a ‘key investor information document’ (KIID). The notion behind the KIID is that it is a concise standardised one-page document which provides fair, clear and understandable information to investors.

The Financial Services (Collective Investment Schemes)(Key Investor Information) Regulations 2011 transposes commission Regulation (EU) No. 583/2010 with regards the KIID into Gibraltar law.

The KIID must contain a risk indicator based on historical volatility – a scale which indicates risk/reward. The Centre for Economic and Social Rights (CESR) have stated that a KIID must be issued for each sub-fund of an umbrella structure and/or a UCITS Fund will multiple share classes.

UCITS fund Mergers and Masters-Feeder Structures

The Financial Services (Collective Investment Schemes)(Corporate Restructuring) Regulations 2011 provide for procedures to merge UCITS and establish UCITS master-feeder structures. Merging UCITS funds (cross-boarder and domestic) enables the creation of larger funds, increases cost efficiency and assists with economies of scale.

The UCITS IV regime also enables master-feeder UCITS structures to be created. A master UCITS fund may be created in one domicile with investors from other member states investing in this fund via a locally domiciled UCITS feeder fund. UCITS feeders can be used to facilitate tax efficiency and better serve local distribution channels.

Taxation of UCITS in Gibraltar

UCITS funds domiciled in Gibraltar will be taxed in accordance with Gibraltar’s Income Tax Act 2010 (ITA 2010). Unlike some other jurisdictions, no special exemptions are required to make Gibraltar UCITS funds tax efficient: the general provisions of Gibraltar tax law are such that a fully taxable company or other entity undertaking international business does not suffer tax in Gibraltar. Income tax in Gibraltar is levied on a territorial basis, under the ‘accrued and derived’ in Gibraltar principle.

Gibraltar does not levy tax in most cases on investment income wherever derived, such as dividends, interest, royalties from intellectual property, or on capital gains. In the case of UCITS funds, the activity will most certainly fall outside Gibraltar’s tax regime on general principles because income will consist of exempt investment income i.e. trading income from a trade conducted outside of Gibraltar, dividends or interest.

A Gibraltar-based UCITS management company providing licensable investment services would be taxed at the rate of 10%, as such activity is deemed to accrue and derive in Gibraltar pursuant to section 74 ITA 2010.

All the typical deductions from trading income, such as rent and salaries and office costs, would normally be allowable in arriving at taxable profits, in accordance with Gibraltar generally accepted accounting principles. Individuals resident in Gibraltar may, in appropriate cases, be eligible for special tax status under the High Executive Possessing Specialist Skills (HEPSS) regime or Category 2 regime.

There are no withholding taxes in Gibraltar, and Gibraltar does not levy income taxes on non-resident directors of Gibraltar companies who are occasionally present in Gibraltar for less than 30 days (or such longer period as the Commissioner shall allow by prior agreement) in a tax year, pursuant to section 19 ITA 2010. This is more favourable than some other jurisdiction where withholding taxes are levied on directors’ fees paid by UCITS funds.

www.gibraltarlaw.com
www.gfia.gi



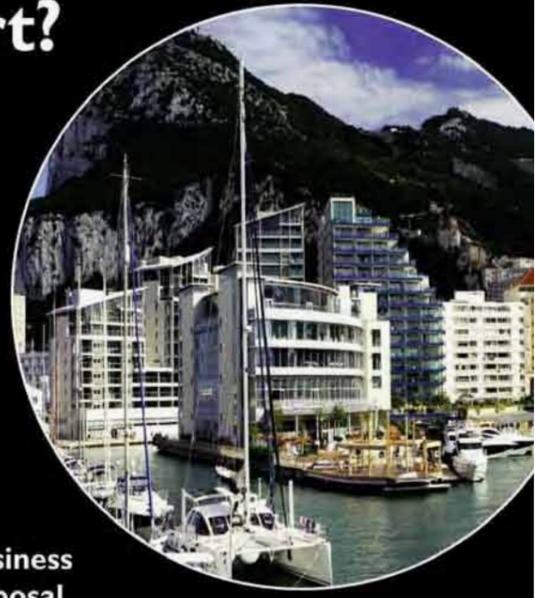
Are you **looking** to set up a business in **Gibraltar**?

Do you need **business advice or support**?

If so, then visit www.investgibraltar.gov.gi

- Financial Services & E-Commerce
- Trade & E-Trade
- Maritime Services
- Property Development
- Light Industry
- Tourism & Transport
- Communications & E-Gaming

The InvestGibraltar Office, Gibraltar’s one stop shop for business and a SFEDI Centre of Excellence, is Online and at your disposal 24 hours a day, 7 days a week.



Government of Gibraltar
InvestGibraltar Office
Department of Enterprise & Development
Suite 771, Europort
Gibraltar

Tel: +350 20052634
Fax: +350 20052635
info@investgibraltar.gov.gi
www.investgibraltar.gov.gi



Tax challenges help progress on-shore acceptance

Gibraltar's reputation as an EU on-shore jurisdiction, rather than its historic tax haven tag, has received a boost from the OECD following a recent investigation to monitor compliance in tax transparency, writes *Ray Spencer*.

Everything began to change for Gibraltar when in March 2009 it signed a Tax Information Exchange Agreement (TIEA) with the US, the first of an arbitrary 12 required for listing on the OECD 'White List' of compliant jurisdictions.

Gibraltar now has 18 TIEAs, with only those involving Belgium and Iceland still to come into force; a further 12 have been agreed and are moving towards signature, half being close to finalization. That means a total of 30 TIEAs in prospect.

As Finance Centre Director, Jimmy Tipping, explained: "The speed of completion of the process is largely down to other countries, because they have a larger procedural element, but frequently it takes more than a year from signing for them to take effect."

It was 18 months before Portugal's TIEA was implemented last April, and that with New Zealand took nearly two years until May 2011.

No small countries

Ten TIEAs were signed in 2010 and four last year, but Gibraltar has maintained all along that it is ready to sign with any country willing to do so.

Tipping pointed out: "All of the new signings will be economically relevant" – (a key factor in the OECD review process to ensure the TIEAs are meaningful moves to aid tax transparency) – "and none are with small countries".

However, the new agreements will not necessarily be all with countries that Gibraltar has trade. "The biggest difference is that they go beyond the EU and OECD lead countries", Tipping revealed.

Nevertheless, the successful outcome of the OECD first-stage review has

been key to gaining big-hitting nations' acceptance of Gibraltar's as an on-shore, fully compliant tax jurisdiction.

Particularly influential are countries like Germany and France, which has been particularly critical of what it regards as tax havens.

Mostly there

The Global Forum, involving more than 100 jurisdictions, is undertaking in-depth peer reviews to monitor the progress made on tax transparency by countries.

"Gibraltar's legal and regulatory framework, providing its tax authorities

with access to information and the ability to exchange information with foreign counterparts, is mostly in place," the OECD said.

It added: "There are however, important deficiencies relating to the availability of reliable accounting information for companies, partnerships and trusts.

"In addition, ownership information may not be available for some professionally managed trusts and where companies have issued bearer shares," the review observed.

Legal changes

Pleased with the outcome, Gibraltar's response was unequivocal. "The mindset we employ – as to any resulting recommendations – is to welcome them and to look to address them via, inter alia, the necessary legislative amendments."

Continued on page 26

Agreements to improve image

A study into what – if any – benefits can result from having Double Tax Agreements (DTAs) with other countries is being prepared by Gibraltar Finance Centre Council (GFCC) amidst concern that valuable cross-border business is being lost by the jurisdiction.

"Many believed that signing Tax Information Exchange Agreements (TIEAs), as required by the OECD to remove the 'tax haven' label, would be sufficient to establish Gibraltar's tax transparency reputation.

"But it seems that many countries have two black lists – the other is around not having DTAs in place", reveals Kerry Blight, GFCC chairman.

Anecdotal evidence from the insurance sector suggests that local providers either have to reduce their premiums to compete locally or take a profit hit to compensate for the impact of the withholding tax applied by other countries because Gibraltar does not have any DTAs.

In the banking sector, one major Gibraltar retail bank last year reportedly removed its £0.5bn mortgage book from the jurisdiction, because of the effect of withholding tax on business outside of the jurisdiction.

Blight, who has been re-elected Council chairman for a third and (he says) final year, will be drawing on evidence from each of the six finance sectors – banking, funds, insurance, trusts and company administration – to compile the report to be presented by summer.

"It may be that there is comparatively little financial benefit for local business, but it is clear that a tangible benefit would be in terms of Gibraltar's image; some people believe we are not up to standard – up in the top echelons of financial propriety – because we don't have any DTAs and they prefer to locate their business in jurisdictions that do have them", he maintains.



Professional Solutions & Services

For You
Your Clients
Your Investment Needs

GIBALTAR: THE SPECIALIST FINANCIAL JURISDICTION OF CHOICE IN THE EU

GFIA members include Funds, Fund Administrators, Stockbrokers, Investment Managers, Audit Firms, Law Firms, Banks & other professionals involved in Gibraltar's financial industry.

For more information please contact Sarah Espigares, GFIA Executive Coordinator by e-mail on info@gfia.gi or visit www.gfia.gi

The importance of Total Expense Ratios

By *Nicola Smith* Managing Director, Helvetic Fund Administration Limited



In today's economic environment we see that successful funds will need to take more notice of the costs they incur. Transparency of costs is key to investors' confidence. When assets under management are high, expenses may seem less important when considering the set-up of a fund structure, but in times where many funds have lost value, leverage has been removed or restricted and funds are generally seeking to establish themselves with lower seed assets, an understanding of all costs involved in setting up and running a fund becomes paramount.

The total expense ratio can be defined as:

"A measure of the total costs associated with managing and operating an investment fund such as a mutual fund. These costs consist primarily of management fees and additional expenses such as trading fees, legal fees, auditor fees and other operational expenses. The total cost of the fund is divided by the fund's total assets to arrive at a percentage amount, which represents the Total Expense Ratio (TER):

$$\text{Total Expense Ratio} = \frac{\text{Total Fund costs}}{\text{Total Fund assets}}$$

More often referred to as "expense ratio".

Another definition used is:

"The expense ratio represents the percentage of the fund's assets that go purely toward the expense of running the fund."

Traditionally expense ratios have focused on the costs of managing a fund's assets i.e. the management and performance fees. There is widespread understanding that the higher levels of cost incurred in connection with non-traditional schemes are a reflection of their limited capacity and lack of accessibility to staff with the requisite experience; there can be limited appreciation from those not

experienced in non-traditional schemes of the sensitivity of cost to Assets Under Management (AUM) and none for the general overhead that is generated by administration and corporate as well as trading and custodial services provided to the scheme.

Certain expenses are necessary in order to ensure that the fund is operated professionally and independently to the other interests of its operators. For instance it is possible to set up a private fund in certain jurisdictions which has no costs of recognition or licensing, can be administered by the manager at no additional cost, is not required to be audited and does not require any independent directors to be appointed. The total expenses of such a fund would be comprised simply of any management and performance fees charged. However, there would be no mechanism in place by which the decisions and actions of the manager could be independently audited and, unless they are

“Certain expenses are necessary in order to ensure that the fund is operated professionally and independently”

familiar with and trust the manager, investors may not consider investing into such a fund.

The additional value created from adding an independent layer of management between the manager and the fund can far outweigh the costs involved. For an investor to know that a fund is administered by a licenced and completely independent administration company can add a degree of comfort which may help to avoid restricting the attraction of a fund to certain investors only. In addition implementing an audit process by an independent audit firm adds another layer of comfort for investors, who may feel confident that not only are they benefitting

from having their invested monies managed in a professional way but also that the fund and the Investment Manager have chosen professional service providers to improve transparency and provide additional investor protection.

In today's environment corporate governance is a hot topic and regulators across the globe are focusing more and more on this area. By utilizing the services of professional directors who are experienced in providing such services, a fund can ensure that they will be familiar with local legislation. Directorships can add another level of cost for a fund, but the benefits are clear in that if a fund is not governed correctly then consequences can be severe.

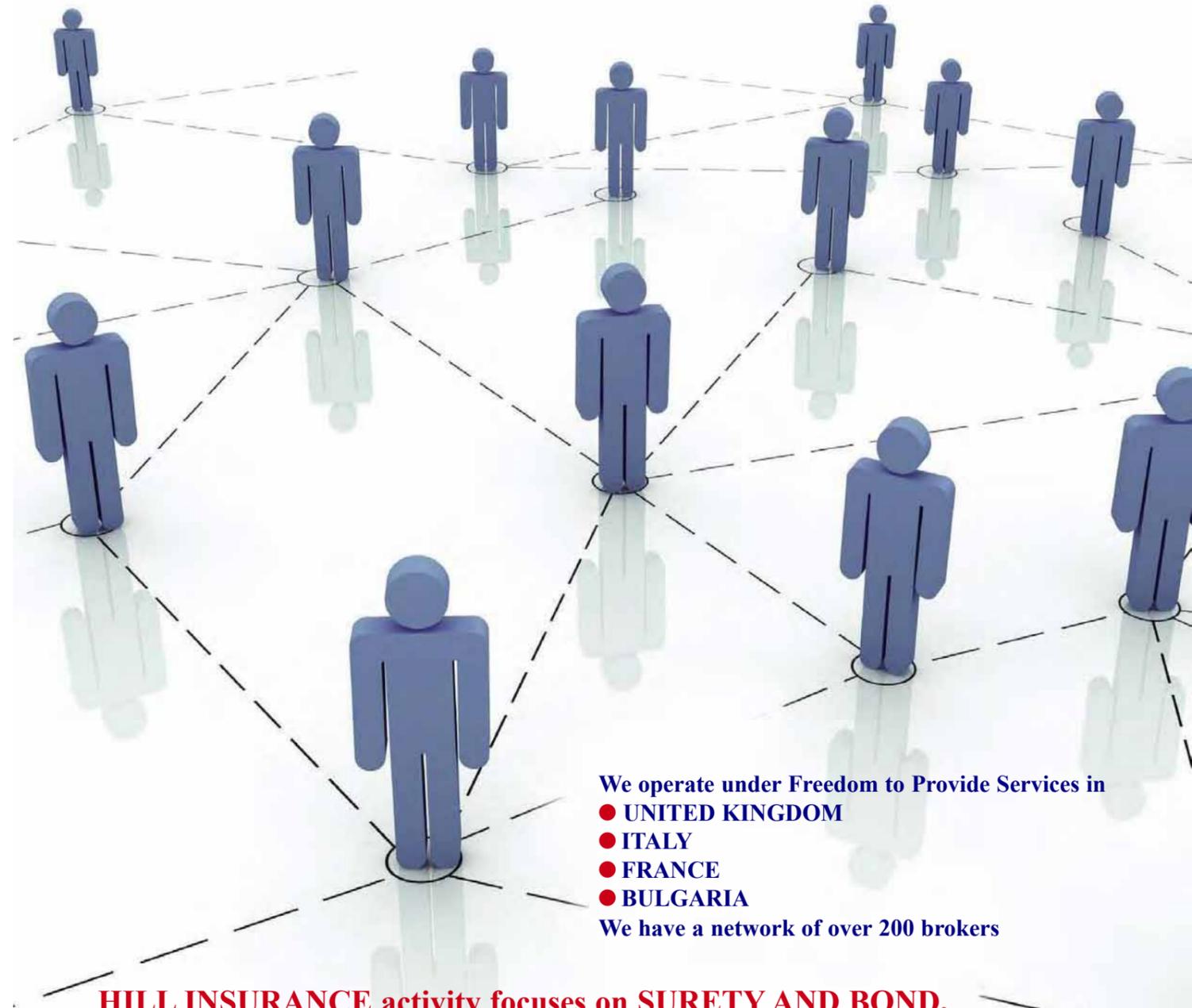
Custodian fees are inevitable when setting up a fund. However, if trades are made via a collective investment vehicle economies of scale should be achieved over the fees incurred when assets are traded outside of such a vehicle and better pricing for the placement of trades may be negotiated due to a higher volume of

trades. When looking at expense ratios it is therefore important not just to focus on the costs incurred and reduction of those to a minimum, but also to understand the added (and sometimes hidden) value and benefits that a fund structure can bring in terms of achieving positive returns for investors and in being able to attract new investors to the fund.

Managing costs is a balancing act and a good fund administrator will assist the manager in understanding where the value lies in the expenses incurred and in assessing what type of fund should be set up in order to minimize costs and maximize value.

www.helveticfund.com

HILL INSURANCE COMPANY LIMITED



We operate under Freedom to Provide Services in

- UNITED KINGDOM
- ITALY
- FRANCE
- BULGARIA

We have a network of over 200 brokers

HILL INSURANCE activity focuses on SURETY AND BOND, AVIATION AND ASSISTANCE:

our goal is to provide our clients with quick and functional solutions that allow them to make the most of the market opportunities



To find out more please contact us at info@hillinsurance.eu or visit our website www.hillinsurance.eu

HILL INSURANCE COMPANY LIMITED

Unit 1A, Ground Floor
Grand Ocean Plaza
Ocean Village - Gibraltar
Tel/Fax +350 200 62407

Surprise lies within - there's more than meets the eye

Most visitors are taken completely by surprise when they visit the Government of Gibraltar's London office, finds *Ray Spencer*.

Opened four years ago, the £6m+ refurbished Gibraltar House is generally acknowledged to be something of a Dr Who Tardis – the interior is much larger than it appears!

An unassuming, single black entrance door at the side of a modest busy street display window gives no clue as to the array of five meeting rooms and other facilities that make up the high-standard Business Suites at the 6-storey building in The Strand.

The front office literature and publications display and reception, means many passers-by think Gibraltar House may be just about tourism, and it does provide a shop window for what Gibraltar has to offer, but a separate entrance admits politicians, Ministers and business leaders.

Boasting two meeting rooms – the Burgundy and Gold Suites – each accommodate up to 6 people, plus a three person study/working area, the building also has a plush 20-seat Board Room with audio visual display facilities.

The Terrace Room, is a versatile multi-purpose meeting and entertaining space for up to 70 people when an



The literature and publications display window

unexpected outside patio space is utilized at the back of the building that forms part of the Somerset House Estate.

An atrium lets daylight through much of the building that has a top floor presentation centre capable of seating 50 people, but another 20 or so if the adjacent break-out room is incorporated.

All of the plush furnishings came at a knock-down price, most of the tables, chairs and other office fittings having been bought at the nearby Savoy Hotel closing down sale for around £100,000 – around a quarter of their true value.

Gibraltar Ministers and government departments, agencies and authorities, including the Gibraltar Port Authority, Ministry of Justice and Gibraltar Tourist

Authority, have utilized the building for job interviews, meetings with UK counterparts and advertising campaigns.

The business community – in London and from The Rock – has also organized meetings and occasionally hospitality events, such as a dinner or drinks reception. Jyske Bank, insurers, engineering firms and a major international UK construction consultancy are amongst those who have used Gibraltar House facilities.

There's keen pricing that goes from £40 to £750 for half day, whole day and even hourly use – including free tea, coffee and water – comfortable and versatile room configurations, and a broadband wifi internet facility throughout the building.

Catering at events is provided by two contractors – one for snack lunches and the other for silver-service meals and canapés receptions or buffets events.



The Board Room – ideal for company meetings

Price competitive, comfortable, convenient – users heaping praise

The central London location of Gibraltar House, close to the Old Bailey and within easy walking distance of three Underground Stations, as well as Charing Cross and Waterloo main line rail services, has proved popular with clients, if repeat business is any guide.

An early and consistent user of the London office is Enterprise Insurance, a Gibraltar company seeded in 2004 by managing director Andrew Flowers from an Isle of Man operation.

“I’m something of a fan of Gibraltar’s London facilities, which are really beautiful and very price competitive,” admits Flowers’ personal assistant, Elaine Jones, who travels widely with responsibility for organising client meetings and interviews.

“It’s a very central location and the staff there are efficient and reliable, which is important for the smooth running of things,” she says. The company, which provides specialist UK motor insurance – classic cars, caravans, motorhomes and

4x4 cover – as well as more generally for vehicles in Greece and France, also has other UK underwriting operations such as warranty products for Argos and the AA.

Having doubled business in each of the last four years to reach an expected £100m turnover in 2011-12, Enterprise employs 25 people at Queensway Quay, where a six month refurbishment has just been completed.

Mario Hook, Gibraltar’s Public

Continued on page 18

NEW LEGISLATIONS. NEW REFORMS. NO WORRIES.

INTERNATIONAL CORPORATE TAX

Global tax planning is complex and must be managed tightly.

At KPMG, our global network of dedicated professionals have years of experience in working with global companies in multiple jurisdictions. We use our depth of knowledge to help solve global tax problems every day.

For more information visit www.kpmg.gi

GIBRALTAR HOUSE

Continued from page 16

Services Ombudsman since 2003, first used the former London Office further along The Strand, five years ago for a group meeting of fellow UK-connected investigative intermediaries on common issues.



One of the many hospitality lunches held at Gibraltar House

“We move around each quarter and were even in Gibraltar in 2004, but now everyone – from the UK constituent countries, plus Malta, Cayman Islands and Bermuda - were very impressed with the Gibraltar House facilities when we met there in early November,” he reports.

“Not only is London a convenient location, being close to Westminster, but our 14 attendees found the premises to be exquisitely designed and the staff assistance and service for our formal meetings, lunches and dinner second to none”, enthuses Hook.

He tellingly adds: “All ombudsmen travel a lot for conferences, meetings and seminars as voting members of an international organization – and being independent, we can choose where to hold events. The cost for London was reasonable and compared very favourably with other places such as hotels and conference centres, which was of course, part of the equation.”

A less obvious fan of Gibraltar House is Joseph Infante, Managing Director of Northcroft Infrastructure, a 170-years old UK-based financial and project management consultancy principally for the building sector and major infrastructure projects such as roads and railways.

With 80 London headquarters staff, the firm employs 500 people worldwide and in 2011 used the nearby Strand building for several interviews and



A seminar in the Presentation Suite

“occasions when business meetings were best away from base”.

Northcroft counts the United Nations, World Bank, and IBM amongst its international client base – but it has never undertaken projects in Gibraltar!

“It’s strange, I admit, but it would seem that I might be seen as trading on long-standing friendships rather than the skills and abilities we obviously possess – but I don’t rule it out for the future”, says Infante, who was born and bred on The Rock.

He foresees seminar and social events at Gibraltar House this year, as well as a raft of meetings. “After all, the offering is excellent value for money – about as good as it gets – with a variety of rooms that are very comfortable”, observes Infante.

Big decisions follow you around.



The big decisions you have to make are often difficult, finely balanced and ever present. Grant Thornton has the global reach and personal touch to help you find the right answers. To explore how we can help please contact:

Grant Thornton (Gibraltar) Limited
T +350 200 45502
E enquiries@gi.gt.com

www.grantthornton.gi



Audit • Tax • Advisory

© 2012 Grant Thornton International Ltd. All rights reserved. Grant Thornton International and the member firms are not a worldwide partnership. Services are delivered independently by member firms.

ADVERTISING FEATURE

Barclays Wealth provides a passionate offering with clients’ best interests at heart

What makes for a successful proposition? This is the age-old question which business people have been striving to answer for years, and Carlos Garcia, who leads the Barclays Wealth Gibraltar Intermediaries offering believes he has the answer. The Gibraltar Intermediaries proposition combines a range of individuals who bring diverse skills and experiences with exceptional teamwork in order to best serve clients, thereby creating a vibrant workplace which attracts talented employees who have a passion to deliver.

The good news for Carlos, is that those involved in the revamped Intermediaries offering have these valuable qualities in abundance. Collectively, there is over 100 years of banking experience, with nine languages spoken by individuals from all over the globe, making for an exciting and dynamic group who are more than capable of meeting the needs of this important client segment.

Speaking about how this offering has evolved, Carlos said: “Over the last three years we have invested significantly in our systems and in our people, having recruited talent from a wide cross-section to ensure clients and their individual banking needs are fully supported. We have been looking critically at what we have been doing and who we have been doing it with, focusing on our existing key clients and providing an important gateway to the Barclays group.”

In these uncertain economic times, it is important to provide clients with not only a strong bank, but with an equally robust and trusted product and with the right professionals to deliver it. Barclays Wealth Gibraltar can support and guide clients proactively in these difficult times.

With a motto of ‘passion to deliver’ members of Barclays Wealth Gibraltar Team have self belief in what they are doing and a shared vision of where they are heading. Clients who access the intermediaries proposition will find they benefit from a vast range of knowledge and expertise thanks to the experienced professionals on board whose backgrounds range from Intermediary markets and insurance to property and small business management.

Barclays Wealth is the wealth management division of Barclays and operates through Barclays Bank PLC and its subsidiaries. Barclays Bank PLC. Registered in England. Authorised and regulated by the Financial Services Authority. Registered number: 1026167. Registered office: 1 Churchill Place, London E14 5HP. Authorised by the Gibraltar Financial Services Commission to conduct banking and Investment business in Gibraltar.



Barclays Wealth Gibraltar Intermediaries

When Carlos joined Barclays Wealth seven years ago, he already had thirteen years of banking experience under his belt, meaning he brought a wealth of knowledge and expertise to the role, and he is not the only one.

Barclays Wealth is a globally recognised and well established brand and as such is an attractive prospect for experienced professionals, meaning that many individuals in the company have careers which have spanned more than 30 years.

In fact, a quick calculation reveals that there is over 100 years of banking experience within the proposition, and this is clearly good news for clients!

But how does one attract such an accomplished group of individuals in the first place?

Carlos says: “Throughout my previous career, I have seen that Barclays is one of few employers which truly invests in their staff, making sure they are fully supported, fully trained and are reaching their potential. The process starts at the recruitment stage, which is rigorous.” The Barclays brand is a big draw for potential employees and once on board, they benefit from continued training which focuses on their professional and personal development.

“It means clients are served by people who care about their needs and those of professional intermediaries. We serve to be a consultative partner in the relationship rather than a mere traded commodity.

There are more changes on the way as we continue to assess this important segment, looking at how to best serve our client base, continuing to support the finance centre and focusing on those businesses where there is meaningful substance in their activity, brass plating is a thing of the past. We look to offer a multi-jurisdictional proposition.”

Step-change air travel ahead

Gibraltar's impressive-looking international airport terminal opened at end-November, but for flight arrivals only. It is not expected to be fully operational until at least May, two years behind schedule, reports *Ray Spencer*.



Costing at least €75m, the building brings a step-change in Gibraltar's air travel service. The 2-storey steel and glass terminal at near 20,000m² is 5½ times larger than the old building that dates back to 1959 and twice since extended.

A large part of the new terminal related to departures is not yet open, but 5,650 people - equal to 19 per cent of the population - and media toured

behind the scenes pre-opening.

Public areas are four times greater, excluding shops, and include 16 check-in desks, tourist information and a large flight departure waiting area and 200+ seats with 180 more in the café's interior and exterior space.

Most of the 14 airside retail outlets for Duty Free, a WH Smith, jewellery and perfumery, are taken, and there's two Duty Free units for

arrivals by luggage carousels at first and ground floor levels.

Escalators, lifts and stairs link both levels, whilst the five aircraft stands feature automatic electronic guidance for pilots to position aircraft.

Passengers need to walk to board aircraft, however a government spokesman revealed air stairs will feature covers for bad weather.

Behind the scenes, there are four state-of-the-art baggage-

handling facilities to cope with outgoing and incoming flights.

Airport management claims the level of baggage security is greater than at many large international airports, with all bags checked up to twice by X-ray. A VIP / Business Class lounge, with TV, free internet and refreshments, is four times larger with 74 seats and a separate terrace. Anyone can pay to use the private lounge.

Continued on page 22

company • trust • foundation

Formation • Management • Administration • Statutory Officers • Nominees

marine services

Vessel Registration • Radio Licensing

business services

Banking • Accounting • Will Writing • Virtual Office

Offshore and Onshore

Worldwide from Gibraltar

Since 1985, Europa has been dedicated to providing a platform for our clients to achieve their financial and business objectives while guarding their assets and legitimate confidentiality.

Discover the benefits of **independent** advice, **reputable** traditions and **multilingual** staff.

United Kingdom • Channel Islands • Malta • Hong Kong • Singapore
British Virgin Islands • Seychelles • Panama • Cayman Islands • Delaware • Wyoming



europa TRUST COMPANY LTD.

Tel. +350 200 79013 • Email info@europa.gi
Watergardens 6, Suite 24, Gibraltar
Financial Services Commission Licence No 00108B
Gibraltar Registration No 10511

ISO 9001 & 27001 Certified



Gibtele.com

your communications gateway to the world

- Resilient, high-speed IP bandwidth and private international circuits
- Secure hosting environment and data services
- Dedicated trained engineers providing 24/7 monitoring and support

Fixed Mobile Internet



Gibtele.com

15/21 John Mackintosh Square, Gibraltar
(+350) 20052200 - www.gibtele.com - info@gibtele.com

Continued from page 20

But the growing number of private business aircraft passengers – there were 600 in 2010 and more last year – will be able to use a dedicated General Aviation wing that includes meeting rooms and catering facilities.

Positioned next to the border, the terminal provides for direct access with Spain via a first floor walkway over the planned new ring road, but as a government spokesman told me: “There is no indication that the Spanish authorities are going to construct the building on their side of the fence to connect with the air terminal in Gibraltar any time soon.”

The €59m contract to build the terminal and supporting airside and landside facilities was awarded to Spanish firm Dragados in 2008, but there’s no explanation yet for the terminal’s €16m extra cost.

Growing air links to put pressure on new terminal

Few deny that the new Gibraltar International Airport terminal creates a progressive image for the developing business community, with ability to impact on the whole Campo de Gibraltar economic area, *Ray Spencer* writes. But the new terminal has courted controversy: the new government of Fabian Picardo declaring it was too big and too costly to build and operate, while the now Opposition Leader Peter Caruana argues it’s “a project for the next 60 years”.

This summer four UK airlines – BA, easyJet, Monarch and, for the first time, BMIbaby – will operate at least 36 flights a week to Gibraltar. If Monarch adds as last summer four flights a week, making 16 in all, it would become the The Rock’s largest operator.

The previous government arbitrarily capped for “environmental reasons”, aircraft movements at 16 a day, but by summer there already are likely to be up to 14!

Some 1m passengers annually can be handled at the new terminal. Last year, there

were some 365,000 passengers using the old terminal, a fifth more than in 2010 and near the 2008 peak.

Designed to handle six air movements an hour (a combination of arriving and departing flights), the new terminal – based on *Gibraltar International* research – may already be at that level for a single hour in mid-summer: with four aircraft landing – three at the same time – and two taking off, any new service would have to arrive after noon on those days.

Caruana’s policy was to break off discussions “with many airlines that have expressed an interest to fly from Gibraltar” until completion neared of a road tunnel under the east end of the runway – removing the need for traffic to cross it as now – and described by Picardo’s current government as “an essential piece of the air terminal project”.

Completion may be more than two years away! Work halted last year amid escalating costs now estimated to have more than doubled to £68m, and possible legal proceedings against the government from contractor OHL.

Specialist Tax Advice Tailored to your needs

We provide specialist tax advice on a whole field of private and business issues, making it easier for clients to safeguard their family assets and wealth.

Deloitte offers a straightforward personal service specifically tailored to clients’ requirements. We make the most of our expertise and experience to reduce your tax burden and plan effectively for the future.

Deloitte.

For more information, call Joseph L Caruana or Stephen J Reyes on:
Tel: +350 200 41200, Fax: +350 200 41201
info@deloitte.gi

www.deloitte.gi

Merchant House, 22/24 John Mackintosh Square, P.O. Box 758, Gibraltar
© 2011 Deloitte Limited. A member of Deloitte Touche Tohmatsu Limited.



technically

professionally

geographically

superior

Gibraltar is a rapidly developing, high quality global insurance jurisdiction.

The Quest Group is an exceptional financial services provider in Gibraltar specialising in Insurance Management.

To find out more please contact us at the address below or visit our website www.quest.gi



Quest Group

PO Box 1338
First Floor, Grand Ocean Plaza
Gibraltar
Tel: (+350) 20074570
Fax: (+350) 20040901
Email: info@quest.gi
www.quest.gi

Companies within the Quest Group are regulated and authorised by the Financial Services Commission Gibraltar to carry on business as Insurance Managers and Company Managers.



GAME ON

HELPING YOU TO WIN

Europe's leading independent provider of IT infrastructure services

www.computacenter.com/egaming



WHY SHOULD YOUR COMPANY SPONSOR OR ADVERTISE IN THE GIBRALTAR INTERNATIONAL MAGAZINE?

Answer:

- We produce a Quality, Informative, Business Publication, with the aim of informing and encouraging International Companies and Investors to choose Gibraltar to invest and do business with YOUR COMPANIES
- **10,000** Printed Copies Each Quarter, of which **2000** are mailed to Financial Advisers, Bankers, Lawyers, Accountants, HNWI's, across the UK and Continental Europe
- The only magazine in the Arrivals, Departures and Executive Lounge at Gibraltar Airport - **2,500** copies (on average) taken each quarter
- Distributed in all the Top Hotels, Restaurants, Bars, Office Receptions in Gibraltar
- Exclusive Magazine Stands in Europort, Ocean Village Business Centre, Atlantic Suites, Cruise Liner Terminal
- Distributed through the Government of Gibraltar (UK) offices, The Strand, London
- Sponsors receive special rate for adverts
- Direct link to your company's website, from our website - www.gibraltarinternational.com (Sponsors only)

REASSURING... RESILIENT... RELIABLE...

Gibraltar need not be your telecoms weak link. Our network has been designed from the ground up to address regional service issues with an inherently resilient design, world class partners and leading-edge DDoS protection.

If your business **depends** on the Internet or local and/or international leased lines, talk to us - we will tailor a solution to meet your needs... at the right price!

Unmatched resilience comes as standard!

For more information

Sapphire Networks
Suite 3.0.3 Eurotowers, PO Box 797, Gibraltar
Tel: +350 200 47 200
info@sapphire.gi
www.sapphire.gi



IN TOUCH WITH YOU

Tax challenges *Continued from page 12*

Of 59 jurisdictions so far reviewed by OECD, 32 have amended their legislation or regulations to bring them into line with the international standards.

Gibraltar must report back to the OECD on progress by April and a second report reviewing implementation of exchange information will be in the second half of 2014.

However, underlying the reputational importance of the OECD report, Secretary-General Angel Gurría said: “Our recent survey of 20 countries shows that more than 100,000 taxpayers have revealed previously undetected offshore assets.

“This has yielded almost €14bn in additional tax revenues so far. And that’s just in the past two years,” he declared.

Never enacted

Late last year, the European Court of Justice (ECJ) ruled on two Gibraltar tax cases that had been won in the lower court. On appeal however, the ECJ supported a European Commission view that a 2002

proposed payroll tax regime for business – never implemented – was ‘material selectivity’ and breached State Aid rules, because it would have given unfair advantage to offshore companies.

As Nick Cruz, a long-standing member of the Gibraltar Finance Centre Council (GFCC), pointed out, consensus was reached by the industry and the Government to abandon the proposed 2002 tax regime as “complicated and unlikely to stand the test of time, given EU, OECD and other evolving criteria in the definition of what was a tax haven”.

Not under threat

The fact that the judgement, for which both Gibraltar and the UK (who supported) must pay costs, was on an out-of-date proposal and no longer relevant did not stop international news media and others implying that Gibraltar’s tax position is under threat.

It was not aided by the fact that the second ECJ case brought by Spain regarding ‘regional selectivity’ went to “the very root of the viability of (Gibraltar’s)

socio economic model” with potential huge effect, the then government stated, because it questioned its right under EU law to have a different, lower tax system than the UK.

The Court decided that it was not relevant or necessary for it to consider the issue, because the regional selectivity case was disposed of by its ruling on the material selectivity issue.

Ruling open

That didn’t stop Spain’s Foreign Ministry hinting that it might still challenge Gibraltar’s low tax rate. The Ministry argued that since “there does not exist at this moment any ruling from the European Union’s court either in favour of or against the ability of Gibraltar to enjoy its own separate regime”, it is open to any member state to again raise the matter.

Neither was the situation helped by the EU Code of Conduct Group on harmful business taxation, discussing Gibraltar’s tax regime at a December meeting, but officials are confident that the 2010 Tax Act will not be seen as a problem when the Group reports shortly.



DOING BUSINESS IN GIBRALTAR?
FINDING THE RIGHT ANSWER STARTS HERE

BAKER TILLY
(GIBRALTAR) LTD
Chartered Accountants
Knowledge • Value • Commitment

Connect with us:
www.bakertillygibraltar.gi
+350 200 74015

an independent member of
BAKER TILLY APPROVED MEMBER
INTERNATIONAL ACCA

ACCOUNTING • AUDIT & ASSURANCE • PAYROLL SERVICES • RECOVERY & INSOLVENCY • TAX • TRUST & COMPANY ADMINISTRATION

WHEREVER YOU ARE, WE BRING YOU AN EXCEPTIONAL BANKING SERVICE

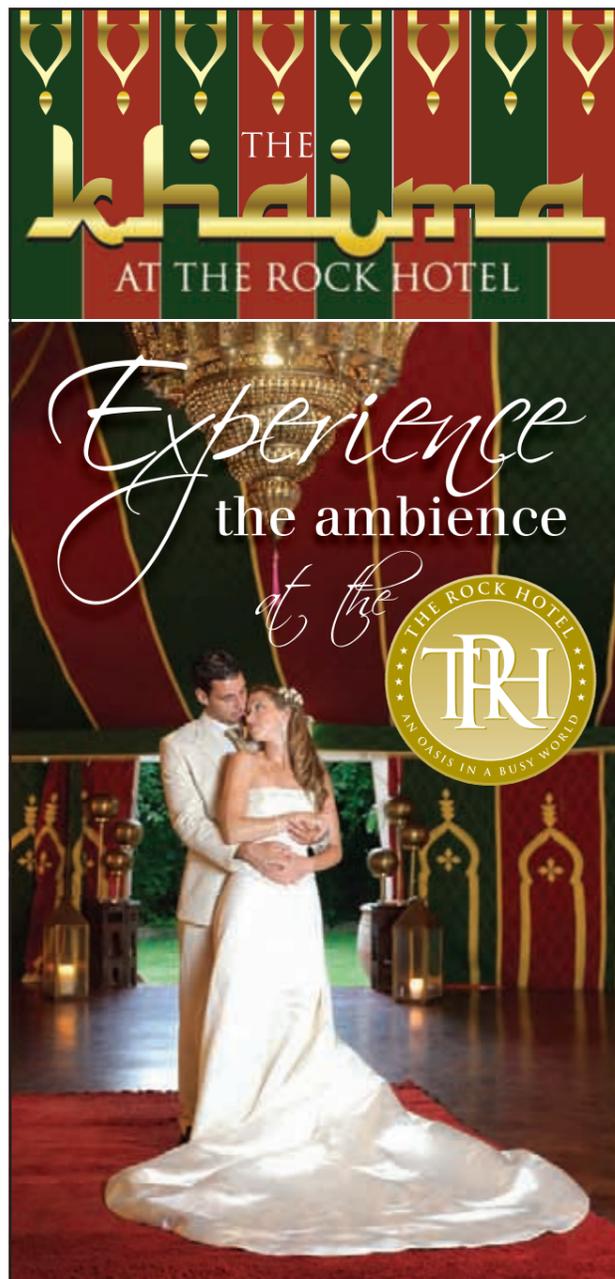
You can’t be everywhere at once, and neither can we. But we aim to give you the same high level of personal service that your clients expect from you. As a financial intermediary operating in the international community, we take your specialist needs very seriously. Bank with Barclays, and you will have a dedicated relationship manager bringing you world-class investment and banking solutions. Your relationship manager will be experienced in your field, and supported by a team who can link you to the global resources of Barclays Capital and the Barclays Group. We can help you to make international decisions from a local perspective.

For more information, call +350 200 41222* or visit barclayswealth.com

*Calls divert to our Servicing Centre in IOM. Lines are open 24 hours a day, 7 days a week, except on the 25th December. Local rate applied. Calls may be recorded for training and security purposes.



Barclays Wealth is the wealth management division of Barclays and operates through Barclays Bank PLC and its subsidiaries. Barclays Bank PLC is registered in England and authorised and regulated by the Financial Services Authority, Registered No. 1026167. Registered Office: 1 Churchill Place, London E14 5HP. Barclays Bank PLC is authorised by the Gibraltar Financial Services Commission to conduct banking and investment business in Gibraltar.



**Wedding! Conference! Banquet!
Themed Event! Corporate Evening!
Product Launch! Summer Ball! Christ-
mas Party! New Years Extravaganza!**

Whilst enjoying dinner you will not fail to see 'The Khaima', our brand new Moroccan style marquee and THE new venue in Gibraltar for company events, weddings, dinners and a host of other uses. We are particularly proud to have already hosted, to some acclaim, a number of important Gibraltar events this summer and you too can use this superb venue summer or winter. So, whether it be a summer wedding for 200 or a Christmas party venue for your company or organisation Gibraltar now has a truly unique venue.

Ask to see it for yourself or for a full info pack e-mail us at Khaima@rockhotel.gi



BUSINESS

Gibraltar to join Google Maps

U.S. based company Google are pleased to announce that Gibraltar has been chosen to join Google Maps, with its Street View feature. In December the Google car drove around and took photos of locations in Gibraltar.



Google are now in the process of digital stitching the imagery together, which will become available over the coming months, although no fixed date has been officially given.

Street View is a hugely popular feature of Google Maps – it is already available in more than 30 countries around the world. It allows users to virtually explore and navigate a neighbourhood through panoramic street level images. Along with its uses in the fields of Tourism, Travel, Education and Real Estate, it is also used to help disabled people check Wheelchair Accessibility. www.google.com/streetview

Selling Gibtel worldwide

Sri Lankan-born Rab Paramothayan has become Gibtelecom's first international director, spearheading the company's drive to sell the substantial spare capacity it owns on the European India Gateway (EIG) submarine cable that moves fully into operation this Spring with completion of the Egyptian link.



Rab, who has an MBA from Henley Management College and 17 years

experience in the cable industry, including C&W Asia Pacific regional manager in 1998-99, notes: "This is an exciting time for Gibtelecom to maximise the benefit for its strategic investment in cable." The EIG provides Gibraltar with significantly improved route diversity and resilience. www.gibtele.com

Triay & Triay help secure licensing for local finance company

Long established Gibraltar law firm, Triay & Triay are pleased to announce that IIG Financial Services Limited (IIG) have been successful in its application for licensing as a Category II Investment Dealer in accordance with the Financial Services (Markets in Financial Instruments) Act 2006.

The Triay & Triay team advising IIG was led by Managing Partner, Melo Triay and supported by associates Charles Melvin and Jay Gomez.



IIG's Chief Operating Officer, Gerald Rodriguez, stated, "The idea of leading IIG and contributing to its growth and development into one of Gibraltar's main international investment service providers is a very exciting prospect. The real challenge starts now and we will endeavour to get the right people onboard to ensure excellent service for our clients and the success of our firm."

Dr. Norman Nepo, IIG's founder and chairman also thanked the Triay & Triay Financial Services Team for their practical advice and expertise in dealing with IIG's license application, commenting, "When you are looking at jurisdictions to base

your business in, one of the things that concerns you is the availability of expert professional resources within the jurisdiction – in Triay & Triay, we have found a firm that we can trust and that is able to complement our business strategy with its expertise."

Triay & Triay consider that the investment management industry in Gibraltar is growing, as evidenced by new entrants into the marketplace, and will continue to grow into the foreseeable future given the advantages Gibraltar has to offer. www.triay.com

A very special celebration of loyalty at Isolas

In the same year, 1969, that General Franco closed the border between Spain and Gibraltar, Yolanda Harnamji started work at the offices of Isola & Isola, as it was formerly known, in their previous offices in Bell Lane, and 43 years later she is still at the law firm in full employment.

Celebrating her 80th birthday in January, Isolas held a reception in her honour at their offices at Portland House, to commemorate both milestones and her tremendous dedication and loyalty to the firm.

Peter Isola, Senior Partner, spoke on behalf of Isolas, "After joining Isola & Isola, Yolanda soon became an indispensable part of the team. She was responsible for the maintenance and upkeep of all registers as well as dealing with the companies, Land and Yacht Registry, as well as the Supreme Court, apostille."

He went on to say that, "On my return to Gibraltar, it was Yolanda who showed me

the ropes and taught me about administrative issues, and other company matters."



Peter Isola and Yolanda Harnamji

He concluded, "It is a source of great pride for the firm and the family that Yolanda is still with us at Isolas and we hope she will continue to work for us, for as long as she chooses." www.gibraltarlawyers.com

Isolas & Fiduciary annual reception at 14 on the Quay Restaurant

Isolas & Fiduciary hosted their annual reception for clients in December at 14 on the Quay Restaurant, Gibraltar.



Guests at the Isolas & Fiduciary Annual Reception

The hosts were pleased to see a large number of guests join them for drinks & canapés to celebrate the end of the business year.

The event was enjoyed by all who attended.

New look for Barclays

Barclays Wealth's Main Street, Gibraltar branch has undergone a refurbishment programme, that was initiated in the Summer of 2011 and forms the latest phase of an ongoing initiative aimed at improving in-branch facilities for clients. This programme began in 2009 with the installation of a 'self-service area' which continues to prove popular with clients.

Head of Personal Banking at Barclays Wealth, Gibraltar, Derek Sene said: "This latest initiative to improve our facilities within our Main Street branch is further evidence of our commitment to the local Gibraltar market.

BUSINESS

KPMG eGaming Summit

KPMG, Gibraltar, has announced that it will be holding a second eGaming Summit on the 19th April 2012 at the Caleta Hotel, Gibraltar. The aim is to once again bring the sectors major players and service providers together, to discuss the jurisdiction's potential in the global marketplace.



Over 120 delegates attended last year's summit, both from Gibraltar and abroad and this year the number is expected to be higher. Mike Harvey, Director of KPMG, Gibraltar, commented on the forthcoming 2012 event: "The eGaming sector has continued to show solid growth globally, despite economic uncertainty in the Euro zone and elsewhere.

It is essential that Gibraltar remains at the forefront for the licensing and operation of these highly successful businesses, which is why we are running this summit again.

It represents an opportunity to bring together all of the major stakeholders, both government and private, and to pool knowledge and understanding of the issues that might develop in the year to come."

As a global firm, KPMG has positioned itself as a major supporter of the eGaming industry, with a large number of in-house specialists to support the industry.

The annual Gibraltar Summit is now one of a number of similar events run across the globe by KPMG. www.kpmg.gi

Business ROUND UP

CONTACTS

Professional Bodies based in Gibraltar

Association of Pension Fund Administrators (APFA)
Steven Knight, Chairman, Tel: + (350) 200 40466
Email: steven.knight@castletrustgroup.com

Association of Trust & Company Managers (ATCOM)
Marc X. Ellul, Chairman, Tel: + (350) 200 70921
Email: marc@ellul.gi

Bar Council
David Dumas, Chairman, Tel: + (350) 200 59026 / 79075
Email: barcouncil@gibtelecom.net david.dumas@hassans.gi

Gibraltar Association of Compliance Officers (GACO)
Ivan Perez, Chairman, Tel: + (350) 200 73520
Email: communications@gaco.gi

Gibraltar Bankers' Association (GBA)
Emma Perez, President, Tel: + (350) 2000 2000
Email: emma.perez@sghambros.com

Gibraltar Betting & Gaming Association (GBGA)
Freddie Ballester, Chairman, Tel: + (350) 200 40595
Email: freddieb@PartyGaming.com

Gibraltar Chamber of Commerce (GCC)
Nicholas Russo, President, Tel: + (350) 200 78376
Email: info@gibraltarchamberofcommerce.com

Gibraltar Finance Centre Council (GFCC)
Kerry Blight, Chairman, Tel: + (350) 2000 4000
Email: kerry.blight@credit-suisse.com

Gibraltar Federation of Small Business (GFSB)
Stuart Rodriguez, Chairman, Tel: + (350) 200 47722
Email: gfsb@gfsb.gi

Gibraltar Funds & Investments Association (GFIA)
Adrian Hogg, Chairman, Tel: + (350) 200 45502
Email: adrian.hogg@gi.gt.com

Gibraltar Insurance Association (GIA)
Chris Johnson, Chairman, Tel: + (350) 58452000

Gibraltar Insurance Institute (GII)
Andy Baker, President, Tel: + (350) 200 79520
Email: abaker@argus.gi

Gibraltar Society of Accountants (GSA)
Freddie White, President, Tel: + (350) 200 45502
Email: freddie.white@gi.gt.com

Society of Trust & Estate Practitioners (STEP)
Peter Isola, Chairman, Tel: + (350) 2000 1892
Email: peter.isola@isolas.gi

Gibraltar HR Forum
Ruth Halsall, Chair, Tel: + (350) 200 43865
Email: hrforumgib@gmail.com



FIDUCIARY

FIDE ET FIDUCIA

precision & continuity

indispensable qualities of a company
dedicated to safeguarding your assets
for today and for future generations

Company & Secretarial Services
Wealth Management
Trusts & Foundations
Fund Administration
Yacht Registration

GIBRALTAR LONDON ZURICH

Fiduciary Group

Portland House Glacis Road Gibraltar
Tel: +350 200 76651 info@fiduciarygroup.com
www.fiduciarygroup.com

Regulated by the Financial Services Commission

14 On the Quay Restaurant



Unit 14, Queensway Quay
Gibraltar

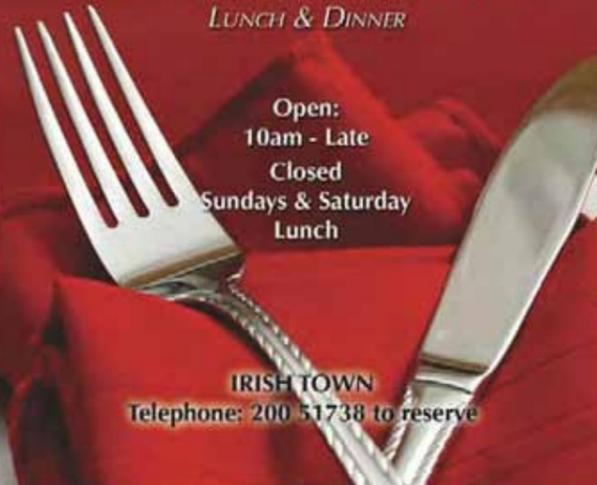
Opening hours
12.30pm-11.00pm, last orders 10.45pm

Tel: +(350) 200 43731

CAFE ROJO

MODERN
RELAXED
DINING

SERVING MORNING & AFTERNOON COFFEE
LUNCH & DINNER



Open:
10am - Late
Closed
Sundays & Saturday
Lunch

IRISH TOWN
Telephone: 200 51738 to reserve



www.gibraltarlayers.com

Built on solid foundations

A full service international law firm
offering tailor-made services and advice
to help you meet your objectives, since 1892

Portland House Glacis Road PO Box 204 Gibraltar
Tel: +350 2000 1892 info@isolas.gi
www.gibraltarlayers.com



FLY TO GIBRALTAR

From Luton or Manchester

FROM **£32**
ONE WAY. INC TAX

NO DEBIT
CARD
CHARGE

TERMS AND
CONDITIONS APPLY
See website for details.

 **Monarch.co.uk**

FLY YOUR WAY. EVERY DAY.