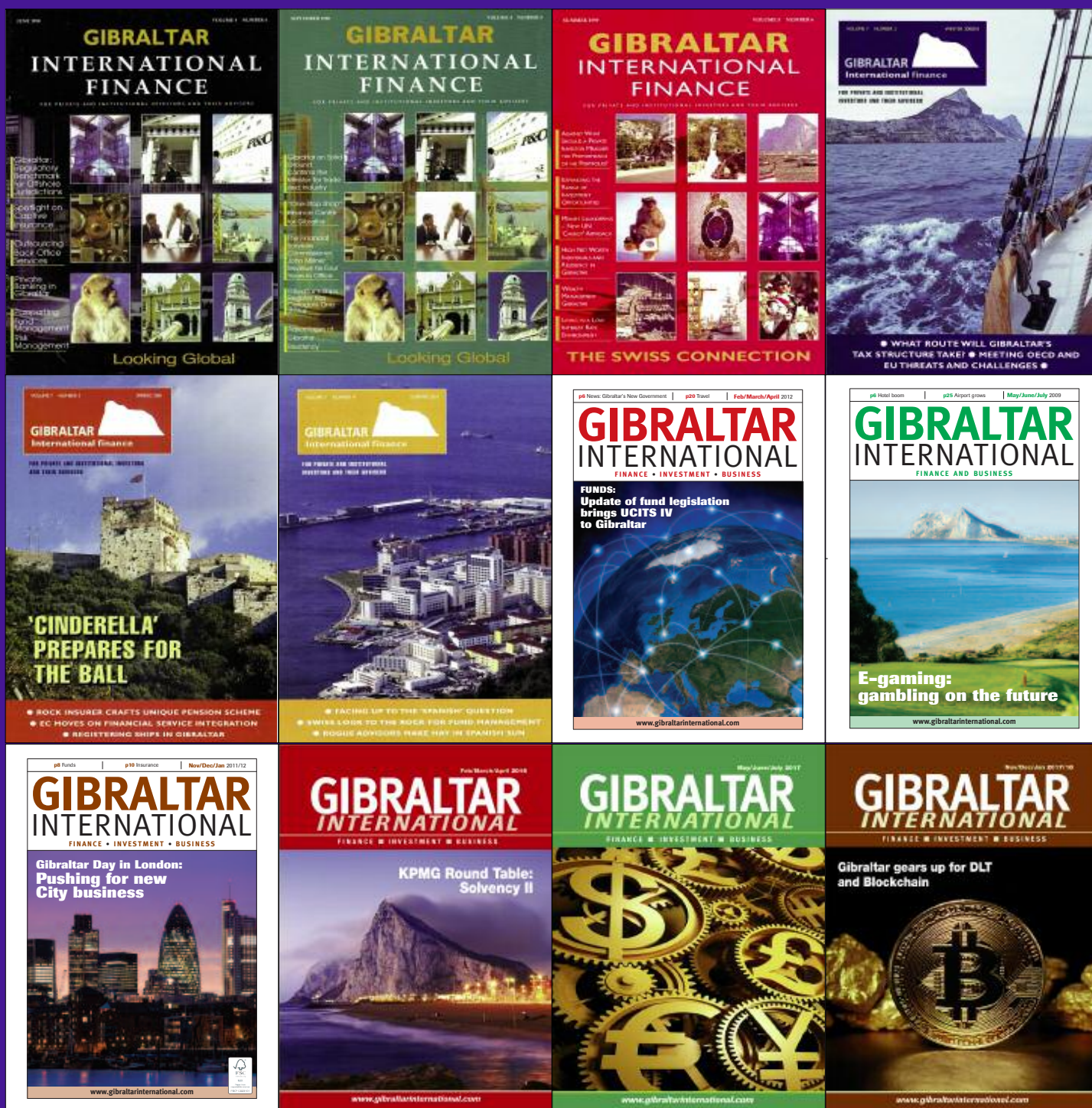


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Editorial Comment

New business to fuel economic growth

This is our 20th anniversary issue and in those years eGaming and the finance centre have helped transform the economy to the £2.2bn Gross Domestic Product success of today. However, given Brexit, Minister Albert Isola has, perhaps, the unenviable task of new business development - given that financial services and eGaming for which he is responsible account for approaching half of Gibraltar's economy - and at the same time reducing the "unsustainable" cost (and size) of the Civil Service through development of eGovernment!

Whilst the Port and further tourism growth will make valuable contributions, much focus has been on the raft of new firms to the jurisdiction making DLT (Distributed Ledger Technology / blockchain) license applications, around 70 so far. Many are start-up businesses. Some are well-established, FinTech market leading enterprises elsewhere, seeking the added respectability - and implied endorsement - of being regulated for the first time and in a Gibraltar that is fast "creating Crypto Rock", according to Chief Minister Fabian Picardo.

It is clear however, that these new digital businesses will not quickly bring a large influx of fresh employment, which in one way is a good thing given that there are only 45 unemployed on The Rock. Today, there are relatively few qualified, FinTech-savvy people working locally from which to recruit, although over time that will change.

As a minimum, regulated firms will need mind and management in the jurisdiction. Some like GBX, the new Gibraltar Blockchain Exchange, has its head office as well as business functions in local offices. Xapo, a US Silicon Valley-based Bitcoin wallet, has commendably set up with a

small, mostly Gibraltarian team, while the two founders of crypto currency trading platform, Covesting, are moving to The Rock.

The Gibraltar based eGaming sector remains the most significant in Europe, if not the world, but there's concern at increased industry consolidation, as well as uncertainties and challenges of market access through Brexit when Gibraltar, along with the UK, leaves the EU next year. With companies scaling up, driving efficiencies and paying higher regulatory costs in new and existing jurisdictions, Isola is developing "alternate operating arrangements around technology", tailored to different Brexit outcomes and business models.

He's hoping to keep as much eGaming business as possible by being flexible, innovative and taking "a balanced view on new business models and technology platforms" that requires "a shift in mind-set and more flexible legislation". Some 5,000 people work in the gaming sector, directly or in support services, out of 28,000 Gibraltar employed.

Growing the workforce generally is necessary to boost the income tax base and help fund Gibraltar's continued development: £11m more than the £155m expected was obtained through personal tax in 2017-18, but the government this year is budgeting for £165m - £1m less. Companies are anticipated to provide £130m tax, some £10m more than it would have gained last year, but for an overpayment refund!

In 2017, the number of locally registered companies was 17,800, with 17,788 "active"; 1,314 had been created in that year, slightly more than in 2016. By end-February, 289 businesses were registered, after two months of the new DLT regime. The full-year result will be telling.

Ray Spencer

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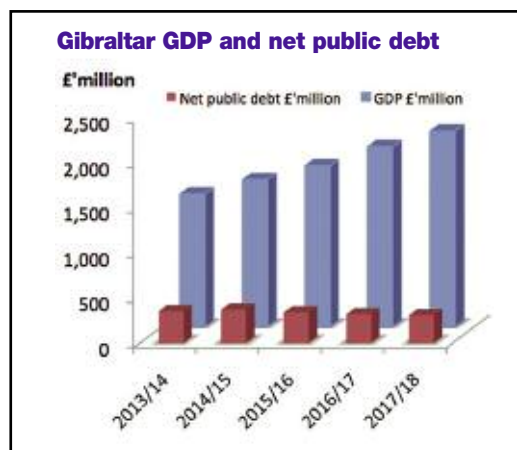
HM Government of Gibraltar

Strong economic growth tempered by Brexit uncertainty and cost efficiency moves

The growth in Gibraltar's economy is expected to continue at such a pace that the government target of at least £2.4bn Gross Domestic Product (GDP) by end-March 2020 "is likely to be achieved a year ahead of schedule", Chief Minister Fabian Picardo, has declared

In early-July, he revealed the expected "remarkable rate of GDP growth" when unveiling the 2017/18 result of £2.18bn - an increase of 8.6% on a year earlier, placing the jurisdiction "ahead of other small countries in the world, including Malta, Luxembourg Singapore and Hong Kong".

He declared: "For seven straight years now my Government has been able to report GDP average growth of over 10% per year."



"Net Public Debt as a percentage of GDP, is amongst the lowest in EU", Chief Minister, Fabian Picardo

Yet, Sir Joe Bossano, an economist and minister for economic development, told Parliament in relation to Gibraltar's exit next year (along with the UK) from the EU: "No serious economist would venture to forecast the direction in which our economy will or should develop in 2019/20 or later years. The prudent thing to do in such circumstances always is, prepare for the worst and aim for the best."

A recurrent budget surplus of £36.1m was achieved in 2017/18 - about twice the originally estimated surplus - but for the current year it is "prudently and conservatively" estimated to fall to £24m, Picardo told Parliament

The 2018-19 budget was designed to encourage established businesses to grow and attract new ones. "We consider the private sector to be the essential engines of our

economy", he emphasised, adding: "We do not want to see taxation increased as we consider that the best business environment is a low tax business environment both for corporations and individuals".

Recurrent revenue of £652m is anticipated this year, compared with £614m estimated a year ago and the £635m now forecast for 2017-18. The current year includes £295m expected from taxes, the largest single contributor representing about 45% of income, and the total is £20m more than is thought to have been paid in the last financial year: some £130m will come in business tax.

Recurrent expenditure has been set at £628m this year - up 5.2% - which includes around a third going on government departments, an area where civil service salaries have consistently increased above inflation. Bossano, however, noted: "One thing is clear that the size and the costs of the public sector as it is structured at present is not sustainable even without Brexit. On average the public sector earnings are 25% higher than the UK equivalents and 50% higher than the average earnings in the private sector - and growing."

A cap has been introduced on increases this year and an independent review of senior public sector salaries and relativities in Gibraltar is planned - the last was 35 years ago - but no existing officers' salaries will be affected! Bossano said the government was "seeking to increase the level of efficiency in the public sector by looking at working methods and the introduction of eGovernment that increases output without increasing manpower".

Business losses & gains

For all employed in Gibraltar, gross annual earnings in 2017 rose by an average 3% when inflation averaged 2.6%. At October 2017 the number of Gibraltar jobs at 28,029 was 3.5% or 956 higher - mostly in the private sector - 91% of which were extra cross frontier workers. Budget changes take the minimum wage 4.5% up to £6.75ph, while those earning up to £11,200 will pay no tax.

Securing post-Brexit access for financial services had been critical "in first stabilizing our traditional business lines, and then enabling our sustainable growth to continue",

Picardo observed. "Of course there will some loss of existing business; there will be some new business also," he added, while pointing to "some 35 new DLT [Distributed Ledger Technology, or blockchain] businesses coming to Gibraltar - quality firms that will have office space and people employed here in Gibraltar - and coming here because they want to be regulated within the pioneering framework that we have created for them". [See also *Tech-smart units short supply*, P16]

Financial Services Minister, Albert Isola, revealed that with DLT license applications in the pipeline, the total will reach 70 new businesses attracted by the "innovative and ground breaking DLT regulatory framework" launched in January. "The rapid development of Gibraltar's FinTech sector offers opportunities to create a complementary InsurTech Hub", he noted and there were also two insurance company applications pending that if authorised, "will both have significant capital investment from day one".

Insuring more

Gibraltar hosts a large insurance community, mostly UK-facing and the result of organic growth over 10-15 years. "The creation of new, highly capitalised, insurers has been more prevalent in other insurance centres, but would send out a very strong message that institutional investors have confidence in Gibraltar and its post-Brexit status", he suggested, having earlier noted the impact of Brexit "is difficult to predict or quantify".

However, the Gibraltar Financial Services Commission for which Isola is also responsible, came in for criticism from former Opposition Leader, Daniel Feetham, who suggested a tough new approach to enforcement "is harming the jurisdiction at a critical juncture" after noting: "Gibraltar has always had a very well regulated financial service and insurance sector with an approachable regulator focused on risk and outcome."

Opposition allegations of "hiding" corporate borrowing by channelling funds through 18 government-owned companies, were "spurious", Picardo declared, having in his Budget speech committed to filing accounts for them "after summer".

Ray Spencer



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Gibraltar's Brexit Budget 2018



By Neil Rumford,
Tax Partner,
EY Limited

Signalling a note of caution, Gibraltar's Chief Minister, Fabian Picardo had stated a couple of weeks before the budget: "You can expect a Brexit budget". Despite this, his budget address offered some impressive figures, from an ever-increasing Gross Domestic Product estimate, to buoyant tourism statistics. There was also a passing mention of Distributed Ledger Technology and Blockchain, which has created much interest in financial circles locally – Gibraltar being the first jurisdiction in the world to have introduced specific regulation in this area. His enthusiasm for this seems to be shared by many involved in this rapidly evolving industry.

Corporate tax

No changes were made to corporate tax, which applies a standard rate of 10% to taxable profits, other than a slight change to how tax losses are treated. Previously losses could not be moved from one company to another; now companies may be able to move losses within a group, where this is part of a restructure of the group.

Personal tax

Following the trend over the last few years, personal tax revenue was boosted by an increasing tax base – with 28,029 registered employees in October 2017 compared to 27,073 a year before. Based on Government statistics, 46% of these are recorded as being "frontier workers", i.e., living in Spain. This compares to a total population on the Rock of around 34,000.

Gibraltar operates two alternative tax systems for individuals – the Gross Income Based System (GIBS) and the more traditional Allowance Based System (ABS). The system that applies to a taxpayer is the

one that results in the lowest tax payable. It is of course worth remembering that there is no tax on capital gains or savings income, and there is no wealth tax or inheritance tax.

With GIBS, the overall tax rate never exceeds 25%, and in fact starts to decrease as taxable income increases to over £500,000. No change was made in respect of GIBS in the budget, with the following rates applying for taxable income above £25,000:

Total taxable income	Tax rate
First £17,000	17%
£17,000 to £25,000	19%
£25,001 to £40,000	25%
£40,001 to £105,000	28%
£105,001 to £500,000	25%
£500,001 to £700,000	18%
Balance	5%

For taxable income of up to £25,000, the first £7,000 is taxed at 6%, the next £7,000 at 20% and any remaining balance is taxed at 28%.

The ABS applies higher tax rates, but provides more in the way of allowances.

The Chief Minister announced

Taxable income band	Rate applied
First £4,000	14%
£4,001 to £16,000	17%
Over £16,000	39%

inflationary increases in most allowances under ABS. These include:

Deductions are also given under ABS

	2018/19	2017/18
Personal allowance	£3,385	£3,300
Spouse allowance	£3,385	£3,300
House purchase deduction	£12,000	£12,000
Nursery school (per child)	£5,290	£5,160
Medical insurance	£5,285	£5,155
Child allowance (first child)	£1,165	£1,135
Child studying abroad	£1,325	£1,290

for the interest on mortgages of up to £350,000 for the purchase of a taxpayer's principle residence in Gibraltar.

HEPSS & HNWIs

No changes were announced to the tax status available for High Executives Possessing Specialist Skills or to High Net Worth Individuals (Category 2). These tax schemes cap the tax payable by such individuals to fixed amounts, subject to conditions, of £29,940 (HEPPS) and to between £22,000 and £27,560 (Category 2).

Social insurance

Social insurance is a percentage of earnings, but subject to a minimum and maximum amount. The minimum and maximum amounts were increased by 10%. The amounts still remain relatively low – for example, the amount for employers and employee contributions combined is capped at £3,661 per annum.

The electric agenda

A 12p per litre increase in diesel duty and 6p increase in petrol duty was announced. The "cash-back" incentive for the purchase of a new hybrid vehicle was cut from £1,000 to £250 – but the cash-back on fully electric vehicles was increased to £2,500. Cash-back incentives were introduced for electric motorbikes (£150) and for certain electrically assisted bicycles (£200).

In addition, a taxpayer installing a vehicle charging mechanism in a garage or parking space that they own will be able to deduct the first £2,000 of the cost of this against their taxable income.

Duty

Import duty on cigarettes was increased by £1 to £14 per carton. Duty on disposable paper products such as straws, plates, cups, bags and sacks was eliminated; conversely the duty on the equivalent plastic products was increased to 200%. There were increases in duty for some alcoholic drinks, though duty on beer and non-sparkling wine remained untouched. In an apparent nod to the current trade war, duty on American whiskey and bourbon was doubled to £2 per litre.

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Enforcement team to be established with 'flexing' of license conditions

Gibraltar is planning to ease some remote gaming license conditions to take account of a general move toward Cloud-based operations and also create a new category of license, embracing start-up businesses locally servicing the established gaming companies



Much-delayed reshaping of the jurisdiction's world-leading licensing model to future proof it and provide greater license flexibility is under way, but this also will be accompanied by more stringent regulation - especially around Anti Money Laundering (AML) and social responsibility - focused on the effectiveness of operator's own risk based controls and the outcomes achieved to reduce risk.

An enforcement department is to be established to help maintain the jurisdiction's reputation and there is likely to be a move towards a range of possible sanctions for transgressions other than just license cancellation, which is considered a blunt instrument.

Industry leaders are looking to have specific areas of operations licensed separately, so that if one part of a business hits a problem the whole generic operating license is not at risk.

Crucially, Gibraltar gaming licenses stipulate that in addition to top management, just about all servers must be physically on

The Rock, but in response to industry concerns and greater use of new technology - The Cloud - some servers may be relocated.

Key elements of servers and functions associated with creating a gambling transaction - in payments, transactions, bets placements, trading and debts - will most likely need to remain in the jurisdiction.

The Gambling Act will be overhauled by Spring next year "when the shape, timing and nature of Brexit will be much clearer", Albert Isola, minister for gaming, told industry "influencers" at the 8th KPMG eSummit at the Sunborn Hotel in late-April.

The revised license regime is likely to embrace the majority of gambling support functions, yet Andrew Lyman, Gibraltar's Gambling Division (GD) new executive director, assured: "It will not be at any significant financial disadvantage to those who currently sit outside that perimeter, or who need to flex their arrangements".

The government was spooked in May by a Tier 1 operator's decision to relocate some (as yet undisclosed) key Gibraltar personnel and functions to Malta, in part as a hedge against losing access rights in Europe after Britain and Gibraltar exit the EU (Brexit). Bet 365's move comes at a time when increased sector mergers & acquisition (M&A) activity locally and elsewhere is also having an unsettling effect.

Gibraltar's 30 eGaming licenses are split almost evenly between Business-to-Business (B2B) and Business-to-Consumer (B2C) operations, after a significant growth in local games development software and services supply firms. "New and established B2B and B2C providers continue to make applications for licenses and there is a small handful in train," Isola revealed and emphasised "still there are 3,250 staff directly employed and half as many again in industry support services."

A KPMG eSummit gaming audience survey of issues revealed 48% thought freedom of movement across the border was most important [53% in 2017]. Up to 85% of the sector's Gibraltar workforce lives in Spain, estimates Paul Foster, a Gibraltar Betting & Gaming Association (GBGA) director and treasurer.

Peter Montegriffo, a Hassans partner

and specialist gaming lawyer, suggested frontier fluidity was "a matter of primary interest - not concern", but many things were changing. Some countries required servers to be within the EEA for certain types of business and if as a result of Brexit, Gibraltar is outside the EEA, Montegriffo said firms may need to have servers there.

Lyman concurred: "We are prepared to support cogent and flexible regulatory solutions and whilst we would want as many key functions as possible (people and technology) to remain in this jurisdiction, our regulatory structures are already flexible and can be flexed further by legislative change if necessary.

"The Cloud has potential to reduce technical operating costs and we recognise technical architecture, including platform support, is becoming increasingly multi-jurisdictional."

In a market presentation Simon French, a leisure analyst at Cenkos Securities, a leading UK stockbroker, revealed the worldwide eGaming market had 10% compound annual growth since 2011 - "at present it's split roughly a third mobile, and two thirds desktop, but by 2022 the market will be worth €50bn when mobile will account for just under 50% of revenue".

French held: "The UK is the power house of the EU continent and given the €6bn [annual] revenue, that leaves the regulatory and political risk even more concerning."

No services trade war

Continued access to EU markets was identified by 38% of those surveyed - sharply up on the 10% recorded in 2017. John Tricker, KPMG Gibraltar managing director, assessed: "Those wanting certainty of a licence outside of Gibraltar will look to have one also in Malta or Ireland as a backstop".

Lyman told the eSummit: "I would strongly contend that relocation of transactional technology at this stage is premature. Whilst respecting the individual concerns of operators, it is in no one's interests for a trade war in the area of services and I do not see a 'wait and see' approach (or a partial realignment) as being one that lacks sense."

Continued overleaf

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Continued from p12

Bet365 later justified its move: "Due to regulatory developments in various jurisdictions and the evolving global regulatory environment for online betting and gaming, we have decided to increase our existing presence in Malta, which provides a mature and robust regulatory environment for the industry." The firm added: "The number of people reported as being relocated to Malta [1,100] is wholly inaccurate."

As Foster, who also is digital regulatory compliance director for Ladbrokes Coral Group, explained: "We all know that if we want to passport our services into Europe after Brexit we are going to have another line, in Malta probably, as the most welcoming of licensing regimes in Europe."



Andrew Lyman warns of 'knee jerk risk'

"But while Malta has a lot of people in gaming – second, third and fourth tier operators historically – I feel it doesn't have the necessary skill sets and availability of people. First tier operators historically have only had a very small base there." It would be several years before Malta had sufficient numbers of skilled people – "it's always a risk and I think Gibraltar is already in discussions with Malta about getting closer", Foster revealed.

"Until the post-Brexit situation is known, no-one will be doing anything", he maintained. "One firm was rumored to be leaving last year and we all thought they were mad."

Montegriffo disclosed: "Businesses obviously have to consider all potentialities and we are seeing some adopting a potential 'Plan B'. All operators are different and each has distinct licensing and business models, but all will be reviewing what the outcome of different Brexit eventualities might be for them. We are very busy assisting with that process."

Lyman accepted operators needed "to make contingency plans to deal with the Brexit risk and the advance of in-country regulation". However, "moving people and technology in a knee jerk way carries with it a significant level of business risk and we are here to work with operators; not against them", he emphasised. "We do not want to present operators with binary options, but

equally we are alive to what I would term Brexit opportunism."

As with financial services, the UK has guaranteed Gibraltar continued access to the UK market from March, through the Brexit transition period and beyond, and it is the only jurisdiction to have received such assurance. Lyman submitted: "We know operators are concerned about access to other European markets, but a cross-jurisdictional approach may be more sensible than putting all your eggs in one basket."

Exposing Gibraltar's nervousness at potential loss of key market players – and a possible knock-on reduction in its economic footprint – Lyman cautioned: "What I would say to our operators is hold your nerve and work with the Government and the [GD] in a transparent way to facilitate the contingent measures you need to take, without burning any bridges and leaving you able to access all existing markets."

Don't be seduced

"Do not be seduced by what could be short lived financial and perceived technology advantages elsewhere and work with us to fashion the future," he implored.

Large B2B operators with history, like NetEnt and Playtech, are licensed, but Foster identified: "There are a lot of start-ups involving people who have been in the industry for a long time generally in Gibraltar, and they want to set up new enterprises - they don't want to move - but under the current licensing regime there is no way they are going to be allowed to have a license."



Moving now is madness, says GBGA's Paul Foster

"I think we are moving to a situation where [GD] will start doing due diligence on the individuals in B2B start-ups and then license them."

Minister Isola vowed recast gaming charges will not lead to higher industry costs. Gibraltar gaming licenses are considered quite expensive, around £85,000 minimum each, including turnover tax, making for a maximum payment of some £425,000 and each firm has several licenses.

Lyman admitted: "The licensing bar is high, but in the future we will not automatically dismiss well-funded start-ups

with experienced management. I believe Gibraltar, with its concentration of technology and IP [intellectual property] can be an incubator for tech businesses."



Simon French: sees regulatory & political risk

AML/CTF (Counter-Terrorism Financing) and consumer protection is key for all UK and Gibraltar major gaming firms, which account for some 80% of sports betting and much of UK gaming.

French cautioned: "The [UK] National Crime Agency is something we all have to be very aware of given the big amounts of money now changing hands that will attract the interest of a far wider range of regulatory authorities, and compliance tightened."

Foster believed having new regulators in both jurisdictions – Gibraltar's Lyman and UK Gambling Commission's chief executive, Neil McArthur – "will result in it being more easy for them to work together and achieve co-operation. There is no chance that Gibraltar's regulatory body will give up its independence, because the operators genuinely don't want that", and some variation in approach can be expected.

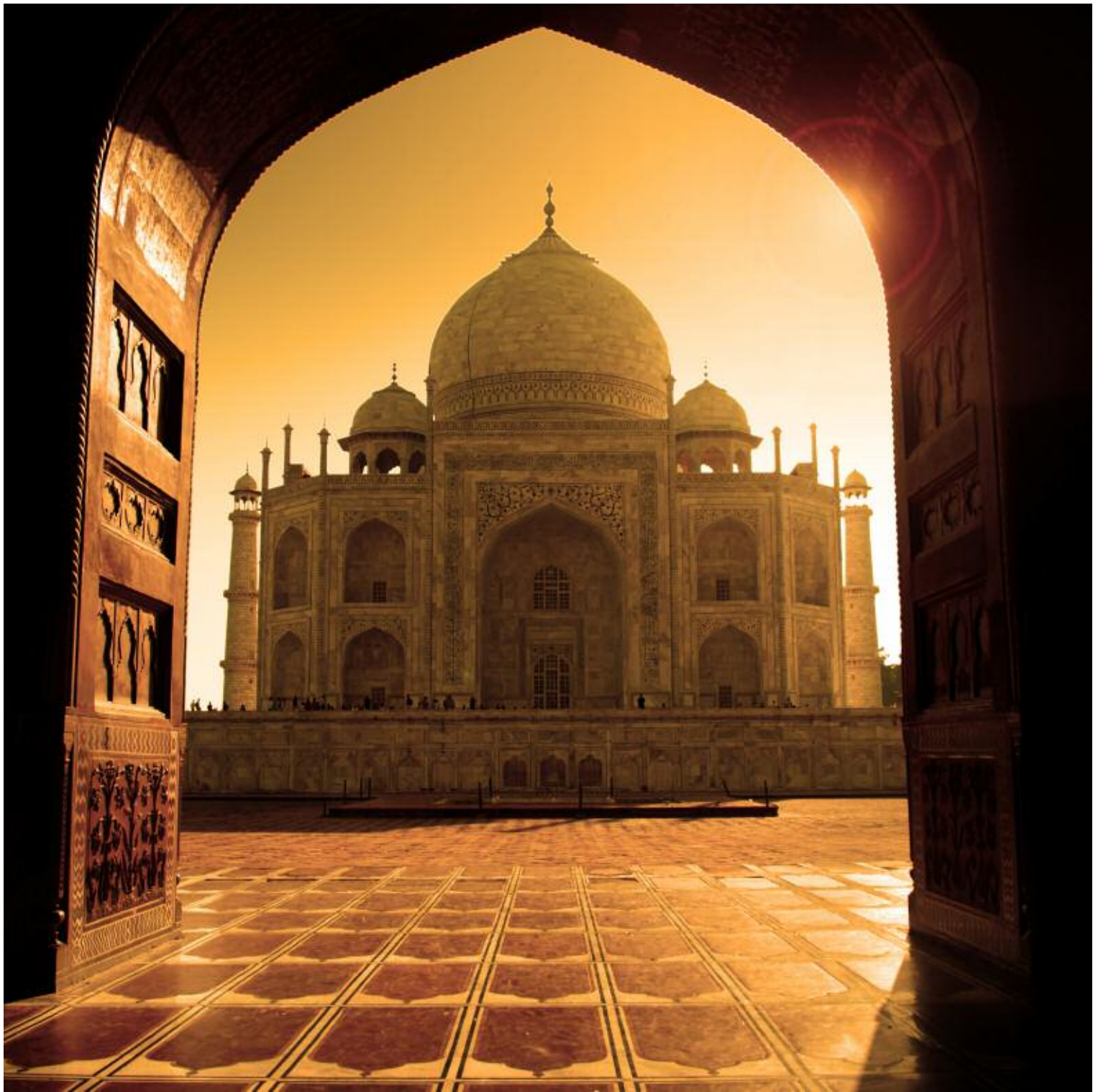
Looking ahead, the largely untapped US market "could increase dramatically", following recent US Supreme Court rulings. "North America represents a potential US\$14bn opportunity in the near term should there be wholesale re-regulation or deregulation of the US market and to date most success there has been achieved by William Hill in Nevada, creating a world-class offer", French maintained.

The US has little on-line gaming experience. "Yes, some people will go out, but key operations will remain in Gibraltar, so that there's no risk of destabilising the rest of the business, or - as PartyGaming used to do - operate from here and run the US from Gibraltar," Foster predicted.

Some firms operate Asian-facing operations from Gibraltar, "because the skill set built over time here, cannot be gained easily anywhere else. I don't expect to see much in the way of relocation of personnel", the GBGA director contended.

As Lyman noted: "I do not underestimate the challenges faced by the industry, but Gibraltar is, and can remain, a first tier regulatory jurisdiction for remote gambling, supporting a critical mass of operators in both the B2C and B2B sector."

Ray Spencer



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Gibraltar: A safe haven for crypto funds

By James Lasry, Chairman, GFIA and Head of Funds at Hassans, advising a range of international groups on fund structuring, as well as assisting with fund-related disputes



Gibraltar is now considered the 'go-to' place for anything involving crypto currency or blockchain technology as a result of the DLT legislation and the upcoming ICO regulations. Gibraltar is one of the few jurisdictions in the world where it is possible to open a bank account for such activities. Entrepreneurs wishing to establish funds for investing into crypto currencies naturally are considering Gibraltar as a jurisdiction in which to domicile their funds.

Establishing crypto funds presents a whole new set of challenges, not the least of which is the volatility of the crypto currencies themselves. Making investors likely to lose fortunes as they are to make them by investing in this asset class. However, there is a demand amongst investor communities to have exposure to this new asset class to be placed amongst the riskier end of their asset allocation. The Gibraltar Funds and Investments Association (GFIA) has created a crypto fund committee to deal with many of these issues.

EIFs

The first resolution of the committee was to encourage the industry of Gibraltar to use

Experienced Investor Funds (EIFs) as the regulatory regime for crypto funds. In recent years some service providers have used the private funds regime as a means of cutting costs. GIFA wishes to ensure that these practices are not done in the realm of crypto funds other than in the very limited cases where the fund includes only the money of one person and that is of the promoter.

The industry feels that investors in crypto funds should be afforded the regulatory infrastructure and the protections that the EIFs regulations offer along with the support of experienced EIF directors, fund administrators and auditors, many of whom are notably absent in the establishment of

Although most of the principles that relate to the protection of investors in crypto funds can be gleaned from the current Code of Conduct, which was issued in conjunction with the Gibraltar Financial Services Commission several years ago, the new code will serve to help practitioners apply these principles to crypto assets. A notable example is that crypto currencies should be kept in digital wallets that have multi-signatory capability. It should never be acceptable that one person be able to transfer funds without the benefit of a second approval.

GFIA believes that some of these principles should be enshrined in crypto fund regulations as well. The principle with the

Establishing crypto funds presents a whole new set of challenges, not the least of which is the volatility of the crypto currencies themselves

some private funds. To date there has been remarkable consensus from the industry and many private crypto fund projects have been either upgraded to EIFs or discarded entirely. This is a good example of the maturity and conscientiousness of Gibraltar's funds industry.

GIFA Code of Conduct

The crypto committee is also working on an extension of the GIFA Code of Conduct to include elements that should be considered by practitioners when they are establishing crypto funds. Among other topics, the code will deal with custody of crypto assets, valuation, corporate governance and, of course, security.

While it may be inevitable that some funds decrease in value as a result of fluctuations in the underlining crypto currencies, GIFA wishes to ensure that investors in Gibraltar crypto funds will be protected, in as much as they reasonably can be, from being hacked, and from risks associated with sub-effective corporate governance.

Code of Conduct, as it is with many such codes, most notably the Irish Funds and Investments Association Code of Conduct is 'comply or explain'. In other words, the code recognises that there may be instances in which the principles that it sets out are not applicable to a specific situation and so in that situation, an explanation should be provided to why the principles of the code are not adhered to.

The interest in Gibraltar funds has been sparked in other areas as well. Traditional securities funds and algorithm funds are also being established. But the funds industry has not really been that quiet as they are those often those who have the best skills to deal with ICO and DLT work. In short, well done Government of Gibraltar for laying the regulatory infrastructure for this important new area.

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More large offices on the way leaving Tech-smart start-up units in short supply

Moving into “brand spanking new offices this summer will make it possible for all 250 staff to be in one building for the first time in 20+ years”, enthuses Nicholas Howard, a partner at Gibraltar law practice, Hassans; but other firms will be unable to do so in similar Grade A premises locally for at least two years, *Ray Spencer*, finds

the 2,000 m2 bought by 25 companies for themselves or rented to others in a building where a 21 years lease costs £450 m2 pa – the most expensive currently on The Rock, in part because of its position adjacent to the airport and frontier with Spain.

Largest occupier is BetVictor, which took the entire second floor and was able to fully customise the layout and design, having moved from the ageing Leans Place building

facelift next year – 90% of the 16,500m2 rentable space is occupied. Gibraltar Stock Exchange took 870m2 space for its headquarters in June.

“GVC has acquired Ladbrokes Coral and the prospect of rationalisation is causing some uncertainty on what they will do with their various office spaces around Gibraltar”, notes Lawrence Isola, chief executive of Europort where GVC is the largest occupier.

“In the short and medium term there is and will continue to be some downward pressure on commercial rents after 12 years or more of steady increases, which have now reached a plateau. The combination of new spaces coming on-stream, business consolidation and older properties being vacated, is likely to reduce rents in the next couple of years”, Isola forecasts. Rents in Europort ranging from £340 - £385 m2 pa, usually are revised every three years.

Europort is also building an extra 420 m2 adding 60% to the Gibraltar Financial Services Commission’s space at adjacent Atlantic Suites. “New buildings, be they commercial or residential normally signal a growing economy and they should be welcomed, but it is equally important that they are in part, driven by real demand and not just by pure hype and speculation”, Isola opines. “It is always difficult to find the right balance, but I have some concerns that a lot of what is now being built and approaching completion may be driven more by the latter.”

Surplus supply

Mike Nicholls, Chestertons estate agency local managing director, observes: “Commercial property tenants are willing to pay good money for good quality offices. Even when WTC added in the order of 20% more office space, it didn’t drag down WTC space prices.” Newcomers to Gibraltar have taken 4,000m2 office space, he estimates.

Apart from companies moving internally, others are expanding their businesses. “I estimate the surplus supply of offices today is circa 10,000m2 – it will take two years to get back to Gibraltar being fully let”, Nicholls maintains.

But “secondary offices in and around Main Street, including many that probably were never intended to be offices, have seen

Continued overleaf



World Trade Center demand prompts 2nd block speculation

The launch of the town centre Maddison 7,000 m2 offices in Midtown’s mixed-use development will enable Hassans to vacate four buildings around The Rock and increase its space by 25% to reach 4,650 m2 on 6½ of the building’s 12 floors.

Apart from gaining more larger-sized board and meeting rooms, eliminating the need to rent elsewhere for large presentations, the firm’s 21 year lease also gives “a good chunk of car parking spaces that we have not had previously, which is good for clients too”, explains Howard, who is head of the property department.

The block has around six retail units to be marketed when work on that part of the 4.3-acre site is near finished, but it is understood the remaining office space has been taken by a dozen firms, and most of the 127 residential units there are reserved.

Midtown follows launch early last year of the £45m, 7-storey World Trade Center Gibraltar (WTC) with 15,500 m2 of ‘Grade A’ high specification offices, now housing over 40 multinational companies and aspiring new businesses - insurance, gaming, legal, finance, property and FinTech sectors - employing 1,700 people, with still more expected.

All offices have been taken, including

in the town centre.

In March, another gaming firm, Kindred, moved 110 staff from Europort into WTC after taking over 32Red bringing its headcount to 250 there as part of the Group’s stated “aggressive plans for the UK market”. Also part of Kindred, Stan James (now known as Unibet), has moved to WTC from nearby Marina Bay, one of Gibraltar’s original office / residential complexes.

Sandra Lamplough, senior commercial manager for Fairhomes (Gibraltar), the WTC & Ocean Village (OV) developer, clarifies: “People want Grade A space to compete in a world market. I know people who want to move out of their existing premises to be here in a better space, but we cannot accommodate them at this stage.”

There is no availability either at the 4,000 m2 Leisure Island Business Centre, opened as part of the giant OV mixed use development in 2009 and currently with 15 tenants – “it has been close to full occupancy for some time”, Lamplough remarks.

Pricing plateau

At the 4-block Europort office complex–Gibraltar’s earliest large-scale office development built in 1992 and getting a £3m

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Continued
from p16

around 20% reduction in rental rates, so typically they are now +/- £280m2."

Hassans' Howard doesn't believe the new WTC and Midtown buildings are creating an office over supply. "No: it's exciting times now that those new developments are coming on stream as the first modern purpose-built office centres for a good number of years – the breadth and scope of Grade A offices is better than it's ever been."

The growing FinTech community in Gibraltar, attracted by the jurisdiction's world-leading regulation of blockchain and (soon) also tokens (ICOs) offerings, requires tech-efficient office spaces, often initially for 4-5 people to establish a foothold and go through the licensing process before expanding.

launched in June on two floors of the just-completed West One mixed-use 11-storey block.

"More and more people, like freelancers, need a desk that can be rented on a daily or monthly basis, with all services - conference rooms, chill out zones, secretarial, coffee facilities," says developer Evgeny Cherepakhov, chairman of Bentley Group Companies. "People don't want to spend money any more, and have headaches with facilities and services like telephones, rates and so on – this is an advanced concept, where we believe the future is, so we are providing 76 desks."

He's on the verge of starting work on an adjacent £80m EuroCity mixed-use project that in three blocks combines 366 apartments

another phase of WTC as this would attract businesses from overseas as well as encouraging local companies to expand, which in turn helps Gibraltar's economy."

Boosting economy

A report late last year by independent international economic consultancy, Nairne, found WTC contributed £65m annually to the Rock's economy of which £30m pa goes to the government in taxes from the building's occupants.

Lamplough admits: "We are very aware that we are competing on a world stage with international companies considering offices in Malta, Eastern Europe and even further afield. A further - possibly larger - phase could include more services for tenants." The present WTC has an on-site nursery, Happy Feet, which caters for 31 children and a waiting list, and Lamplough suggests there is a demand for on-site hairdressers, more choice of healthy eating and courier services.

"A massive issue in Gibraltar is Section 69 of the Landlord & Tenant Act that allows landlords to charge a premium of up to two years rent as a condition if tenants want to assign a lease after, say, 5 of 21 years contract," Howard reveals. Initially affecting high street retail units, the premium subsequently was extended to offices, but there's been "big push-back from tenants, so that leases or side letters usually now limit the premium to 3-6 months." However, many lengthier property leases contain the offending clause limiting occupiers' ability to move!

NatWest International is releasing 275 m2 of a Coral Road building and relocating to its Line Wall Road offices where it is taking 95 m2 more space and investing £1.1m in technology developments there. The vacated building is to be gutted to make way for a 120-bedroom, Indigo Hotel, following launch in July of a similar-sized Holiday Inn Express in nearby Devil's Tower Road.

AKS group is starting a year-long conversion of the 18th Century-built Orange Bastion off Irish Town to create Gibraltar's first real ale, craft beer and lager brewery with a capacity of 2,800 pints a day that will utilise one of four 45m-long vaults. This will be the centre point of a £3.5m project within a 2,000 m2 sunken site, which creates a communal open and covered area expected to house 14 catering units. These will include an extensive brewery pub, a gin bar and distillery, high-class restaurants and street style food stalls open all year round.



Brewery to
transform 18th
Century Orange
Bastion

"This to me presents an opportunity for landlords, with space becoming available by virtue of companies moving into the big new offices, to offer shorter term license arrangements or rental rather than full tenancies, but with upgraded facilities beyond a simple lick of paint", Howard suggests. Usually landlords look to let larger unit spaces and on minimum 3-year leases.

Flexibility needed

Howard reports: "Some of these young start-ups are nervous about committing to that length of term at the outset, so I think we need to have a more flexible offering. The feedback we get is that these fledgling businesses are struggling to find smaller short term premises – they have not been able to slot in anywhere."

For start-ups and firms wanting temporary extra space, Regus, the serviced offices supplier with 11,345 m2 at WTC, is 80% occupied by more than 60 companies.

Europort also plans a FinTech-inspired co-working space of 300 m2 from mid-2019. A similar venture, The WorkLab W1, was

– with over 200 already reserved – and some 3,000 m2 of commercial space, half being offices. "They will be ready in 4-5 years and I could sell everything today, but to be honest, at this stage I prefer to rent and it's too early for that," declares Cherepakhov. "I know the demand is here; we already have a waiting list."

Coming on stream in 2021 is Liberty, a further 11,000 m2 office space at Midtown, where piling has begun and is indicative of confidence in commercial property demand. Reportedly, there has been strong interest in the project from existing business and companies new to Gibraltar.

There's speculation too that a larger WTC 2 will appear on land next to the existing building and presently occupied by Bayside School that will relocate in September 2019.

At the WTC Gibraltar opening last February, Fairhomes chairman, Gregory Butcher revealed that such was demand for quality space "my only regret is not making the building bigger". Lamplough is coy, stating: "We see there is a real need for

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Requirement to correct

By Gavin Gafan, Manager - Tax,
Deloitte Limited

There has always been a degree of cooperation between tax jurisdictions in respect of exchange of information. Historically however, tax authorities were encouraged not to enter into fishing exercises with other jurisdictions when trying to ascertain potentially undeclared overseas income and/or gains. That is to say, tax authorities were limited to submit information requests only in respect of specific taxpayers whom they were aware held investments or derived income overseas. Invariably this may have facilitated erroneous or deliberate concealment.

Any international barriers impeding communications in this regard have slowly been dissipating over the years in the wake of more effective information exchange facilitated largely by initiatives such as the Common Reporting Standard (CRS). Accordingly, global tax authorities committed to exchange of information under CRS are now doing so automatically. With over 100 countries having committed to exchange of information on a multilateral basis, CRS will undoubtedly increase international tax transparency with the main objective of reducing tax evasion.

Worldwide Disclosure Facility

In the advent of enhanced exchange of information, taxpayers need to be certain that full disclosure of their overseas income and gains is been (and has historically been) reported correctly with the relevant tax authorities. With many countries employing a 'self-assessment' basis for the filing of tax returns, a failure to correctly report, whether deliberate or not, will in all likelihood not preclude taxpayers from penalties. Jurisdictions such as the UK have introduced mechanisms via which taxpayers can report undeclared tax liabilities on overseas income and gains. One of these mechanisms is the Requirement to Correct (RTC) provisions effective from April 2017, which aims to encourage taxpayers to correct their tax position in earlier tax years.

In addition, on 5th September 2016 HM Revenue & Customs (HMRC) also

launched the Worldwide Disclosure Facility to also encourage people to come forward and clear up their tax affairs. These RTC rules and Worldwide Disclosure Facility links with the CRS and HMRC's increasing focus on those persons with complex affairs where there is increased risk of inadvertent errors in UK tax compliance.

Under the RTC rules offshore non-compliance which has taken place before 6th

states that in more serious cases, asset-based penalties and 'naming and shaming' may also apply, which could raise penalties above 200% of the tax due.

HMRC have also stated that RTC is not just about the minority who knowingly evade tax. Accordingly these rules could apply to an individual with complex affairs who has entered into an offshore structure where the tax advice received on

The only defence to a penalty under the RTC rules is that a taxpayer has a "reasonable excuse" for their failure to correct

April 2017 must be corrected by 30th September 2018. This requirement covers Income Tax and Capital Gains Tax, which HMRC could have assessed at 5th April 2017, and Inheritance Tax assessable at 17th November 2017, thus potentially covering years back to 1997 in cases of deliberate concealment.

Naming and shaming

These rules apply to any legal person (i.e. companies, trusts or individuals) and creates an obligation for anyone who has undeclared UK tax liabilities arising from offshore matters, or transfers, to disclose the relevant information about said non-compliance to HMRC.

Tax non-compliance involves an offshore matter if the unpaid tax is charged on or by reference to:

- Income arising from a source in a territory outside the UK;
- Assets situated in a territory outside the UK;
- Activities carried on wholly or mainly in a territory outside the UK; or
- Anything having effect as if it were income, assets or activities of a kind described above.

If non-compliance is not corrected by 30th September 2018, taxpayers could be liable to a Failure to Correct (FTC) penalty of 200% of the tax due. With full disclosure and cooperation with HMRC, it might be possible for this penalty to be reduced to a minimum of 100%. HMRC guidance also

creation may no longer be fully accurate or sufficiently comprehensive. HMRC has signalled that under RTC they expect taxpayers to review their affairs and structures and confirm whether the tax analysis remains appropriate.

The only defence to a penalty under the RTC rules is that a taxpayer has a "reasonable excuse" for their failure to correct. Taking advice from a competent professional that no tax was due could constitute a reasonable excuse, however there are several limitations in this respect and given that the legislation is drafted widely, taxpayers who consider that they have taken appropriate tax advice may find that this might not constitute a reasonable excuse to avoid penalties.

In a world of enhanced tax transparency, encouraged by homogenised effective standards, and where taxpayers are obliged to disclose on a self-assessment basis, it is advisable that professional advice is taken periodically on existing structures to ensure that earlier advice is still consistent with current legislation and practice. Taxpayers who have disclosures to make with HMRC should do so at an early opportunity and by no later than 30th September 2018.

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BUSINESS ROUND UP

New Technologies Association launches in Gibraltar

GANT, or the Gibraltar Association for New Technologies has been formed between the government and the private sector.

The association will serve several purposes, primarily to enhance the development in Gibraltar of the use of Blockchain and Distributed Ledger Technology (DLT) and other future developments collectively known as "New Technologies," with a view to enhancing the reputation, integrity and public trust in this sector.

GANT will also raise the profile of new technology in the jurisdiction.

David Parody has accepted the position of chairman for an initial



period to oversee the formative stages, including adoption of the constitution, the establishment of the executive committee, and to ensure an orderly transition to a fully functioning private sector driven organisation.

Change of leadership at EY

A new managing partner, Angelique Linares, has been appointed at EY. She replaces Jose Julio (JJ) Pisharello, who has led the firm as Country Managing Partner since establishing a new EY office in Gibraltar in September 2013.

Angelique has over 20 years experience in accounting, audit and tax services, with the last 16 years focused on the Gibraltar insurance market.

Commenting on the new role, Angelique said: "The growth of

EY in Gibraltar is testament to JJ's skilful leadership. He has been inspirational in his vision for our firm and broken considerable new ground in his commitment to promoting diversity and wellbeing in the work place, whilst also nurturing the objective of exceeding our clients' expectations. I am



looking forward to taking on this role and continuing with our success of the last five years".

JJ commented: "I have thoroughly relished leading the team at EY since we established the office in Gibraltar. We have a

remarkable and inspiring group of people. They truly embrace a culture that values trust, honesty, respect and excellence in customer service. The future looks exciting under her leadership".

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Gearing up for financial services sanctions

Thirty-two years after working in Europe on his first Overseas Experience (OE) from New Zealand (NZ), Peter Taylor's "later years OE" ended up with him becoming Gibraltar Financial Services Commission (GFSC) director of legal, policy and enforcement – and almost immediately he became embroiled in controversy

Returning from a three week Spanish holiday in autumn 2015, Taylor and NZ-born wife, Debbie, began "toying with the idea of doing what in NZ is an increasingly popular 'later years' overseas experience" after looking back nostalgically at the couple's first trip to Europe and his ten years working in London as a solicitor.

"It's a bit like pretending you are 18 again, but in later years, you can get a well-paid job and have decent accommodation to live much more comfortably; it's a more enjoyable way of doing it", Taylor quips.

Co-incidentally, immediately after returning 'Down Under' in late 2015, a recruitment agency suggested talking about a position in Gibraltar. "It piqued my interest and was timely," he said. "I was also fascinated by the size of Gibraltar having a financial services industry that warranted its own regulator and I was intrigued as to how that worked."

He had not worked in financial services before – apart from three years in Wellington two decades earlier, doing commercial litigation for banking and other clients at local law firm, Simpson Grierson – although Taylor had done a lot of regulatory enforcement work.

With the aim of broadening further his experience, he arrived at the GFSC in May 2016 and within a month Enterprise Insurance Company collapsed. "The interesting thing to me was the actions of the directors, who walked in and told us the company was insolvent, which was surprising given the highly regulated nature of the sector in Gibraltar," he recalls.

The controversial bit came when 59 years old Taylor said publicly that the GFSC needed to investigate what had happened and whether the directors were responsible!

"There was a significant risk of reputational damage to the insurance industry here, so we wanted to make sure we took a very appropriate, measured step", he tells.

It's an on-going investigation into Enterprise's £96m debt - the jurisdiction's largest insolvency case - so he's restricted as to what can be said: external investigators have been appointed and witnesses are being interviewed.



The collapse of an insurance company on this scale obviously raises very serious concerns for the company's policyholders and for the Gibraltar insurance industry. "We wanted to send a signal to the markets, that as the regulator we take our responsibility very seriously and a company such as Enterprise could not have ended up with such a large deficit overnight; something has gone very wrong and we need to find out what and why", he reasons.

Facing criticism

Criticism came when an article by the former chairman of Enterprise "misinterpreted" [Taylor's] statements and accused the GFSC of predetermination. "That was not the case as we said we would need to conduct an investigation to see what we found," Taylor insists. "If wrong-doing is found, there is a range of things that can be done", he notes. "We want to do this as quickly as we can, but I don't know when it will be concluded as it depends on what the investigators find".

An early positive result of the situation has been to raise awareness of the role and

responsibilities generally of non-executive directors (NEDs). This outwardly easy-going lawyer, reflects: "Anecdotally, things have now changed; previously there had been a view that executive and non-executive director responsibilities are different, even though legally they are exactly the same."

As a NZ regulator, he was not unused to controversy. When General Counsel for the New Zealand Commerce Commission, the competition, trade and major infrastructure regulator - a combination of Ofcom, telecommunications, electricity, airports and, unusually, aspects of the dairy industry – he was involved in high profile cases concerning leading companies. These included "Telecom New Zealand acting anti-competitively, with which we did not succeed, but ultimately in a subsequent action they did pay a \$NZ 12m fine", he recalls.

Over a decade from 2000, Taylor grew the Commerce Commission team of four lawyers to reach 30 as the role of regulator increased and he had to balance provision of legal services and manage conflicts. "It was an executive role, as well as supervising major legal cases with telecommunications and airline companies", he explains.

Disappearing work

Keen to be his own boss, he took "a leap in the dark" briefly to become an independent barrister, made possible because of NZ's fused legal profession [as is the case in Gibraltar] drawing on his experience in competition, economic regulation and fair-trading. The move came as financial markets crashed, his expected work in mergers and acquisitions disappeared and major importuning work collapsed too.

He was approached to become Director of Legal Services for the NZ Customs Service. "They had been searching for some time and not found the right person to take on the role - similar to here in a way - [the GFSC took over a year to fill his position].

"It wasn't on my career list as something I wanted to do, but it turned out to be a fascinating role from a legal and executive management perspective, getting me involved in a whole range of customs activity in terms of excise duty and criminal prosecutions", Taylor discloses

Having gained his law degree at Christchurch University, Taylor spent 3 years working for a local legal firm and did some minor defence work, but Customs "was the first time of doing the serious prosecution.

Continued overleaf



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Continued from p24



Taylor's laid back style from New Zealand

"We recovered a significant amount of excise duty in 2012 for the government, from a smaller-sized petrol company mixing its fuel – colloquially known as watering down the product – and trying to avoid tax liability on higher graded fuel", he illustrates.

During six years at Customs he came to yearn for something different to a general counsel type of role and did various secondments to gain broader experience, including eight months in the NZ Parliamentary Counsel office, (similar to the Government Law Office locally), where he was Director of Access to Legislation. Leaning more towards developing in executive management, he considered what next to do.

Taylor's engaging smile, laid back style and slight NZ twang gives no hint of his having been born in Rugby, schooled in Leamington Spa, and living in Coventry – ("I saw my home soccer team win the FA Cup final at Wembley in 1987"). His parents moved to NZ when he was aged 16 and as a result, "I'm more of a rugby fan having been indoctrinated into supporting the All Blacks and the Hurricanes Super Rugby team."

Currently, the GFSC has some ten legal cases in different stages – some much bigger than others – and Taylor's executive challenge is adequately resourcing the enforcement team. Initially with a team of three, it's now up to five. "There is difficulty in finding and

attracting people locally with the right regulatory enforcement experience; even with our current staff it is a case of utilising their transferrable skills, and we now have a couple of people with litigation experience – used to dealing with cases, managing evidence."

However, he's sanguine: "There are always challenges and you work with what you have got. Some of the things that could be seen as frustrations are when you come from a large organisation to a small one – do you have the level of support – and you have to come to terms with how you operate."

Greater capability

Creation of an enforcement team and strategy was progressing prior to Taylor's appointment. "I couldn't claim credit for there being more cases since my arrival – some are quite coincidental – but there is a greater capability now within the organisation allowing it not to be as tolerant as previously, and to address various issues.

"There's a change in the organisation being very, very clear as to what you let in; the authorisations approach has become more capable in the assessment of applicants and

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clear in its view on acceptability of business in the jurisdiction. Supporting that position there is a greater capability in our supervisory teams in targeting cases that are causing more concern.”

Taylor’s candid: “Part is looking at the powers we have and making sure people understand them – where we have the power to impose sanctions and using them in appropriate cases fairly and proportionately; [it’s also] not thinking we don’t have the powers. There has been concerns over whether the organisation actually had the powers to address issues, and I have been able to identify – and give confidence to the organisation – that we do have those powers.”

He’s been heavily involved in updating Gibraltar’s financial services legislation, which he expects to be complete by year-end, part of which concerns penalties for transgressions.

In some pieces of legislation there is a maximum £10,000 fine and under European Directives, it can be up to £5m or 10% of turnover. “There is a range of what we might want, but the government hasn’t decided”, he notes diplomatically. [Samantha Barrass

revealed to *Gibraltar International* in Autumn 2015 that she had “an aspiration” to raise the potential level of discretionary fines from £10,000 to reach “possibly £100m to £200m”.]

Appropriate penalties

“Certainly, it is intended to get us to the appropriate level of penalties and other sanctions,” Taylor emphasised. “We might use a range of sanctions, such as cease and desist orders, or suspend people for a period of time – there’s a whole range of things to address issues more flexibly.”

Had he ever regretted taking legal action? Taylor pauses for thought. “Not really, no; sometimes you regret that the Courts have not agreed with your interpretation of the issue, but part of the Regulator’s role is also not to be too risk averse in taking cases”, he suggests, referencing a former NZ Solicitor General, who believed “if you are winning more than 50% of your cases as a regulator, you are not doing your job, because that may be a sign of being too risk averse. Part of the regulator’s role is to test the application of the law and to

see where the true boundaries lie”.

He has three daughters - the youngest, Madeleine (24) is in Gibraltar, finishing a Masters Degree in Chemistry from Otago University, Dunedin; whilst Eleanor (25) with a degree in fine arts from Canterbury University, Christchurch, works in administration at Oxford’s Blavatnik School of Government; the eldest Claire (27), has recently qualified as a doctor and works in Adelaide. NZ-born Debbie, is a resting clinical psychologist specialising in supporting young children and their families.

So is Europe home, or does NZ again beckon? “I think we will aim to return to NZ at some point – it’s a question of when. When I came over our thinking was two to four years, and we’ve already been here two years, so it looks as though we are moving towards the four years”, he concedes.

In the meantime, the couple are considering applying for Irish passports, both having family background there. “I’d then have three national passports, so we are well-placed if it becomes difficult to travel post-Brexit!”

Ray Spencer

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Gibraltar Tames the Wild West

By Daniel Pitaluga, Senior Associate at Abacus Financial Services Ltd

What started out in January 2017 as another ordinary year, in the aftermath of a unpredictable 2016 which saw Donald Trump elected US President and in which Britain voted to leave the EU, slowly evolved into a revolutionary era with the rise of a phenomenon understood properly only by an elite of tech experts but which would, in a similar fashion to Trump and Brexit, shape the future of the financial world.

Bitcoin

This was, as you may have guessed, the emergence of cryptocurrencies, more popularly referred to loosely by the name of the first and leading cryptocurrency, Bitcoin. In January 2017, the price of a Bitcoin was around \$950 and as the world started

whispering about its potential, people flocked to any cryptocurrency exchange willing to accept them so they could get their hands on some precious and seemingly valuable Bitcoin.

Whether it was genuine investors who saw the potential of cryptocurrency as a new asset class, fraudsters who heard they could shelter money and make anonymous transactions, or anyone who heard of it as this year's get-rich-quick scheme, the rush brought Bitcoin and blockchain technology directly into the global spotlight. By December, the price of Bitcoin had surged to over \$20,000, representing a return for investors of over 2000% in under 12 months.

This, unsurprisingly, led to talk of an impending bubble bursting, one similar to the dot.com bubble in the late 90s, which would surely knock cryptocurrency off the grid once and for all and allow us to return to life before Bitcoin. This early period was a time when governments were unsure how,

or indeed if, cryptocurrencies could be regulated; when banks were terrified of the threat this new technology posed to their well-established and over-relied-on system; the rise of scam Initial Coin Offerings (ICOs); and people purchasing their cryptocurrencies on unregulated exchanges. It could only be described as the crypto wild west.

Regulatory framework

2018 ushered in a time of change, with many governments banning or curtailing the use of blockchain technology and anything related to it. There were, however, a few jurisdictions which embraced the change and saw the opportunities it might give rise to.

The Government of Gibraltar made the bold decision to try to be the first jurisdiction to release a regulatory framework governing the use of distributed ledger (or blockchain) technology (DLT). It was a move similar to that made at the turn of the millennium when



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