



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

AFTERNOON SESSION: 4.03 p.m. – 7.16 p.m.

Gibraltar, Thursday, 31st May 2018

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The Gibraltar Parliament

The Parliament met at 4.03 p.m.

[MR SPEAKER: Hon. A J Canepa GMH OBE *in the Chair*]

[CLERK TO THE PARLIAMENT: P E Martinez Esq *in attendance*]

Questions for Oral Answer

ECONOMIC DEVELOPMENT, TELECOMMUNICATIONS AND THE GSB

Q404-410/2018

**Community Care Balances; Savings Bank Deposits; General Sinking Fund; Consolidated Fund; Improvement & Development Fund; Government – Owned Companies; Liquid Reserves / savings bank accounts.
Gibtelecom**

Clerk: Meeting of Parliament, Thursday, 31st May 2018.

We continue with answers to Oral Questions. We commence with Question 404. The Hon. R M Clinton.

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Hon. R M Clinton: Mr Speaker, further to the supplementary questions and answers to Q542/2017, can the Government advise the balances of Community Care money held with the Savings Bank for the following dates: 30th June 2014, 30th June 2015, 30th June 2016 and 30th June 2017?

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Clerk: Answer, the Hon. the Minister for Economic Development, Telecommunications and the GSB.

Minister for Economic Development, Telecommunications and the GSB (Hon. Sir J J Bossano): Mr Speaker, I will answer this question together with Questions 405 to 410.

Clerk: Question 405. The Hon. R M Clinton.

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Hon. R M Clinton: Mr Speaker, can the Government advise the monetary value of Government deposits with the Savings Bank for the following dates: 30th April 2017, 31st May 2017, 30th June 2017, 31st July 2017, 31st August 2017, 30th September 2017, 31st October 2017, 30th November 2017, 31st December 2017, 31st January 2018 and 28th February 2018?

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Clerk: Question 406. The Hon. R M Clinton.

Hon. R M Clinton: Mr Speaker, can the Government please provide the total gross debt, aggregate debt after application of the Sinking Fund to gross debt, cash reserves and net debt figures for public debt for the following dates: 1st January 2018 and 1st February 2018?

Clerk: Question 407. The Hon. R M Clinton.

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Hon. R M Clinton: Mr Speaker, can the Government please advise the total liquid reserves figure and its constituents namely Consolidated Fund, Improvement and Development Fund, Government-owned companies, deposits, contingencies and other funds for the following dates: 1st January 2018 and 1st February 2018?

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Clerk: Question 408. The Hon. R M Clinton.

Hon. R M Clinton: Mr Speaker, can the Government please advise how total liquid reserves are invested/held, giving details of all bank/savings bank accounts and cash held for the following dates: 1st January 2018 and 1st February 2018?

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Clerk: Question 409. The Hon. R M Clinton.

Hon. R M Clinton: Mr Speaker, can the Government advise the balance on the General Sinking Fund as at 1st January 2018 and 1st February 2018?

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Clerk: Question 410. The Hon. R M Clinton.

Hon. R M Clinton: Mr Speaker, can the Government advise what plans it has for Gibtelecom to expand into other countries?

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Clerk: Answer, the Hon. the Minister for Economic Development, Telecommunications and the GSB.

Minister for Economic Development, Telecommunications and the GSB (Hon. Sir J J Bossano): Mr Speaker, the value of deposits by Community Care with the Savings Bank cannot be provided.

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The monetary value of the Government deposits with the Savings Bank on the dates requested are as follows: April, £296,828,170; May, £292,117,177; June, £287,255,467; July, £280,674,500; August, £276,139,998; September, £292,230,272; October, £330,181,963; November, £318,107,745; December, £273,615,257; January this year, £267,127,589; February, £260,446,189.

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The figures requested for 1st January 2018 are: gross debt, £447.7 million; Sinking Fund, £5.2 million; aggregate debt, £442.5 million; cash, £94 million; net debt, £348.5 million.

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The equivalent for February is: gross debt, £447.7 million, same figure; Sinking Fund, £5.2 million; aggregate debt, £442.5 million; cash, £118.2 million; net debt, £342.3 million.

The position as regards the total liquid assets composition, when, where and how these are invested on a particular date chosen by the Member opposite, continues to be as previously stated.

65

Any plans that Gibtelecom may or may not have to expand into other countries will be made public if and when Gibtelecom considers it commercially desirable to do so.

Mr Speaker: Could I ask the Minister to check the last figure that he gave – net debt? He said £322.3 million. Is it £322 million or –?

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Hon. Sir J J Bossano: No, £324 million.

Mr Speaker: £324.3 million, right.

75 **Hon. R M Clinton:** Mr Speaker, if you will just bear with me while I digest the answers from the Hon. Minister – *(Interjection)* Sorry? No, I will carry on.

If I can take the Minister's last answer in respect of Gibtelecom, he did make an announcement at the Commonwealth Telecommunications Conference held in Gibraltar that we are looking to 'expand elsewhere into other countries'. Can he give any kind of indication as to what the thought process is or what kind of level of investment he may be thinking of?

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A mobile phone rang.

Hon. Sir J J Bossano: This is probably Gibtelecom? *(Laughter)*

Chief Minister (Hon. F R Picardo): *[Inaudible]* roaming *(Laughter)*

85 **Hon. Sir J J Bossano:** Mr Speaker, I do not think it is right for me to go beyond what the company wants to make public. These things are commercially sensitive. If they chose to make that comment in the CTO conference and not say any more than that, then it is not for me to advance any additional information, as far as I am concerned, just because we happen to be the shareholders.

90

Hon. R M Clinton: But, Mr Speaker, the Minister must acknowledge that the quote was attributed to him and not to the company, unless of course Panorama got the quote wrong.

Hon. Sir J J Bossano: Well, I am sure if it was attributed to me it will not have been about Gibtelecom; it would have been about the Government doing something elsewhere – which we are, as you know.

95

Hon. R M Clinton: Mr Speaker, without labouring the point too much, if I can read what was said here:

'People from anywhere

– and this is attributed to yourself, Minister –

can sell anything to anybody,' he said. 'Gibtel is under great pressure from the competitive environment that they have to operate in and we are looking to expand elsewhere into other countries.'

100 Does he recall any of that?

Hon. Sir J J Bossano: I do not recall those exact words, but the hon. Member is aware that we are talking to other people about the ownership of Gibtel – we have been for a very long time – and therefore, to the extent that we are successful in getting someone to invest in Gibtel at a price that is suitable for us, that would involve Gibtel being involved in activities outside Gibraltar as well, as a consequence of a shareholder coming in that is new. That would be the context in which I would have said that.

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Hon. R M Clinton: Mr Speaker, I am grateful to the Minister for his answer.

110 If I can just move back to the answer given to Question 404, the Minister said that the information requested cannot be provided. I would be grateful if he could explain why, seeing as he himself said in answer to the previous question, in respect of Community Care's investments:

The historical position has always been that Community Care deposits its surplus funds in the Savings Bank; that is what has always been done.

115 I would just be grateful, Mr Speaker, if the Minister could explain why he cannot give us the balances of Community Care at those points in time, or even perhaps a percentage of the assets that they have with the Savings Bank.

Hon. Sir J J Bossano: Mr Speaker, I assume he is asking me as the Minister responsible for the Savings Bank and not because I am the one who set Community Care up in 1989.

120 I was telling him what Community Care has done traditionally, but I have to tell him that the Savings Bank's Ordinance specifically prohibits making public information about the deposits of any one of its depositors. I would have thought that if he comes from a bank ... I do not think the bank would keep many customers when he was in his bank if he went around publishing the accounts of people without their prior consent.

125 The amount that any customer has in the Savings Bank is not something that any official can provide for me so that I make it public. If that happened, in fact, it would be an offence which is punishable by a fine at scale 5. Since I don't ... much as I like the hon Member, I am not prepared to risk being fined at scale 5 in order to give him the information. (Laughter).

Hon. R M Clinton: Mr Speaker, I appreciate what the Minister is saying, but can I ask him this: 130 given that historically the money was with the Savings Bank – and perhaps even having mentioned that he may still be liable to a fine at scale 5 since he has disclosed that they have an account with the Savings Bank, but then so has the Principal Auditor in his report of March 2014, who also disclosed that Community Care has money with the Savings Bank – can the Minister advise the House as to the future? He says that in the past it has been in the Savings Bank, but 135 can he confirm to this House that it is his expectation that in the future the money will be in the Savings Bank?

Hon. Sir J J Bossano: Mr Speaker, the hon. Member wrote an article recently in which he was saying that he was going to spend a lot of time looking into Community Care. I have already 140 pointed out to him in the answer that I gave him to the question that he is referring to that the question of Community Care has always been accepted in this Parliament as being an independent thing which we do not debate in Parliament. If he has been doing all this research which he mentioned in his article, I am surprised that he missed the research as to why it is that the accounts are not brought to the House: they are not brought to the House because they 145 were stopped by the greatest living Gibraltarian.

When he stopped it and he told me in the House that they were stopping it because it was not in the public interest that it should happen, I accepted it without question. So I suggest that he goes back and looks at that argument because his party in power told me that it was better not to discuss the matter in this House and I accepted it. And I told him the last time the level of 150 information that I used to get and the level of information that I had in Government and in Opposition, and that is the level of information that he is going to get from me or from anybody else.

Hon. R M Clinton: Mr Speaker, I will ask just a final supplementary on this. Can the Minister 155 advise the House how it is that he can assert that Community Care has reserves of £100 million in what he describes as a rainy-day fund as at March 2015 and yet the audited accounts, the last ones that are available are June 2014? How can he be so sure that Community Care has £100 million?

160 **Hon. Sir J J Bossano:** Well, Mr Speaker, whereas I am prohibited by law from giving him the information that any customer of the Savings Banks has, I am not prohibited by any law to be 100% accurate in what we put in the manifesto or in the public statements we make. If that was so, the hon. Member would be in court every day of the week.

165 **Hon. D A Feetham:** Well, Mr Speaker, given that the Government makes a song and dance
about the fact that it has these rainy day funds, this being one of them, can the Hon. Minister at
the very least tell me this: that that rainy fund remains intact within the Gibraltar Savings Bank
and has not been used for the purposes of any type of Government projects and Government
170 expenditure directly or, if I may say so, indirectly for Government projects and Government
expenditure?

Hon. Sir J J Bossano: Mr Speaker, the only issue with a rainy day fund is that it is intact when
you need to access it. We do not monitor what the charity does with the money that it has and I
am not here to give explanations or answers about what the charity does with its money – and
175 he should know that because he was in the Government before when that was the position of
the Government in which he served as a Minister.

The position is that we gave Community Care, as the GSLP, up to 1995, enough money for
them to have a surplus, which the GSD inherited and used as a rainy day fund by stopping giving
them any money, and the money that would have gone to the Community Care charity was
180 diverted to other uses. For 15 years they did that and it was the reserves provided by the GSLP
administration that kept the charity going for those 15 years. At the end of it, they revealed
there had been a deliberate policy to get rid of the charity.

Since, when he became Leader of the Opposition, he said that was no longer the policy. I am
not sure whether it is a policy under the new Leader of the Opposition and whether it will be the
185 same policy under the new leader of the party. We will eventually presume that it has to be one
or the other: either they are going to get rid of it, as they intended to when they were in
Government, or they are not going to get rid of it, as when he was leading the party.

I am not here to answer questions on Community Care. All I can tell the hon. Member is that
we provided enough money to him by the last election to enable them to build up their reserves
190 and I can tell him that traditionally that is where they kept their money. That is the amount of
information I have provided and I am not willing to provide any more.

Hon. D A Feetham: Yes, Mr Speaker, but does – and I am sure that he does, but he must
accept that the Government is answerable to this House for any use of money in terms of
195 Government expenditure and for Government projects.

He has criticised the GSD, as he has done now, the GSD Government, for ... On the one hand,
what he says is, 'You did not invest in Community Care and you diverted the money that you
should have invested in Community Care into Government projects and Government
200 expenditure.' That may be right, I do not know; I am asking the question. I am asking for him to
dispel that. But if what is happening here is that he is putting the money in Community Care but
then from Community Care it is still being used to fund Government projects and Government
expenditure, well then he is criticising himself; it is just that he is doing it in a different way, but
the outcome is exactly the same. I just want to drill down and I want him to assure this House
that that is not the position; and if he does, then of course I will accept it.

205 **Hon. Sir J J Bossano:** Yes, Mr Speaker, but if I did, not only would he accept it but he would
have had me accepting that he is entitled to ask me questions about Community Care and what
it does with its money and establish a precedent that I am here to give answers to those
questions – and I am not.

210 I can tell him that my criticism is not just because they used the money for something else,
which they were perfectly entitled to do; it is because they promised to do the opposite. It is
because they said in this House that they stopped giving it money because the revenue from the
money that we had left was sufficient to meet the recurrent expenditure of the charity but that
the moment that there was insufficient investment revenue they would not allow the charity to
215 have to dip into its reserves, wherever they were invested, in order to meet recurrent spending.
That is what they said, and having said that here in Parliament as categorically and as clearly as I

am saying it, and having then repeated it in an election campaign – it was all before he joined them – they then revealed in 2010, when he was there, that the running down had been a deliberate policy going on since 1996 so that when the reserves were completely exhausted
220 Community Care would be closed down and the payment to pensioners would be paid through the Social Security system. In fact, it was said that this would be done because it had been delayed after the 2011 election, so he stood as a candidate on a platform of replacing Community Care, having committed publicly in previous elections and committed in Parliament to the opposite policy.

225 That is why I am entitled to precedence, not because in Government you can decide to do something with your revenue ... than what you thought you were doing because you think there has been a change of policy. Of course they could do it, but what they could not do is deny that they were doing it, and that is what they were doing.

230 **Hon. D A Feetham:** Okay, Mr Speaker, so when we strip that very long answer, essentially what he is telling me is, 'I am not prepared to tell you and therefore I am not prepared to tell this Parliament and I am not prepared to tell the people of Gibraltar whether the £100 million rainy day fund in Community Care is being spent on Government projects and on Government expenditure.' The people of Gibraltar will obviously judge him at election time, together with all
235 the other answers and all the other information that his Government has failed to provide to this Parliament and the people of Gibraltar.

But can I ask this at least: is this £100 million, or the money in Community Care, is it kept as part of that central pooling of money together with Treasury? You may recall our discussions in terms of Credit Finance and Gibraltar Investment Holdings. Is it all part of one central pool of
240 money and do Community Care moneys form part of that central pool?

Hon. Sir J J Bossano: Mr Speaker, I think that the people of Gibraltar will come to the conclusion that the Members opposite are still intent on getting rid of Community Care because the very reason that was given when they were defending it, which was in 1996 when they
245 stopped publishing accounts and stopped giving information, was to protect it and it is quite obvious they are not remotely interested in protecting it anymore.

I can tell him that he should know the answer to the question that he is asking me and that by putting the question that he is putting he shows he has not got a clue about the Government finances or anything else in all the questions and all the analysis he makes, because if there was
250 a possibility that there was some logic to his answer, it would imply that the entire £1 billion of the Savings Bank is part of the pool.

So that is the answer to his question, and if he does not even understand that then I give up.
(Laughter)

255 **Hon. D A Feetham:** Mr Speaker, Hon. Members opposite laugh. I do not even think that *they* have understood the answer, and they are laughing! I do not think they have understood the answer.

Let me ask a simple question. Perhaps we can get further with this question: can he at least say that the moneys belonging to Community Care are kept segregated by the Gibraltar Savings
260 Bank?

Hon. Sir J J Bossano: Mr Speaker, I have not said Community Care has the money in the Gibraltar Savings Bank. I have told him that it is in breach of the law to do what he is asking me to do, which is either to reveal the identity of a depositor or to reveal the quantity of money he
265 has got. The law says I cannot give that information. That is the first thing I told him. Do I need to quote the Savings Bank Act, Mr Speaker?

A person who contravenes the provisions of this section

– that says that the name of a depositor or the amount deposited may not be revealed –

is guilty of an offence and is liable on summary conviction to a fine at level 5 on the standard scale.

And he is asking me to reveal that, as I stand here today, Community Care is a depositor in the Savings Bank and that the money of a depositor in the Savings Bank is a quantity of given money or how it is being used or not used.

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The previous question was: is the money of a depositor in the Savings Bank a part of the pool of Government money? Well, look, depositors in the Savings Bank have deposited £1 billion. If the £1 billion was part of the pool, the pool would have to be more than £1 billion because, by the laws of physics and simple arithmetic, you cannot put a bigger thing into a smaller one. The pool is less than £1 billion.

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Hon. D A Feetham: Well, Mr Speaker, thank you very much to the Minister for that answer.

If after I read this out he needs a QC to represent him in court lest he be prosecuted for what I am going to be reading out, I will represent him on a pro bono basis (*Interjection by Hon. Sir J J Bossano and laughter*) because on 20th September 2017, in answer to questions from my hon. Friend Mr Clinton, he says:

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The historical position has always been that Community Care deposits its surplus funds in the Gibraltar Savings Bank; that is what it has always done.

And now he is giving me this speech in answer to my question about how he would be in breach of the law in revealing this and revealing that.

All I want to know, Mr Speaker, is – and I am not going to ask anymore because I know that I am tasking Mr Speaker's patience – is that money that he has said is deposited – him to this House, publicly – in the Gibraltar Savings Bank being kept segregated. That is all I am asking.

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Hon. Sir J J Bossano: Mr Speaker, his deficiency is not just in numbers; it is also in language.

I certainly want to make clear that not only would I not pay him and not only would I not have his services free, I would not even have him as my lawyer to defend me if *he paid me*.

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I have not said they have got money now in the Savings Bank. My answer is: the historical position has always been that Community Care deposits its surplus funds in the Savings Bank; that is what it has always done. That is not telling you or anybody else they have an account today and this is the money in the account. This is called past tense and the other is called present tense. That is part of the English language that he did not understand.

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Hon. D A Feetham: Mr Speaker, I am sorry but the answer that he has given is important because what he appears to be implying now is, 'Although when I answered questions in the past about where the money from Community Care was deposited and I said, "It's in the Gibraltar Savings Bank," it is no longer in the Gibraltar Savings Bank.' Therefore, that begs the question: if it is not in the Gibraltar Savings Bank, where is Community Care's money?

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Hon. Sir J J Bossano: Yes, and the questions that it begs are: am I here to tell him where Gibraltar Community Care keeps its money? No. Is he entitled to ask me? No. Should he be asking me? No. Why? Because when he was in Government, the policy of the party that was then in Government was that in the public interest I should not be asking questions about Community Care. So now the public interest does not matter and the survival of Community Care does not matter, and he is going to ask questions?

305

Well, I will not give him the answers for the same reasons that the greatest living Gibraltarian – in his eyes – told me he would not give me an answer in 1996 or 1997, except that I accepted it when I was told that and he does not. That is the difference between us – well, one of them.

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Mr Speaker: I think that, given that the Minister is saying that in the public interest he is not prepared to answer questions, we should move on.

315 **Hon. R M Clinton:** Yes, Mr Speaker, I just have one supplementary.

I am grateful to the Minister for his answers, but can he answer me this. He may or may not be aware of the Kids Company case in the United Kingdom, which is the charity which received money from government and then that charity came under heavy criticism for the way that money was used. Parliament still had an obligation to at least follow up on how public money is being expended, and certainly there was a whole select committee hearing on that.

320 Would the Minister not agree that this place, this Parliament, has an interest in how a charity is expending £190 million, certainly since 2011, that has been granted to that charity by this House and that we have a legitimate interest to ask questions about how that money is invested?

325 **Hon. Sir J J Bossano:** Mr Speaker, this is not about any old charity; this is about a charity that was set up to protect Gibraltar pensioners whose livelihood was under threat. Or is it that he does not know anything about his history? That was the reason why the then Chief Minister said we must not do or say anything in this House that would enable people who would be listening in to make use of it in order to undermine the valuable work the charity is doing. That was the reason why he said, 'Although I said I was going to publish the accounts when I was in Opposition, now that I have come in I have decided that I am not going to publish the accounts.'

330 I am astonished that he can write an article about all the research he has done and omit that bit of the research he has not done. It is in *Hansard*.

335 So that is the answer to his question. I do not know of the case he was talking about, but I am sure that there were not thousands of people clamouring to be potential beneficiaries.

Hon. R M Clinton: Sorry, Mr Speaker, I had intended to continue with this but given the Minister's response ... The information is public, as he well knows. It is publicly available for anybody who cares to know where to look for it, which I will not disclose now because it is publicly available and he knows exactly where it can be obtained. He also knows, Mr Speaker – or he must know by now – that I have written a letter of complaint to the Charities Commissioner in that Community Care has not filed its accounts with the Charities Commission for the last three years.

345 If he is so concerned about these pensioners, he surely must have a concern as to where the money is.

Hon. Sir J J Bossano: Mr Speaker, what I am concerned about is the innuendo of the hon. Member opposite: I should be concerned about the moneys. What is he suggesting – that the trustees have run off with the money? That they have got it in a secret account in Switzerland, or in his former bank?

Hon. R M Clinton: How do you know?

355 **Hon. Sir J J Bossano:** How do you know? Well, because in Gibraltar we all know each other and I know who is capable of doing certain things and who is capable of not doing certain things. We happen to be a very close-knit community? He may not be a part of it – I do not know – but I am and have been for 45 years and I would not dream of saying that of anybody unless I really thought that they were capable of doing something that they should not be doing.

360 The reason why we have not discussed it here when the GSD was in Government is not because the accounts should or should not be made public but because the GSD had a responsible Opposition when I was on that side that never tried to take political advantage of

anything that was happening when they had to choose between partisan political benefit and what was good or bad for Gibraltar. That is the difference between him and me.

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Hon. R M Clinton: Mr Speaker, my final point on this is that he is the one who politicised this first by calling the money in Community Care a rainy day fund and including it in his manifesto. He is the one who has made this a political point. It is not about the pensioners; it is about his manifesto.

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Hon. Sir J J Bossano: Well, Mr Speaker, if it is about my manifesto, then the hon. Member should know that we have won an election on that manifesto and therefore clearly the people support the concept like they supported it when it was done in the past.

I have already demonstrated to him how it can function in a situation when the money that this charity has has to be made use of and relieves a Government of the necessity of giving money to the charity.

So it is a fund that is not available for the Government to use for other things but it is a fund that will enable the charity to continue if we found ourselves in a year's time, as a result of Brexit, in a situation where we were not able to give support to Community Care. The concept of a rainy day fund would be there to continue to support the pensioners, although it would not be there for use for anything else. That is not too difficult to understand, surely.

He may say, 'Well, you shouldn't call it a rainy day fund.' He may say, 'Well, you should use the rainy day fund another day! ...' Well, look, the hon. Member has no right to tell us what to do in something that is our programme and not his. He does not believe in rainy day funds. The first thing that (**Hon. R M Clinton:** I do.) his party did when they got here was to say, 'Today is the rainy day,' and started spending all the money. So, if they do not believe in a rainy day fund when they are in Government, they have said they believe in it now that they are in Opposition, it remains to be seen what happens when and if they ever get back into Government – but they say one thing in Opposition and they do something different in Government; they defend one policy in Government and then they attack it in Opposition and there is no consistency.

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Mr Speaker: One last supplementary.

Hon. D A Feetham: I am very grateful, Mr Speaker.

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Mr Speaker: If it is a supplementary question, I will allow the Minister to reply, and then we will move on to the next question on the agenda.

Hon. D A Feetham: Yes, I am very grateful.

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No, Mr Speaker, I am afraid the Minister has mischaracterised what we are trying to do. What we are trying to do is, in pursuance of our public duty, (1) make sure that they are doing what they say they are doing in relation to Community Care, and that is creating a rainy day fund, and that that fund continues to exist, and (2) trying to elicit from him information as to whether the trustees of Community Care are using this money in order to fund Government projects and Government expenditure.

405

I have given him several opportunities to basically say to me very simply, 'No, I can tell the Member this money continues to be ... I am not telling him where, but it continues to be there, intact, and it is not being used for Government projects or Government expenditure,' and he has refused to take up that opportunity. The problem with failing to take that opportunity and then hiding behind all the technical legal arguments that he has raised – he sounds like the lawyer, not me, because he is the one who has raised all those technical arguments – is that, of course, then it leads us to a situation where we then start raising inferences which may be improper inferences, but they are improper inferences because he refused to give us the information.

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415 **Hon. Sir J J Bossano:** Mr Speaker, information that he is not entitled to ask me about because
when he was in Government they refused to answer questions on Community Care because
they said that answering questions about Community Care was not in the public interest and
would put the charity at risk, and that the level of information that was available to the
420 Government was limited and that it was equally limited to the Opposition. That has been what
has been done by the GSD in power for 15 years and by the GSLP in power for eight years, and it
is only being changed now that there is this mix-up of philosophies on the other side with the
hon. Member saying one thing when he was the leader, and somebody has been the leader who
may or may not agree with the hon. Member, and the leader that may in future replace him
having a different view.

425 Hopefully we will get back to one of the few things that the greatest Gibraltarian – in the hon.
Member's mind – and I ever agreed on, which was that it was better not to discuss Community
Care in this House or their money or where they had it or what it was used for. That is the
position that I agreed with the former Chief Minister under the GSD Government and that is the
position that I am adopting – regrettably not by mutual agreement because they do not agree
430 and they do not care if they put this charity at risk.

Mr Speaker: Question 411.

Q411-416/2018

**Government workers employed through recruitment agents –
Minimum wage; areas of employment; term of employment;
inconsistency with figures previously given**

Clerk: Question 411. The Hon. D A Feetham.

435 **Hon. D A Feetham:** Mr Speaker, how many individuals employed by recruitment or labour
supply agencies and placed within Government Departments, agencies, authorities and
companies are on the minimum wage?

440 **Clerk:** Answer, the Hon. the Minister for Economic Development, Telecommunications and the
GSB.

**Minister for Economic Development, Telecommunications and the GSB (Hon. Sir
J J Bossano):** I will answer this question with Questions 412 to 416.

445 **Hon. D A Feetham:** In relation to the previous question on the number of individuals within
the public service employed by recruitment or labour supply agencies, please identify the
Department, agency, authority and/or Government company where those individuals are
working.

450 **Clerk:** Question 413. The Hon. D A Feetham.

Hon. D A Feetham: In relation to the previous questions on the number of individuals within
the public service employed by recruitment or labour supply agencies, how long have those
455 individuals been working within those Departments, agencies, authorities and/or Government
companies?

Clerk: Question 414. The Hon. D A Feetham.

460 **Hon. D A Feetham:** Further to answers to Questions 252 and 186/2018 in relation to the number of individuals working within Government Departments, companies, agencies or authorities through services provided by recruitment consultants and agencies, how does the Government explain the marked inconsistency in the answers provided?

465 **Clerk:** Question 415. The Hon. D A Feetham.

Hon. D A Feetham: Further to the answers to Question 306/2018 and Written Question 21/2018, how does the Government justify the marked inconsistency in the answers provided?

470 **Clerk:** Question 416. The Hon. D A Feetham.

Hon. D A Feetham: How many individuals are currently being trained under Government-sponsored training schemes, identifying the scheme and the number of individuals per scheme?

475 **Clerk:** Answer, the Hon. the Minister for Economic Development, Telecommunications and the GSB.

Minister for Economic Development, Telecommunications and the GSB (Hon. Sir J J Bossano): Mr Speaker, the number of individuals provided by labour supply agencies known to be on the National Minimum Wage is 188, deployed as follows.

CSRO: December 2014, 1.

Tourism: May 2017, 2; July 2017, 3.

Law Offices: May 2017, 1; April 2018, 1.

RGP: June 2017, 1; August 2017, 1.

485 GHA: November 2014, 1; January 2015, 1; June 2015, 2; December 2015, 1; May 2016, 1; July 2016, 1; June 2017, 1; July 2017, 1; August 2017, 4; November 2017, 2; December 2017, 2; February 2018, 2; March 2018, 4; April 2018, 4; May 2018, 5.

Borders and Coastguard: February 2018, 1.

Procurement: January 2018, 1.

490 Gibelec: August 2017, 1; November 2017, 1; January 2018, 1; February 2018, 1.

Tax Office: January 2015, 1; August 2015, 1; September 2015, 1; March 2017, 1; June 2017, 1; July 2017, 1; August 2017, 1; September 2017, 2.

EDEC: August 2014, 1; May 2016, 1; August 2016, 1; November 2016, 1; March 2017, 3; July 2017, 1; November 2017, 1; January 2018, 2; February 2018, 1.

495 DSS: October 2016, 1; December 2016, 1; December 2017, 2.

MOT Centre: January 2017, 2; September 2017, 1; April 2018, 1; May 2018, 1.

Housing Department: September 2015, 1; May 2017, 2; January 2018, 1; February 2018, 1.

500 Treasury: September 2014, 1; October 2014, 2; April 2015, 1; May 2015, 1; August 2015, 1; September 2015, 1; May 2016, 2; July 2016, 1; June 2017, 1; July 2017, 2; August 2017, 3; September 2017, 1; October 2017, 3; December 2017, 1; February 2018, 2; March 2018, 5; April 2018, 1.

Care Agency: October 2013, 1; October 2014, 2; December 2014, 2; May 2014, 1; July 2014, 2; July 2015, 4; September 2015, 1; November 2015, 1; December 2015, 1; February 2016, 1; February 2017, 1; July 2017, 1; November 2017, 1; January 2018, 1; 505 February 2018, 2; March 2018, 2.

ETB: August 2014, 2; February 2015, 1; May 2015, 1; February 2017, 1; April 2017, 1; October 2017, 2.

Human Resources: September 2015, 1; July 2017, 1.

Court Service: August 2017, 1; March 2018, 1; April 2018, 1.

510 Post Office: February 2015, 1; November 2016, 1; March 2018, 1; April 2018, 9.

Education Department: September 2014, 1; July 2017, 1; September 2017, 1; January 2018, 1; April 2018, 1.

Statistics Office: October 2017, 1; February 2018, 1; March 2018, 1.

Airport: January 2015, 1; May, 2016, 1; April 2018, 1.

515 Fire Brigade: May 2018, 1.

GSLA: February 2018, 1.

Housing and Equality: August 2015, 1; December 2017, 1; March 2018, 2.

IT: February 2015, 1.

Sports, Culture and Heritage: February 2015, 1; May 2017, 1.

520 Office of Criminal Prosecution: February 2017, 1.

World War II Tunnels: July 2017, 1; February 2018, 1; March 2018, 1; April 2018, 3.

The answer to Question 186 was drafted on the basis of persons actually working in December 2017.

525 The answer to Question 252 was drafted on the basis of persons who had been supplied to work in those Departments up to December 2017.

There is no inconsistency, marked or otherwise, with the answers provided to Questions 306 and W21/2018.

530 The number of individuals training in Government-sponsored schemes is as follows: carpentry, 11; painting, 9; plumbing, 13; wet trades, 31; bus driver, 8; lorry driver, 7; forklift operator, 4; nursing assistants, 12; administration, 6; security, 7; domestic, 2; scaffolders, 4; healthcare, 1; site controller, 1; electrical, 1; cook, 1; messenger, 1; hairdressing, 1; IT, 2; procurement, 1, crew member, 1; sales manager, 1; kitchen porter, 1.

535 **Hon. D A Feetham:** Mr Speaker, in relation to the inconsistency, when I asked Minister Costa about people who are working within recruitment consultants within the GHA and the Care Agency and elsewhere, he said that there were 62 within the GHA; he then said there were 382 within the Care Agency and he also said that there were 127 within the Elderly Residential Services.

540 If you look at the answer that the Hon. the Minister has provided me, it was markedly less. He accepts therefore that the answer that the Hon. Minister Costa has provided me was an up-to-date accurate answer in relation to those areas, and therefore if I need to comment publicly or otherwise about the amount of people who are working through recruitment consultants in those areas – Care Agency, GHA, Elderly Residential Services – I should be relying on Minister Costa's figures, not the figures that he provided in answer to me?

545 **Hon. Sir J J Bossano:** Well, that depends on what he intended to ask with the question, because he did say on 31st December. If I had prepared the answer, I would have given him the number of people working on that day, but in fact the figures that I got were for the people working in that month and the figure that Mr Costa was provided with was the people who had worked in the financial year – that is from 1st April to December. It does not mean they worked throughout the period, because particularly in an area like care and the Health Service people work different rosters and different times, so it does not mean that there can be 100 people working but they are not 100 all there on one day if you ask for the figure for one day.

555 The reason, quite apart from the fact that some parts of the questions that were put to my colleague were not in the question that he put to me, they are not identical – in fact, if they had been identical they would not have been accepted ... So there was a slightly different focus because mine was about all areas of the Government and his was about the areas for which he was responsible.

560 But in any event the figures are, as far as we are concerned, accurate in the context that I have told him – that it is not just for the month of December. The figure he got was not just for the month of December, so there will have been some people who had worked earlier in the year but were not working in that month.

Hon. D A Feetham: I just want to get an accurate picture. I asked two separate questions from two separate angles. The first question was: as at 31st December 2017, how many individuals were working within the GHA, Care Agency and the Elderly Residential Services through recruitment consultants and how many were employed directly by those organisations? So I wanted it as at that date – not a year earlier, as at that date. I wanted to get a picture of how many people were in these Government agencies or Departments as at that date through recruitment consultants. That is what I wanted to get at. I asked the same question in terms of the public service generally, which I knew was going to be answered by the Hon. Minister, to see what answer he gave me, and then I had two separate answers.

Look, I am not going to, across the floor of this House, engage in criticisms of the answers, even though they are susceptible to criticism. What I want to know is the accuracy. Are we then saying that even the answer that was provided to me by Minister Costa is not accurate because I asked as at 31st December and the figures that he has provided are not as at 31st December, they are for the entire year? So somebody who might have been working in February, for example, who no longer works as at 31st December within those Government agencies, is still included within those figures? And of course if that is the position, can I have a proper statistical information as to what is the position on 31st December?

Hon. Sir J J Bossano: Mr Speaker, the answer to that is that the people who prepared the answer did not interpret it the way he has done it and the way I would have done it, which is to say you want it for that particular date – that is why you said 31st December. I think they took the question on the basis of who had been on the books of the agency or the Hospital in a period which included 31st December. So he did not get the figure for that particular date, that is clear.

Hon. D A Feetham: I understand what the hon. Gentleman is getting at. Of course, because we are dealing with labour from recruitment consultants and the nature of that labour, in certain circumstances – not in all circumstances, but in some circumstances – there are people who have been working for three years. For example, I know somebody who came to see me recently, through a recruitment consultant in a Government Department – various Government Departments, I should say, for three years solid, continuously ... But of course the nature of this type of labour is that somebody may, for example, be working on the 28th for five hours and may not be doing any hours on the 31st, but may do five hours on 1st January, so the figures that the hon. Gentleman has provided at least are accurate in the sense that those are the people on the books, so those are the people who are basically covering for the hours as and when they are needed.

Hon. Sir J J Bossano: Yes, Mr Speaker, the information that he got is accurate because it has been prepared by the staff in those Departments; it is just that they did not interpret literally the question as I would have done. If I had drafted that question I would have simply said who was on duty that night and given him that number, but obviously the people thought he wanted more than that and gave him more than he asked for. I always try and make sure that we do not upset him by giving him more than he asks for!

Hon. D A Feetham: Yes, so the answer to my original question – why the inconsistency – is because the civil servants were being helpful and the Hon. Minister, in answer to the other question, was being unhelpful! Now I understand why there is a difference between the two answers. I have to say I could not work it out myself.

He knows that I have a lot of affection for him, even though he gets jealous with me every time because of that statement that escaped my lips about the greatest Gibraltarian of all time – I know that did not go down very well – but I have to say I prefer the Hon. Minister Costa's answers every single day of the year to the Hon. Member's answers.

615 In relation to the answer to Question 415 – I asked how many vacancies are there in the
public service – he said none. Then Mr Llamas asked how many vacancies are there in the Civil
Service and somebody else gave him a long list of vacancies within the Civil Service. Can he just
explain the thought process in relation to the answer that I got, that in the public service there
620 are none but there is a huge schedule that goes to Mr Llamas, other than the fact that obviously
at the time Mr Llamas was more likeable than I was when I was asking those questions?

Hon. Sir J J Bossano: Well, I like him quite a lot, actually, Mr Speaker – he does not have to
get worried about that; he knows that. I do not like some of the things he has done, but I like
him.

625 The position is that notwithstanding his great admiration for the greatest ever living
Gibraltarian, he did not pay a lot of attention to him because the greatest ever living Gibraltarian
came up with this concept, which we have continued to adopt, and he created the concept to
make the restructuring that he was doing in the public service ... that is to say the public service
and the Civil Service were the same thing when everybody was a civil servant. When he created
630 agencies, authorities, the GEA and the Borders and Coastguard and all of these things, he said,
'Well, there is a thing called the public sector which is composed of two things, the public service
and the Civil Service.'

He has had all this explanation before from the Hon. Chief Minister in a previous debate
about a previous question about vacancies. In the public service there are no vacancies because
635 there is no fixed complement. That is the answer he has been given before. That was one of the
advantages of persuading people to move out of the Civil Service, where there is a fixed
complement, which in the view of the GSD administration justified giving people a 12% premium
over what civil servants get. So the people in the agencies get 12% more than the people in the
Civil Service, and the agencies form the public service. The total public sector, which is around
640 5,000, is split into two halves: 2,500 civil servants, more or less; and 2,500 public servants, more
or less. The public servants get more money but do not have fixed quotas of jobs.

He asked me about the place where there are no fixed quotas for jobs and the answer is that
there are no vacancies there by definition – by the definition of the previous administration.
Mr Llamas asked me about the Civil Service and accurately I gave him the figures for the Civil
645 Service. That is why there is no inconsistency.

Hon. D A Feetham: Just for my benefit in future ... I have to say I disagree with him in terms
of this distinction between the public service and the Civil Service, to the extent that it seeks to
attribute that distinction to something that the GSD Government did. I have always interpreted
650 the public service as including the Civil Service, but the Civil Service is not the same. The Civil
Service is not the extent of the public service, but the public service includes the Civil Service
plus also the GDC and other areas.

So, in his view – I can see that Mr Speaker wants to intervene, but may I ...? I can see that
Mr Speaker wants to impart his own knowledge of the issue.

655

Mr Speaker: No, I am not going to involve myself in the politics.

Hon. D A Feetham: Right. But as far as he is concerned, the public service therefore is what?
The GDC? Public authorities and agencies? What exactly does the public service include – for my
660 benefit in the future when I ask these questions? I have always assumed public service includes
the Civil Service, although the Civil Service does not equate entirely with the public service,
obviously.

Hon. Sir J J Bossano: No, Mr Speaker, the terminology is the public sector are paid by the
665 public and they are composed of two elements: the Civil Service, who are servants of the Crown;
and people who are servants of publicly owned entities, and that is the public service.

670 The public service is GJBS and the public service is the Health Authority and the public service is the Electricity Authority, and they are not employees of the Crown; they are employees of an entity which can be a statutory body which is created by a law or it can be a limited liability company like GJBS is.

675 So, when we answer questions about the public service, the public service is the non-Civil Service part of the public sector. The difference between the two in terms of their status is that in fact the civil servants are the servants of the Crown and the person who works in the GHA is not a servant of the Crown; he is a servant of the GHA.

Mr Speaker: Right. With that having been made abundantly clear, we move on to Question 417.

Q417-418/2018

**Public service pensions; Government offices at Europort –
Introduction of administrative charge; monthly rental costs**

Clerk: Question 417. The Hon. Ms M D Hassan Nahon.

680 **Hon. Ms M D Hassan Nahon:** Can Government explain why it has implemented an administrative charge to public servants for their contributory pensions?

Clerk: Answer, the Hon. the Minister for Economic Development, Telecommunications and the GSB.

685

Minister for Economic Development, Telecommunications and the GSB (Hon. Sir J J Bossano): Mr Speaker, I will answer this question with Question 418.

Clerk: Question 418. The Hon. Ms M D Hassan Nahon.

690

Hon. Ms M D Hassan Nahon: How much rent per month does the Government pay for its offices in Europort in respect of: (1) the Finance Centre; (2) the offices of the Financial Services Ministry; and (3) the Ministry for Traffic and Transport?

695 **Clerk:** Answer, the Hon. the Minister for Economic Development, Telecommunications and the GSB.

700 **Minister for Economic Development, Telecommunications and the GSB (Hon. Sir J J Bossano):** Mr Speaker, there has always been an administrative charge in respect of public sector contributory occupational pensions. It was recently noticed that the charge in respect of one of the funds which was announced in January 2012 had not been implemented and this omission is now being corrected.

705 The Finance Centre offices which have been rented since 1998 currently pay £7,600, and the offices of the Financial Services Ministry, which are shared with the office of the Ministry for Tourism and the Port, also pay £7,600. The third office mentioned is the Ministry for Transport and the monthly rent there is £3,455.

710 **Hon. Ms M D Hassan Nahon:** Mr Speaker, I take the answer from the hon. Gentleman about the charge that may or may not have been paid, but what would he say to the public servants who have made it quite clear that this is a new charge that they did not know about?

Hon. Sir J J Bossano: Well, Mr Speaker, I do not think they should be, frankly, quibbling about the charge, given the fact that when we introduced the new scheme in 2012, the Guaranteed Superannuation Fund, which we had committed ourselves to ... We actually have a fund where
715 people pay 8% and the employer pays 17%. With the fund that was there before, which had an administrative charge which was very small, they were paying a charge and the employer was only paying 10%. That is to say in the pension fund that existed where the charge was being paid for the administration, the contribution of the employer was 10% of the pay. In the new one,
720 where it was announced in January 2012 that there was going to be a charge but it has been overlooked and it has not been implemented, they are actually getting a much better deal than the people who were paying the charge in the previous one because they put in 8%, so if they put in £8 the Government puts in £17 and that means their fund has now got £25. Administering that £25 carries a charge, which is a few pennies. I do not think they should quibble about a few pennies, given the deal that they are getting. Other people in the same job prior to January 2012
725 put in a fiver, got £10 and had a charge for a pot of money that was fifteen quid.

Therefore, what she can tell the people is that they are not being asked to pay something that other people have not been paying before, really they are being asked to pay something that they should have been paying since January 2012 and it has been an omission by the civil servants administering the scheme that they were not being charged, and that all the people
730 before January 2012 have been paying in, even though their pension pot was less valuable than the one that we brought in when we came in in 2011. So, even after paying a few pennies charge for their contribution, they are still getting a very good deal. And in any event, they are lucky that it has been overlooked for six years – they should have been paying it since January 2012.

Hon. Ms M D Hassan Nahon: Thank you, Mr Speaker, for that answer.

The question is that now, unlike before, when the fund was private, the civil servants or the public service is paying a fee for a service run by civil servants. So who is actually profiting by something that looks like a stealth tax?

Hon. Sir J J Bossano: Well, the service charge, I am told, is a very small amount compared to what it is. It is not like what private companies charge when they administer investments. But the Provident Funds that were introduced 10 or 15 years ago have all carried a charge from the beginning and the charge is because the duties of the civil servants that administer these things ... There is a charge made, if you like, by the Government to the Provident Fund for the
740 time that the Civil Service are spending not on Civil Service work but on the work of the fund, even though the civil servant himself may be a beneficiary of that particular fund.

All I am saying is that since this is an issue that has been there now for 20 years, nobody has ever questioned it and nobody has complained about it and it was there from day one. The people who are questioning it now are the people who, by mistake, were not being charged for
745 six years until somebody has woken up to the fact. We did not introduce the concept of the charge because there was no contributory scheme in the public sector in the past, and therefore when the public service – which is the non-Civil Service element – was created, people who were working in entities which were not civil servants by definition were not servants of the Crown and they were not entitled to the statutory Civil Service Pension Fund. So you had, in the system
750 that developed post 1996, people who were civil servants who were in the Civil Service Pension Fund, and you had people who were not civil servants, who were public servants in the public service, who then had a Provident Fund created for them. That Provident Fund had a charge. The people could pay 5% of their pay – it is still in existence, there are still people in that system – and the employer pays 10% of the pay. There is a small administrative charge for the time that
755 is taken, which is not time for work on Civil Service duties but time for work on the administering of that, but it is frankly insignificant in the context of the value of those funds.

When we came in in 2011, the decision of the previous administration was triggered at the time that we came in, which was that all new entrants into the Civil Service would no longer

765 enter into the Civil Service final salary scheme; they would enter into the Provident Fund. We
actually thought at the time when this was done that the gap between the Provident Fund and
the Civil Service final salary scheme was too big, that the alternative that had been put,
770 compared very badly with what was being ended. We could understand the argument – the
previous Government thought that this was a ticking time bomb, and in fact it does grow. The
cost of administering the payments and making the payments to the Civil Service grows by about
£2 million or £3 million every year, even though there are no new members coming in. This is
just from the people who were there before. So the last Government took the decision, it was
accepted by the Civil Service and it was agreed with the unions and it was implemented.

775 We actually felt that the new scheme, the Provident Fund, was significantly less valuable than
what had been ended and we decided to create something that would be better to bridge that
gap, and that is the Superannuation Fund, and the gap obviously is closer to the original because
we actually came up with the figure of 25%. The figure of 25% is not an accident. The figure of
25% was a figure that we thought of – I thought of – because the people in the Civil Service who
were not on the Civil Service Pension Scheme used to get 25% in lieu, so the Civil Service Pension
Scheme was valued for contract officers at 25%. So we thought, ‘Well, we will try and put
780 something that is closer to the Civil Service Pension Scheme and we will make the total value
25%. One third of the 25% is paid by the employee and two thirds by the employer. That is how
it has all come about, so that explains how the system is what it is.

785 **Hon. Ms M D Hassan Nahon:** Mr Speaker, I understand what the hon. Gentleman is trying to
explain and I appreciate it, but when talking about the admin fee we are talking about public
servants paying a fee to public servants to administer what is a new pension scheme, and it just
seems a bit circular and unnecessary, given that it is no longer going to a private fund. It is now
being administered by the same people, so I do not understand why the admin fee itself has to
be implemented.

790

Hon. Sir J J Bossano: I will try to make it easier to understand.

The first thing is that it is not something that is being done that is new; it has been there
since the first Provident Fund was created. Okay?

795 The second thing is that the people who think that they are being asked to pay something
new now actually should count themselves lucky because if they had been told in 2012, ‘You are
going to pay a fee,’ they would not have queried it because everybody who was on a less
valuable scheme was already paying the fee, so they were not being treated any worse. It is just
that these things happen. It happens in the public sector and it happens, I suppose, in the
private sector that things get overlooked and they do not get implemented.

800 Why do they need the fee? Well, there are costs involved in managing these things and
therefore the cost can only be paid either by the beneficiary or from the fund. If the thing was
not charged, presumably we would have to have some mechanism to deduct the money,
otherwise what we are saying is the costs that are involved in the administration of this fund
should be paid by the employer, who frankly is already paying £17 for every £8 that the
805 employee puts in. I do not think anybody in the private sector has got as good a deal as this, so I
really do not see what more I can do to explain it.

810 There are things that are done which are not part of the duties of the civil servant, fees that
have to be paid or whatever, and those things cannot be charged to any head of expenditure in
the Estimates. Either the Government would have to pay the fee for the employee or the
employee has to pay the fee to cover those costs. If the employee was not doing it, it would
simply mean that we would have to put in more than £17 and the contribution would be more
than £25.

815 Look, I think we have actually given people a good deal and most of the people who had the
opportunity of switching from the scheme that existed in 2011 switched in 2012 because they
appreciated that if you put into a fund £5 and I put £10, you have got £15; if I am telling you,

'You put in £8 and I will put in £17 and you have got £25,' it is quite obviously much better. It is not that you are paying a fee in the second one that you would not pay in the first one. You were paying it in the first one anyway.

820 I cannot tell her anymore because all I know is the explanation that was given to me, and to me it makes sense. I have tried to convey that to her, but I think the important thing is that, in terms of the approach to her that people might have felt that it was unfair, I hope they now understand that in fact they are not being treated unfairly in comparison with others because there are people who had been paying in for many years before the new scheme came in.

825 **Mr Speaker:** Question 419.

Hon. E J Reyes: May I, Mr Speaker? Just one small thing for clarification?

830 **Mr Speaker:** Yes.

Hon. E J Reyes: I am very grateful.

835 I understand the explanations. In a nutshell, because there was an oversight, they were not charged that and they are now being charged ... I think it is £20 or something. Are they going to ask them to make up for the contributions that were not made during the period 2012-18, or is that being written off? It is just to have an answer on the record.

Hon. Sir J J Bossano: As far as I am aware, nobody is going to be asked to make backdated payments. As far as I am aware.

Q419/2018

Unemployment due to disability or mental health problems – Government assistance

840 **Clerk:** Question 419. The Hon. L F Llamas.

Hon. L F Llamas: Mr Speaker, can the Government explain how it is supporting adult members of this community who are unable to work due to disabilities or mental health in order to obtain employment?

845 **Clerk:** Answer, the Hon. the Minister for Economic Development, Telecommunications and the GSB.

850 **Minister for Economic Development, Telecommunications and the GSB (Hon. Sir J J Bossano):** Mr Speaker, it is difficult to provide assistance to obtain employment to persons who are unable to work.

855 If they are able to work, the assistance is provided by giving more financial support to employers than is the case with persons who are unemployed but are not at a disadvantage for medical or other reasons. So we negotiate with employers to encourage them to take on somebody and we recognise that the employer may require to spend more time or be more understanding because of the problems the person may have. We try to make it more attractive, to compensate for that.

860 **Hon. L F Llamas:** Mr Speaker, I have brought this question to the House because there is a huge lack of support in the community for members, especially those who suffer with mental health issues, in being able to seek employment. They might not be in a position at this point in

time to get employment; however, they are in a bit of a Catch-22 because until they do get employment and they do actually go into the community and integrate and form part of an inclusive society they do not actually start reaping the benefits of the social aspects of what it is to be in employment.

865 I believe that there is a huge lack, especially in light of ... There is a company called Gibraltar
General Construction Company, I believe – what is known as Community Projects – which used
to employ many people who suffered with mental health issues, with offenders and people who
would find it tremendously hard to find employment in the private sector. This company is now
shrinking to the extent where people have been offered early-exit packages and those
870 employees who took the early-exit package, for example, are now in a position where they are
unable to seek any unemployment benefits or even be re-employed by any Government
Department or agency, as well as losing out on being able to contribute to a pension, which is
also creating a further problem by the person not being able to get a pension when that person
becomes pensionable.

875 I think obviously there is a huge lack of support not only for those employees but potential
employees who suffer with mental health issues, and they are at a loss as to where they need to
go in order to seek that help and to seek that support in getting employment.

Does the Hon. Minister acknowledge that there is a lack of support; and will he commit to
doing something about it?

880

Hon. Sir J J Bossano: Well, I do not think he is accurate in saying that the company existed for
people with mental health problems. That is not the case, because in fact I remember distinctly
one particular case that I defended of unfair dismissal where the person was dismissed, because
he had a mental health problem, by that particular company that he has mentioned and I
885 eventually won the unfair dismissal case.

Most of the people who went into that company, frankly, were people who had not mental
problems or health problems but really social problems, or else there had been offences that
made it difficult for them to find employment.

890 The reality is that the company that was set up for that purpose, in our view, was not
achieving the kind of reintegration into society because you have a company where everybody
with the same background was put together, which was not a very clever thing to do, in my
view.

895 What we do now is we invest the money in persuading people – and in fact we have been
successful. I mentioned that to the hon. Member when he asked me in the past specifically
about the offenders who were being helped and I told him what we were doing and how it was
working.

900 I think in the introduction to his question, if somebody is unable to work, then by definition
we cannot help him into a job because unable to work means that somebody is certified as
medically not able to work. If somebody, because of a mental illness ... For example, in this
particular case that I have mentioned, the company argued when they terminated the
employment that because of their mental illness the individual was a risk to the other
employees. So it depends on the nature of the mental illness to what extent he can be
accommodated.

905 Certainly from the perspective of the funding that I control, which is to help the unemployed
into employment, what we do, is that we are more generous with our funding in order to make
it more attractive to compensate for that, and anything more than can be done in that direction
I am willing to look at, and if the hon. Member has got any particular ideas – other than the one
that he suggested, which I do not think is a good idea – I am happy to have a look at it if he gets
in touch with me and he wants to make suggestions to me and look at it.

910

Hon. L F Llamas: Mr Speaker, I am very grateful to the Hon. Minister for his answer.

915 Will the Hon. Minister then commit that employees – especially those who are from the company we have been discussing, who are at a loss in terms of being able to seek re-employment out there due to the nature of their history and past in the community – that they will be able to hopefully seek employment in the private sector, whether with assistance from the Government or not, but that the Government will be there to support them in seeking employment?

920 **Hon. Sir J J Bossano:** What happens is that when people are referred to the training programme – because they are registered as seeking employment – the Department helps them with their CV and helps them to get in touch with employers and submits their names to employers, and then the council that we employ, that deals with people who have certain custodial sentences is also involved in talking to these people to assess how we can provide help.

925 The reality of it is that in these particular cases it is difficult in terms of continuity. Even when you get an employer and we help and they are taken on, because of the nature of their illness, sometimes many patients in this category tend to be persons who, when they feel better, tend to stop taking medication which they should be taking all the time, and then some days either they just do not turn up for work, or ... So they finish up again needing help. So it is a continuing thing. It is quite often the case that the same customer has to be helped several times because it is inevitable that that will be the case, and what we do is ... We have got people who are more understanding and more willing to help and we tend to look to those employers to accommodate it.

930 Any other thing that can be done, if it is reasonable and within our means, we are willing to try.

935 **The Speaker:** Next question.

CHIEF MINISTER

Q421-422/2018

Bruce's Farm –

Number of patients; number of staff

Clerk: We now move to Question 421. The Hon. E J Phillips.

940 **Hon. E J Phillips:** Mr Speaker, can the Government state the numbers of individuals currently being treated at Bruce's Farm?

Clerk: Answer, the Hon. the Chief Minister.

945 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I will answer this question together with Question 422.

Clerk: Question 422. The Hon. E J Phillips.

950 **Hon. E J Phillips:** Mr Speaker, can the Government state, as of the date of this question, the staffing complement, broken down into roles, at Bruce's Farm?

Clerk: Answer, the Hon. the Chief Minister.

955 **Chief Minister (Hon. F R Picardo):** Mr Speaker, there are currently eight persons undergoing the residential rehabilitation programme at Bruce's Farm.

The current staffing at Bruce's Farm consists of the following roles: three counsellors, 10 care workers, one administrator, one administrative officer, one cook and one part-time nurse.

960 Yesterday, Mr Speaker, the GHA made an announcement which will also positively impact on care at Bruce's Farm by the provision of an additional service by the GHA of a GP specialising in alcohol and substance abuse who will attend Bruce's Farm once a week.

Hon. E J Phillips: Mr Speaker, I am grateful for the answer from the Chief Minister and we, certainly from this side of the House, welcome the announcement yesterday. It is a matter
965 which we have been raising for a number of years, particularly since I have been in this House, in relation to the problem with addiction in our community, and we certainly welcome that development announced by the Hon. the Minister for Health yesterday.

Insofar as the counsellors who currently work at Bruce's Farm, can the Chief Minister confirm that they are addiction qualified in respect of the counselling service they provide? It may sound
970 obvious, but I did not glean from his answer to that question that they were.

Hon. Chief Minister: Mr Speaker, it sounds obvious, but I do not have that exact information here.

975 **Mr Speaker:** Next question.

Q423/2018

Public contracts –

Ministers' and family members' direct and indirect financial interests

Clerk: Question 423. The Hon. R M Clinton.

Hon. R M Clinton: Mr Speaker, can the Government please provide a list and value of all public contracts in which the spouses or partners and close family members of Ministers may
980 have a direct or indirect financial interest as at 31st December 2017?

Clerk: Answer, the Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Mr Speaker, of all the contracts in question only one
985 involves family members of Ministers, as follows: namely, a contract with Sapphire to provide bandwidth to 12 schools and some internet connections to other Government Departments, totalling £7,800 per month. Minister Isola has an interest in Sapphire through his family. The contract was awarded after competitive bids between Gibtel and Sapphire. This award was not decided by Minister Isola. It was decided by the Chief Minister, who happens to be the Chairman
990 of Gibtelecom, based on value for money, speed of connection and bandwidth.

Hon. R M Clinton: Mr Speaker, I am grateful to the Chief Minister for his answer. Is he satisfied his answer is complete?

995 **Hon. Chief Minister:** I am, sir.

Hon. R M Clinton: Has he taken soundings from his Ministers that his answer is complete, in the sense that my question was quite wide? I should put him on notice that there is at least one contract that he has not mentioned.

1000 **Hon. Chief Minister:** I have checked with each Minister, Mr Speaker, and I am satisfied the answer I have given him is correct. The contract that he is going to refer me to I will give him the explanation for. When he hears that explanation he might reconsider whether he thinks that the answer I have given him is incorrect.

1005 **Hon R M Clinton:** I am grateful to the Chief Minister.

No disrespect intended to the Minister for Environment – he obviously knows that he has an interest through a family member in Wildlife Ltd, which has, as listed in the Estimates books, certainly at least two contracts of a value of £1.3 million. My question was worded quite widely in the sense of having a direct or indirect financial interest. I would be interested in why the
1010 Chief Minister has not included this contract, although I have read the Minister's Register of Interests and he indicates that there is a 40% interest although he receives no director's fees or remuneration, but nevertheless a 40% interest in an entity that has a contract is still a financial interest.

1015 **Hon. Chief Minister:** I do not agree, Mr Speaker, if the entity has a contract with the Government and uses all of the money that is received from the Government for the purposes of investing it in the maintenance and upkeep of the Alameda Gardens, which is what that company was created to do. In other words, there is no remuneration taken and therefore there is no interest in the finances of that company because all of the finances of the company are
1020 invested in the Alameda Gardens.

So moneys are paid as salaries to people who are employees of the company and the hon. gentleman has been told and knows that in the case of the Minister and now his wife, they do not receive any salary or remuneration but they provide a service to the company and the company, if it has any accumulated profit etc., puts that money back into the Gardens. It does
1025 not allow – indeed, it is not that it does not allow, it is that the hon. the Member and his wife do not take money out of the company; they put it into the Gardens.

So I do not see how the hon. Member can say that that is a financial interest when all of the money is used for further investment and therefore for further ensuring of maintenance etc. in the Alameda Gardens, something which I think he will want to commend the Minister for. In
1030 many instances people might say, 'Well, I am a director; I am entitled to a dividend.'
John Cortes –

Minister for the Environment, Energy, Climate Change and Education (Hon. Dr J E Cortes): Is
1035 no longer a director.

Hon. Chief Minister: No. John Cortes was a director of this company. When he became a Minister his wife became a director of this company and what they do is they leave any surplus after payment of the salaries of others – they do not take a salary – into the Gardens. Very well done too. Not a direct or indirect financial interest for themselves in any material regard,
1040 Mr Speaker.

Mr Speaker: Next question.

Q424-425/2018
Gibraltar Capital Assets Ltd –
Audited financial statements; balance sheet figures

Clerk: Question 424. The Hon. R M Clinton.

1045 **Hon. R M Clinton:** Mr Speaker, can the Government provide a full copy of the 19-page audited financial statements for Gibraltar Capital Assets Ltd for 31st March 2017?

Clerk: Answer, the Hon. the Chief Minister.

1050 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I will answer this question together with Question 425.

Clerk: Question 425. The Hon. R M Clinton.

1055 **Hon. R M Clinton:** Mr Speaker, can the Government advise why in its balance sheet, as at 31st March 2017, Gibraltar Capital Assets Ltd reports, 'Creditors: amounts falling due after more than one year' as £295,258,857 instead of £300 million?

Clerk: Answer, the Hon. the Chief Minister.

1060 **Chief Minister (Hon. F R Picardo):** Mr Speaker, the hon. Gentleman has been able to obtain the publicly available balance sheet which is filed at Companies House. This complies with the filing requirement and therefore this is the information that will be available to him, which is the information available to all members of the public.

1065 I am advised that the reason why 'Creditors: amounts falling due after more than one year' is £295,259,857 instead of £300 million is to do with accounting standards. The advice provided to the Government is that accounting standards require that transaction costs be deducted and be amortised over the useful life of those loans using the effective interest rate.

1070 **Hon R M Clinton:** Mr Speaker, I beg your indulgence on my supplementaries to these questions – they are quite important questions.

If I may start, Mr Speaker, with just a question on a ruling of a point of order as to whether Members of this Parliament are entitled to ask for information that is in the Government's possession in the formal full sets of accounts for a company in which there is a real public interest, in which is only filed the balance sheet – whether we are entitled in Parliament to ask for this information of Government, or is it that the Members on this side of the House are only entitled to see what the public are entitled to see?

1080 **Hon. Chief Minister:** Mr Speaker, the Government's view in that respect is that hon. Members are entitled to ask for whatever they like and the Government is entitled to rationalise what information it provides and why it does so.

1085 Hon. Members would know, or should know – in particular, those who have been supporters of the party that they now, all except the hon. Lady, sit with – that the position established by them when they were in office was that hon. Members of this House were entitled to the public filings in respect of Government companies, except that at the time that they were in office they made no public filings in respect of Government companies. And so, Mr Speaker, the position of the Government –

Mr Speaker: [*Inaudible*]

1090 **Hon. Chief Minister:** Mr Speaker, he might have asked for a ruling from yourself, not from me, but when somebody asks for a ruling they have to allow both views to be expressed in relation to that ruling.

1095 The position of the Government, Mr Speaker, is therefore that there is an established procedure in this House that Hon. Members can ask for things but that the Government will

follow the procedure that they established in respect of the answer that we give in relation to this particular thing, which is the accounts of companies.

1100 **Mr Speaker:** I am not in a position, obviously, to give a ruling just now, so I ask the hon. Member to write to me explaining exactly what it is that he wants a ruling on. I will then consider the exchanges – *Hansard* – and if necessary, before I give that ruling, I shall take advice.

1105 **Hon. R M Clinton:** Mr Speaker, I thank you for that.
If I may again beg your indulgence, I have quite a few supplementaries on this particular issue.

1110 Can I ask the Chief Minister to confirm to this House whether he signed a document purported to be a special resolution of Gibraltar Capital Assets Ltd on the 16th day of March 2016, basically substituting the Articles of Association of Gibraltar Capital Assets Ltd with new Articles of Association? Does the Chief Minister recall signing such a document?

Hon. Chief Minister: Mr Speaker, I would need specific notice of that question in order to enable me to consider whether it is an appropriate question for me to reply.

1115 **Hon. R M Clinton:** Mr Speaker, I am happy to give the Chief Minister a copy of such document and he could say to the House whether this is indeed his signature on this document and whether it is a valid document.

1120 **Hon. Chief Minister:** Mr Speaker, I have absolutely no intention of being asked to identify documents that rely on the veracity of a document put to me by a Member of the Opposition. If he wants me to consider a document, he can write to me and I can reply to him on it, but I am not going to entertain him by considering whether a document he puts to me is a genuine document or not.

1125 I put it to you, Mr Speaker, that if all of the questions that the hon. Member is going to ask now relate to the question on which he has asked for a ruling, he should write to you and seek a ruling, as you have indicated, before he continues.

1130 I would refer you, Mr Speaker, in fact, and him, to the Gibraltar House of Assembly Speakers' Rulings and Statements, which John E Alcantara very helpfully collated when he was Speaker in August 1996, and to the ruling by Mr Speaker on 24th January 1989 and the other ruling of Mr Speaker of 25th March 1980 in respect of the obligations of Members of this House to answer questions in respect of companies in which Governments have a share.

1135 **Mr Speaker:** In any case, I do not think it is the practice in any Parliament that I am aware of – certainly not in the Westminster Parliament – whereby a Member of the Opposition passes over to a Member of the Government a document and asks them to give such an opinion. I do not think that that is the practice. Governments and Oppositions do not hand over documents across the floor of the House.

Hon. R M Clinton: That is fine, Mr Speaker. I was just trying to be helpful. *(Laughter)*

1140 **A Member:** That's your opinion!

Hon. R M Clinton: I beg your pardon?

Mr Speaker, the reason why I asked the Chief Minister to identify this particular document is it is one where he authorises the change in articles to Gibraltar Capital Assets Ltd.

1145 Mr Speaker, I have to refer the Chief Minister to article 22(6) of those articles, which he did sign off on on behalf of Gibraltar Development Corporation, and it says:

The directors shall, in respect of each financial year, deliver to the Registrar of Companies a copy of the accounts.

And then, Mr Speaker, the definition of accounts in the mem and arts which he signed off on, states:

‘Accounts’ means the audited financial accounts of the company for each financial year and comprising a profit and loss account, balance sheet, cash flow, all the accompanying notes and including those reports mentioned in article 38(1) save for the most recent property valuation referred to in article 31D, and the executive director’s report included in the management accounts.

1150 And so, Mr Speaker, would the Chief Minister not agree with me that Gibraltar Capital Assets Ltd is in breach of its own articles?

1155 **Hon. Chief Minister:** Mr Speaker, I have told the hon. Gentleman that if he wants to ask me a question in relation to something like this, which does not arise from the supplementary or something which is that specific, he should write to me. And if he wants a ruling on whether or not we are obliged to reply in this House, he should write to you.

1160 If all he needs is more reading material for his night-time entertainment, I am quite happy to send him a copy – or buy him a copy, because I have not got one to share – of *Fifty Shades of Beige*, if he likes, but this line of questioning is simply going to elicit the same answer. If the hon. Gentleman simply wants to waste time or create drama by asking questions to which I will refer him to the same answer I have given, he is wasting Parliament’s time, in my submission.

1165 **Hon. R M Clinton:** Mr Speaker, the only person here who is wasting Parliament’s time is the Chief Minister. This is a matter of public interest. This is a company that mortgaged eight housing estates for £300 million, which for him is obviously chicken feed.

Mr Speaker, I think we are entitled on this side of the House to straight answers to straight questions.

1170 Is the Chief Minister not aware that under the same articles the bond note holders actually receive a copy of the accounts? And yet he is denying this Parliament that same privilege. The people who lend money to this company have more rights than Members of this House: does not the Chief Minister agree that that is frankly unacceptable?

Hon. Chief Minister: Well, Mr Speaker, I do fear he is becoming a little bit vituperative. He should be careful, it might affect his blood pressure.

1175 Mr Speaker, there are, of course, rights as a result of the bondholders’ relationship with the company, which will be different to the rights of the general public. That, of course, is absolutely entirely normal. It is nothing to splutter about, as the hon. Gentleman has been left to do.

1180 The hon. Gentleman seems to have the view that from the moment he was elected to this Parliament he has more rights than any member of the general public. Well, Mr Speaker, since he was elected into this Parliament he will have seen that we are in the process of filing accounts for all Government companies, something which requires a catch-up exercise since – wait for it, Mr Speaker – 1996. The hon. Gentleman knows that we are in the process of achieving that and he will have plenty to fill his long evenings when he has those accounts filed. He will be able to look at what they did with Government companies in the time that they were in office, which incidentally elicited the same answers that he is getting from me when we asked questions about those companies – although I think we were a little more circumspect because we understood the rulings of Mr Speaker from 1980 and from 1989.

1185 He will know that a Member of a Parliament is not entitled to more information than a member of the public. If he thinks that that is the case, Mr Speaker, then he is really in a situation of utter delusion. He believes he has been elected to privilege. He has not been elected to privilege; he has been elected to serve and to serve within the confines of the laws of the nation, which we must all abide by. We are not going to treat him more favourably than others

1195 and we are not going to give him copies of things which are publicly available – he should go and obtain his own copies – and if things are not publicly available, well then we are not going to make them available to him, in keeping with the established rulings of a number of Speakers of this House and in keeping with the practice established by a Government that had the political ideology that they represent and was led by a man who – as has escaped once again from the lips of the Hon. former former Leader of the Opposition – they describe as the greatest Gibraltarian of all time.

1200 **Hon. D A Feetham:** Mr Speaker, the Hon. the Chief Minister is pegging his answer on one simple misconceived premise, and that is that this information is not public information and therefore the hon. Gentleman is not entitled to the information because it is not public. But actually the reality is that this is a public company. It is a Government-owned company that is being used in order to facilitate the mortgaging of public estates, and the constitution of that
1205 company states that the company has to file publicly all the accounts, profit and loss account, and the balance sheet. So the only reason why the information is not public is because the Government has chosen to act in breach of the constitution of this very important company.

1210 Now, does the Hon. Chief Minister, as head of a Government that is supposed to be a responsible Government, think that it is right for a company of this nature to act in breach of its own constitution?

Hon. Chief Minister: The hon. Gentleman has not understood the questions from the person who sits to his right – the former Leader of the Opposition, the one who was ready to take over but was not quite able to find the support, to find that the current Leader of the Opposition
1215 enjoyed the support of no one and did not even stand in that election.

But anyway, first of all, ‘a public company’, the hon. Gentleman has said. A public company is a company that has, from my recollection, more than 50 shareholders. I do not know whether the rule has changed since I last looked at it. That is what a public company is. (*Interjection by Hon. D A Feetham*) A public company is a company which has more than 50 shareholders. If
1220 what the hon. Gentleman meant was a company the shares of which are owned by the Government, I refer him to the rulings of various Speakers, which I have done already.

The hon. Gentleman introduced the possibility that the Memorandum and Articles of the company had been amended in order to require it to file more than any other company has to file. I have not said that that is not the case; I have said I am not going to accept it across the
1225 floor of the House and that he should write to me in that respect. If he is right – and I am not going to look at it now across the floor of the House – then the hon. Gentleman would be completely wrong because then what the Hon. Mr Clinton is saying is that the Government required the company to file more than the law requires it to file and he would be left with a question that is based on an error because he has not understood the question asked earlier by
1230 his hon. Friend. And if Mr Clinton is right – and when he sends me the documents I will consider that – then the directors of the company may have failed to file the required balance sheet, not the Government which I am the head of the executive of.

I do not know whether he has understood it or whether he is going to get up in a vituperative fit like a jack-in-the-box and with his blood pressure all over the place, but I commend to him
1235 that he should have a quiet word with Mr Clinton before he springs up again and makes a fool of himself once more.

Hon. D A Feetham: Mr Speaker, I have to say he is on borrowed time, he really is. And the way that he answers questions, diverting, calling people fools and nobody is as intelligent as he
1240 is because he went to Oxford University, (**A Member:** Exactly.) that may have been acceptable to the people of Gibraltar four years ago but it is increasingly obvious that is not acceptable any longer and it is going to catch up with him.

1245 Can he at the very least guarantee this to this House: that if the hon. Member Mr Clinton writes to him and proves to him – and I have seen those documents and I have discussed it with him, and he should know because it was he who effectively substituted one set of articles for another; it is he who approved these articles, the Chief Minister ... if he establishes to the hon. Gentleman, as undoubtedly he will, that this company is in breach of its constitution in not filing a profit and loss account and a balance sheet, that the hon. Gentleman, as effectively the head of the Government and therefore the main shareholder in this company, that he will do what
1250 needs to be done to make sure that those documents are filed? Because it would be no answer, Mr Speaker, if what he then does – the hon. Member having proved to him that he is right – is substitute those articles for another set of articles to provide less transparency. Even he can see, surely, that that would really take the biscuit as far as lack of transparency is concerned.

1255 **Hon. Chief Minister:** Well, Mr Speaker, he wags his finger at me in a way that I suppose is reminiscent of the way that he would wag his finger –

Mr Speaker: May I intervene? I am wagging my finger at Hon. Members because they are now beginning to get out of hand. Let us stick to the merits of the matter. Let us not bring in anything that is extraneous, and do not debate. Let's get on with it.
1260

Hon. Chief Minister: Thank you, Mr Speaker.

The hon. Gentleman wags his finger at me as he must have wagged it, when he was the leader of the party opposite, at those who abandoned the party. Some of them have come back; others, as he indicated, have had the courage of their convictions and are standing alone (**A Member:** Yes.) and thereby led him not to be on borrowed time but to run out of time.
1265

That is the reality, Mr Speaker. If the hon. Gentleman wants to get up and talk about borrowed time, he has got to expect a response that deals with that. It appears to me, Mr Speaker, that he might imagine himself in a different parliament today, as if he is addressing the head of an executive on the Iberian Peninsula who is on borrowed time, but it is not the head of this executive.
1270

Mr Speaker, if what Hon. Members are saying in respect of the Memorandum and Articles of Association of this company is correct, then what they have caught me doing is seeking that further transparency and what they may have found is that the directors have failed to act in keeping with what I required them to do.
1275

What I am not going to do is accept today from them that the documents they put to me are authentic or current, but if the hon. Gentleman writes to me he will get a response from me that will deal with the issues that he raises. Mr Speaker, it is very clear to me that if I have signed a document after a company has been incorporated to require it to do more than the law requires, I am not going to go back on that as long as the document the hon. Member shows me is a genuine one that I filed and that I genuinely signed.
1280

And I will ensure that I have access to originals and not copies sent across the floor of the House as if this were a courtroom, which it is not. I have to remind Hon. Members that there are three branches of Government and this is the legislature, not the judicature.
1285

Mr Speaker: Next question.

Q426-428/2018

**Gibraltar Development Corporation –
Borrowings; guarantees; purchase of shares in Gibraltar International Bank**

Clerk: Question 426. The Hon. R M Clinton.

1290 **Hon. R M Clinton:** Mr Speaker, can the Government please advise if it has given any consent for the Gibraltar Development Corporation to borrow money under section 20(2)(b) of the Gibraltar Development Corporation Act, being from a person other than the Consolidated Fund; and if so, from whom and for what period and terms?

Clerk: Answer, the Hon. the Chief Minister.

1295 **Chief Minister (Hon. F R Picardo):** Mr Speaker, I will answer this question together with Questions 427 and 428.

Clerk: Question 427. The Hon. R M Clinton.

1300 **Hon. R M Clinton:** Mr Speaker, can the Government please advise if it has given any guarantees under section 21 of the Gibraltar Development Corporation Act?

Clerk: Question 428. The Hon. R M Clinton.

1305 **Hon. R M Clinton:** Mr Speaker, can the Government please advise why the Gibraltar Development Corporation purchased a further £20 million of ordinary B shares in the Gibraltar International Bank in December 2017?

Clerk: Answer, the Hon. the Chief Minister.

1310 **Chief Minister (Hon. F R Picardo):** Mr Speaker, as I responded to Question 462/2017, the Government has decided that the best way to invest in GIB is via the GDC.

1315 As hon. Members know, the GIB has been incredibly successful and part of that success requires the bank to have sufficient capital. It has now grown to a stage where, in order to take the next step in its growth, it would require an extra £20 million of capital and this was met by issuing further class B shares purchased by the GDC.

1320 The Government did grant consent to the GDC to borrow under section 20(2)(b) of the Gibraltar Development Corporation Act and to our knowledge there have been no guarantees granted under section 21 of the same Act.

Hon. R M Clinton: Mr Speaker, I thank the Chief Minister for his answer.

Can he advise why it was that there were in fact two investments in the same year: one of £10 million in April 2017 and then a further £20 million in December 2017?

1325 **Hon. Chief Minister:** Because capital increases were required at different times, Mr Speaker.

Mr Speaker: Next question.

Q429/2018
Barclays and NatWest Banks –
Assignment or novation of loans or facility agreements

Clerk: Question 429. The Hon. R M Clinton.

1330 **Hon. R M Clinton:** Mr Speaker, has the Government agreed to the assignment or novation of any loans or facility agreements due to Barclays Bank or NatWest; and if so, in what amount and to whom?

Clerk: Answer, the Hon. the Chief Minister.

1335 **Chief Minister (Hon. F R Picardo):** Mr Speaker, there has been no assignment or novation of any loans or facility agreements due to Barclays Bank or NatWest.

The only change of any loan has been the loan with GCP Investments Ltd. In this case, GCP Investments Ltd repaid in full an existing loan it had obtained when the GSD were in power – and as a Government company it was doing borrowing when the GSD were in power. Barclays provided this opportunity in loan documentation to repay the amount outstanding. This was incurring an extremely high interest rate negotiated by the Hon. Mr Clinton's party when they were in Government. GCP therefore sought a new finance option at a much cheaper cost. GCP Investments was also therefore able to release security in the process.

1340
1345 **Hon. R M Clinton:** Mr Speaker, I am grateful to the Chief Minister for his comprehensive answer.

If I am to understand the Chief Minister correctly, the loan is repaid but the money for the repayments of that loan presumably came from another provider. How was it that he was able to release security on the loan? Is it that the property value went up, or the new lender required a lower loan-to-value ratio (LTV) on the loan?

Hon. Chief Minister: Mr Speaker, I believe that property values have gone up quite considerably in the period since 2010 and that is what enabled us to ... I am sure that the LTVs required were maintained despite the portfolio being not as generous as the one that was initially required.

I can tell him that there were 13 properties mortgaged and now there are only six properties mortgaged. So they were required to mortgage 13 properties. We were only required to provide security over ... Sorry, there were 13 under them; now there are only six.

1355
1360 **Hon. R M Clinton:** Well, I must confess, Mr Speaker, I must congratulate the Chief Minister.

Hon. Chief Minister: On the interest rate?

Hon. R M Clinton: Well, that belongs to a different question!

1365 Can I ask the Chief Minister if he is willing to disclose to this House the name of the new lender?

Hon. Chief Minister: Mr Speaker, of course I am. The new lender is the Gibraltar International Bank and I am also very pleased to tell the House –

1370 I do not know whether the hon. Members are guffawing because they think that the Gibraltar International Bank deals with the Government other than on entirely commercial terms. If I may say so, Mr Speaker, the Gibraltar International Bank has been a huge success because of the professionalism of the people who are running it, and of its board and of the way that they deal at arm's length with every transaction that they deal with, whether it involves the Government or not – and their guffaws are hugely disrespectful to those people, Mr Speaker.

1375 The interest rate that they obtained at the time that they negotiated this loan for GCP was 6.82%, whilst the rate now enjoyed by the taxpayer is 2.5% for the first three years and an option to commit to another fixed rate or a variable rate of 2.25% over base.

1380 I should also say, Mr Speaker – and it was churlish of me not to start this way – I must thank the hon. Gentleman for his kind congratulations.

Hon. R M Clinton: Mr Speaker, credit is always given where it is due.

Can I ask the Chief Minister what is the amount of the loan? I am trying to recall whether it was £20 million or some other amount. If he could advise the House, I would be grateful.

1385 **Hon. Chief Minister:** Mr Speaker, this is one of the loans that I referred him to in the response to the Budget speech, I think last year or the year before, when he said that we were borrowing through Government companies. I showed him the example of the fact that borrowing through Government companies was something that they had introduced and at eye-watering rates. That is no criticism, because if those were the rates applicable at the time that you took a loan then it is difficult to do otherwise. But the loan amount was £16 million and it is still £16 million.

Mr Speaker: Please, are there any other supplementaries on this?
Next question.

Q430-432/2018

**Legal threats for defamation against Chief Minister –
Administrative process; number of letters issued; cost**

1395 **Clerk:** Question 430. The Hon. R M Clinton.

Hon. R M Clinton: Mr Speaker, can the Government advise the administrative process for the issuing of legal letters claiming defamation against the Chief Minister on Facebook by residents of Gibraltar?

1400 **Clerk:** Answer, the Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Mr Speaker, I will answer with Questions 431 and 432.

1405 **Clerk:** Question 431. The Hon. R M Clinton.

Hon. R M Clinton: Mr Speaker, can the Government advise the number of legal letters issued claiming defamation against the Chief Minister to residents of Gibraltar for comments on Facebook in the period December 2011 to April 2018, together with total cost and details of law firms instructed to issue such letters?

1410 **Clerk:** Question 432. The Hon. D A Feetham.

Hon. D A Feetham: Mr Speaker, since the Chief Minister was elected in December 2011, how many legal threats for defamation has he issued against citizens in Gibraltar?

Clerk: Answer, the Hon. the Chief Minister.

1420 **Chief Minister (Hon. F R Picardo):** Mr Speaker, it is in the public interest of Gibraltar that its Ministers should defend their professional reputations when confronted with defamatory and untrue allegations.

Too often on social media individuals express themselves without a filter of truth, probity or any understanding of the need to ensure that the things they say are not in any way libellous of others.

1425 Indeed, the Hon. Mr Feetham has himself on a number of occasions issued letters before action and even started proceedings and obtained orders of the Supreme Court in respect of libel proceedings. Indeed, I recall that in one case Mr Feetham actually obtained a restraining order preventing a newspaper from mentioning him as a result of a libel action that he took at a time when he was Minister for Justice. That may be the reason behind his questioning in 2013

1430 about how funding could be made available for him, other Opposition Members or indeed retired Government Ministers.

In the almost seven years that I have been in office I have had cause to have six matters taken up by solicitors against residents of Gibraltar. Additionally, on four occasions I have had cause to take action against individuals who are not resident in Gibraltar. In some of the instances the matter included threats of violence also against my person and members of my immediate family.

The costs involved were as follows: in financial year 2013-14, £5,602; in financial year 2014-15, £7,196; in financial year 2015-16, £3,036; in financial year 2016-17, £6,056; in financial year 2017-18, £2,031; and in financial year 2018-19, which is the year we are in at the moment, £6,057.

The law firm involved on each occasion was Hassans, the same law firm Mr Feetham used for the libel action I referred to above.

Hon. R M Clinton: Mr Speaker, I am grateful to the Chief Minister for his answer but I did not hear anything about the administrative process for the issuing of legal letters. If he could enlighten the House on that, please?

Hon. Chief Minister: Mr Speaker, I think something has fallen out of the answer I have read. The first sentence was, when I last checked it before printing, that the position remains as set out in Question 430/2013.

Hon. R M Clinton: Mr Speaker, can the Chief Minister confirm then that the Attorney General's advice was sought in each case? And if I can ask who is it that instructs Hassans: is it the Attorney General or himself directly?

Hon. Chief Minister: Mr Speaker, I think those answers are contained in the answer to Question 430/2013.

Mr Speaker: Any other supplementaries?

Hon. D A Feetham: Yes, Mr Speaker. Yes, I have taken proceedings in the past. I cannot recall taking the proceedings that the hon. Gentleman mentions, but I will take his word for it. The difference between him and me is that when I have defended my reputation I have put my hand in my pocket and I have paid for it myself. What I want to know is on what basis does he justify that the taxpayer should pay for his defamation cases, which at the end of the day is a personal claim – that is what it is, a personal claim – that his reputation has been damaged as a consequence of a falsehood, because of course you cannot defame a government and he knows that, and you cannot defame an office holder. The claim is a personal claim, and therefore why should the taxpayer fund his personal claims against Gibraltar residents?

Hon. Chief Minister: Well, Mr Speaker, I do not accept that he paid his legal fees when he decided to take legal action. He took legal action when he was Minister for Justice. He was represented inter alia by his brother at Hassans. He got an injunction against the Vox newspaper that they would never mention him again – not that they would not libel him again. He pushed and turned the screw to stop himself being mentioned again in the newspaper.

This is really quite remarkable, Mr Speaker. If he says he put his hand in his pocket, I will tell him I do not believe that he did. He would be completely wrong if he had and the Government will reimburse him if he is able to show that he paid a penny, because if he was defamed – and I cannot remember what the defamation was – in the context of the discharge of his office, he is entirely entitled to be represented on the taxpayer's billet for a simple reason: because the defamation is not of the individual.

1485 If the defamation were that the Hon. the Chief Minister was a terrible lawyer, that is not something that the taxpayer should be responsible for defending me on. But if the defamation is in respect of the discharge of the office, then there is a very good reason why historically all of those fees have been paid by the taxpayer, not just in Gibraltar but elsewhere, Mr Speaker.

1490 But what he wants to do is to set up this idea that somehow people have been subjected to legal letters from the Chief Minister's solicitors. Well, Mr Speaker, I suppose there are people who are close to them who have suffered this because their defamation of the Chief Minister has resulted in them having to apologise because they have received legal letters and they have realised that they have defamed people, and some of them are even now on their executive. So I fully understand why it is that they are pursuing this now. This is now a personal matter relating to members of their executive.

1495 When he was in government, Mr Speaker, he took legal action and he understood the importance of that. We are defending the reputation of the office of Chief Minister or the ministerial office of any other, and when people make allegations which are defamatory and untrue it is absolutely right that they be challenged about that. They would not be making allegations about me in respect of the discharge of my office if I did not hold my office, and that is why successive Governments of Gibraltar have seen successive Ministers – and I will not mention any others, Mr Speaker, because I do not want to mention anybody's father. I am not talking about the hon. Lady, but successive Ministers – I am *not* talking about the hon. Lady – have had their claims for libel funded by the Gibraltar taxpayer.

1500 And so, Mr Speaker, he can get up and try and become a champion as much as he likes, which is what he is trying to do. This is not about the issue, because the last time he asked me the question he was not saying, 'It's terrible that your fees were paid'; the last time he asked me the question he was saying, 'Can my fees be paid as a Member of the Opposition, or can a retired Minister's fees be paid?' He was trying to expand the franchise of payment, not reduce it. But, look, I have got used to the fact that he says one thing one day and another thing another.

1510 The one thing left to determine in respect of his career in this place is simply whether he is going to try and come back after the next election. Is he going to stay or is he going to go? Is he on borrowed time? Is he trying to buy more time? Those are the issues for him, Mr Speaker.

Mr Speaker: Out of order. That last comment was out of order.

1515 **Hon. D A Feetham:** Well, thank you very much, Mr Speaker. I have to say he seems obsessed by what decisions I might take in the future.

Mr Speaker, just from the answer, really ... I always know when the hon. Member is rattled –

Mr Speaker: Could we have a question? Instead of debating, ask a question.

1520 **Hon. D A Feetham:** Yes, I am going to ask a question, Mr Speaker. I always know when the hon. Member is rattled, when he gives these rambling answers, trying to find ways in which he can avoid answering the questions.

I must make two points, Mr Speaker. First of all –

1525 **Mr Speaker:** You are going to ask a supplementary question –

Hon. D A Feetham: Yes, I am. I will phrase it –

1530 **Mr Speaker:** – without a lengthy preamble. Without a lengthy preamble you are going to ask two supplementary questions. Go on.

Hon. D A Feetham: Mr Speaker, the people of Gibraltar will be able to see, just from this exchange, the difficulties that the Opposition faces when the hon. Gentleman is allowed long

1535 rambling answers, making points that are inaccurate. And when I, or somebody on this side, rises – *(Interjection by Mr Speaker)* Okay, Mr Speaker.

Mr Speaker: Finish your point. Finish your point.

1540 **Hon. D A Feetham:** When somebody on this side rises in order to correct the record by way of a question, we are cut short.

Mr Speaker, does he not accept –?

1545 **Mr Speaker:** No, I must answer that. You are inferring by what you are saying that I am biased against Opposition Members.

Hon. D A Feetham: No, I am not saying that, Mr Speaker.

Hon. Chief Minister: Yes, you were.

1550 **Mr Speaker:** Are you or are you not saying that? That I do not treat Opposition Members in the same way as I treat Government Ministers? Are you saying that?

1555 **Hon. D A Feetham:** Mr Speaker, I am saying that on this occasion and on others we have not been treated in the same way. That does not imply – *(Interjection by Mr Speaker)* May I finish? No, Mr Speaker has imputed on me an allegation that I am saying that he is biased, and I am entitled to defend myself. I am trying to keep the tone as cordial as possible.

1560 I am not saying that, because there may be a number of reasons, one of which is the way that Mr Speaker interprets the Rules – bona fide, even though I may not agree with it; the bona fide interpretation of the Rules that says ‘he is allowed to give a long rambling answer referring to irrelevancies left, right and centre, but you, Mr Feetham, or somebody on this side of the House, you have got to keep your answers short and sharp’.

1565 That is what I am referring to, and I believe that anybody listening to this exchange and considering that in its proper context, without imputing bias on Mr Speaker, is likely to say, ‘Well, actually, he’s right.’

1570 **Mr Speaker:** But would the hon. Member accept that invariably at Question Time I have to allow a Government Minister to answer a supplementary that has been put by the Opposition, and therefore by the nature of things it is likely that the Government Minister is going to have the last say? Otherwise, the process continues indefinitely. And when a Member of the Opposition asks a supplementary I should stop and move on to the next question and not allow a Minister to answer that point?

1575 Now, the other thing that I am going to say is about the length of ... When did we meet, yesterday? I mentioned it yesterday that on a number of occasions I have asked Ministers to make their answers shorter. Sometimes it is not very easy for me to control them – there is a very lengthy answer coming up, maybe it has to be very lengthy – but I wish I had the power to control the length of answers. Invariably, the moment a Minister introduces extraneous matters, I hold the Minister to account. I ask him to get on with the business at hand and I am anxious to do that. I do not want to be here listening to exchanges longer than I have to.

1580 It is just as well that we have the system here in the Gibraltar Parliament that hon. Members address me, the Speaker. If they addressed each other, some of them I think would finish up crossing the floor with perhaps an exchange of fisticuffs. It is just as well that we do not have the system which I was observing earlier this afternoon in the Cortes in Madrid, where they address each other and they insult each other. That does not happen here. Thank God it does not, because I do not know who could keep control otherwise.

1585 So let's see if we can tone the whole thing down. Let's see if we can make progress, because we cannot be here this evening beyond 7.15.

Hon. D A Feetham: Mr Speaker, I will ask three supplementaries in a go and then I will sit down, and that is it.

1590 First of all, does he not accept that in fact he has been inaccurate in the information he has given the House, because the libel case that he refers to is not a libel case that I took; in fact, it is a libel case that my brother, a social worker, took against the *Vox* newspaper? That is the first.

1595 Secondly, that I have never asked for funding for me in relation to a defamation case; that my questions have always been about, 'Well, hang on a minute, if you say that the taxpayer should fund the Chief Minister of Gibraltar because somebody has libelled him in his capacity as Chief Minister of Gibraltar, if somebody as Leader of the Opposition is libelled in his capacity as the Leader of the Opposition, what is the difference?' That was the point that was made in 2013.

1600 And the real supplementary question that I wished to ask in relation to this – because, as always, he always manages to side-track me, and that is something that to his tactical credit he always does very well – is doesn't he agree with me that he has obtained, acquired I should say, a reputation over the last seven years of being Chief Minister of being the most trigger-happy Chief Minister who has ever served in Gibraltar, in terms of issuing these legal letters, and that it is not right to have the Chief Minister of Gibraltar, backed by the taxpayer, issuing so many legal letters for defamation? Does he not agree with me in relation to that?

1605

Hon. Chief Minister: Mr Speaker, let me start with the first of those questions. I do not agree that the case was about his brother. The case I am referring him to is the case in which *he* obtained an injunction to prevent *himself* from being mentioned ever again in the *Vox* newspaper. So that was not his brother, Mr Speaker. Why would, in a libel case about his brother, *Vox* be ordered not to mention *him* ever again?

1610

Second, Mr Speaker –

Hon. D A Feetham: Will you give way?

1615 **Hon. Chief Minister:** No, I don't want to give way.

Second, Mr Speaker, the question of funding is very clearly one that he took in 2013 from a different perspective. In 2013 he wanted the blanket of financial cover for himself also. He wanted the Leader of the Opposition, as he has now said – because he was then the Leader of the Opposition – to also be covered and he wanted to extend it backwards even further to instances when he might have been allegedly libelled in respect of his position as a Minister. *Then* he thought it was in his interests to try and obtain financial support for that position; *now*, because he thinks it is popular – although he has told us he is a man with no axe to grind and is not going to stand for election again – he is going to try and criticise me for having taken action to protect my reputation when I am challenged with defamatory allegations as Chief Minister.

1620

1625 Look, you can be challenged, you can be made fun of, people can take a contrary view to you, but if they say some other things which are defamatory it is absolutely right and proper that people should be subject to legal action. That is what the law is there for.

Mr Speaker, the final question. I am the first Chief Minister of Gibraltar in something called 'the social media age'. So, before, people would libel one in a letter to a newspaper or in a newspaper. There are responsible newspapers and irresponsible newspapers. He was very closely associated with a newspaper called the *Seven Days*, which was an irresponsible newspaper, Mr Speaker, funded entirely by the Gibraltar taxpayer for the purposes of doing GSD propaganda. They would publish anything.

1630

1635 Normal media outlets have a filter of truth and probity and of checking. When people on social media say something, they do not realise sometimes what they are doing, and that is why there have been no damages actions. There have been no attempts to get people to pay in any

1640 way. It is to remove comments which are seriously untrue, libellous and defamatory, and it is absolutely right that a person, whoever they may be, should take action in those circumstances, and if that person happens to be an office holder of the Government of Gibraltar it is absolutely right that they should be defended in the discharge of their functions by the taxpayer. I said it in 2013 and I am not going to change my mind. Mr Speaker, I think it is absolutely right that that should be the case.

1645 They can rabble rouse and get people to think that somehow this is an abuse, but when they rabble rouse I will be there with the answer to Question 514/2013 to remind the general public that they were seeking the financial cover for themselves to do exactly the same thing. That is the typical hypocrisy of double standards, the hypocrisy that Mr Llamas told us was endemic in the GSD – until he went back to them.

1650 **Hon. D A Feetham:** Mr Speaker, I do not accept again how he has characterised it *at all*. In fact, the questions were all directed as on what basis ... how is the decision being taken that a Chief Minister or a Government Minister is being funded by the taxpayer, and if it's qua, in his capacity as an office holder? What is the difference between an office holder there and an office holder somewhere else on this side? That was the issue; it was an issue about process.

1655 **Mr Speaker:** What about this side?

Hon. D A Feetham: Or Mr Speaker, absolutely.

1660 Does he not accept that it is demeaning to his office to be trawling the internet and social media finding who next he is going to be sending a legal letter backed by an international firm of solicitors – my firm, I accept – funded by the taxpayer, in order to send these threatening legal letters?

1665 Quite frankly, if that were happening in the United Kingdom there would be an absolute outcry and I just cannot imagine a leader of another democratic country using public funds in this way in order to sue or threaten to sue members of the public. I just cannot see it. And I have to say that it demeans his office, it demeans him, and I ask him: does he agree with that?

1670 **Hon. Chief Minister:** Well, Mr Speaker, I obviously do not agree with that, for all the reasons I have given him, but I see the evidence of what he is trying to do. He is trying to rabble rouse on the issue and I am sure that those in his executive who have been subject to these legal letters from *his* firm for having said things which are libellous and defamatory, will be delighted to see him now as their champion.

1675 But you see, Mr Speaker, there is a big difference between Members sitting on that side of the House and us on this side of the House. It is an obvious difference, it is a legal difference – he understands it but he does not care to reflect on it today in order to be able to pose the questions that he has posed to try and achieve what he is trying to achieve. We are members of the executive, Mr Speaker; they are not members of the executive. They are Members of the Parliament and we are all Members of the Parliament, but we are members of the executive. We are charged with the obligation of discharging the functions of Government, something that from the minute he started leading the party opposite people were never going to entrust them to do ever again.

1680 But, Mr Speaker, he has an idea of what it is that we do which is entirely wrong. I do not trawl social media; in fact, I have very little time for social media. I saw that somebody asked me to do something last week on social media, which I would have done to support a charity, but I did not see that because I do not have time to see social media.

1685 What happens is that things are brought to the attention of Government when they are as outrageous, and indeed potentially violent and dangerous, as the instances that I have referred hon. Members to. In some instances they are referred to us by other authorities. In those instances, when it is brought to our attention and if it is definitely defamatory and libellous, then

1690 people are asked simply to take down what they have said. That is absolutely right and proper and it demeans an office not to defend it.

1695 I will tell him something that he will perhaps never understand. Having held the office of Chief Minister now for almost seven years because the people of Gibraltar have allowed me the privilege to do so, I will defend this office even when I do not hold it and even if a member of another party does not hold it, because it is the executive office of political leadership of this nation. And whether it is in respect of Joe Bossano, Peter Caruana, Adolfo Canepa, Bob Peliza or Sir Joshua Hassan, it is absolutely right that we should all understand how important it is that the office of Chief Minister and what it does be defended, in particular given the external threats that Gibraltar faces. The same is true for the office of each one of the members of the Cabinet and each one of the Ministries that they lead, because we do so responsibly and to accept a
1700 defamation, a libel of the way that those offices are being discharged is in fact to accept a defamation of the way that we do government in this community.

1705 We are seeing on the Iberian Peninsula today how actions that are absolutely inappropriate and improper, and improperly dealt with in courts, affect people's ability to respect their government, and we will defend the right to have the Government of Gibraltar respected, the office holders of Gibraltar and its Government respected, whether we are the ones in office or not. Allowing defamatory remarks to go unchallenged when they are untrue is to allow the office to be demeaned by those who seek to do partisan damage without regard to the political damage that they do to the Gibraltarian nation.

1710 **Hon. R M Clinton:** Mr Speaker, I have now had the opportunity to go back and look at a question from 2013 the Chief Minister referred to, Question 430/2013, which is by pure and utter coincidence obviously an identical reference to my Question 430/2018. The question asked at the time was: 'Can the Chief Minister state whether it is Government's policy' –

1715 **Mr Speaker:** Just a moment. This is a supplementary you are asking from ...?

Hon. R M Clinton: Yes, from the answer, from Question 430.

Mr Speaker: To which question?

1720 **Hon. R M Clinton:** Question 430/2013. The Chief Minister referred to a question which happened to be Question 430/2013.

Mr Speaker: Very well.

1725 **Hon. R M Clinton:** Thank you very much, Mr Speaker.

1730 I was just reading the question that was asked at the time and it read: 'Can the Chief Minister state whether it is Government's policy to fund all libel claims brought by a serving Government Minister against a media publication?' Mr Speaker, this is a question asked specifically about Government policy; my Question 430/2018 is about the administrative process. I was wondering if the Chief Minister could answer the question that I set. I have read the supplementaries in *Hansard* and I do not see the answer.

1735 **Hon. Chief Minister:** Well, I think that the answer is there, Mr Speaker. The policy and the administrative process are all described there and in Question 514/2013. It is a serendipitous coincidence that both are Question 430 in 2018 and 2013.

Hon. R M Clinton: Mr Speaker, would the Chief Minister agree with me that in answer to Question 430/2013 there is not a single reference to the involvement of the Attorney General?

1740 **Hon. Chief Minister:** Mr Speaker, I agree with that, and the policy and the administrative procedure is what is described in Question 430. He asked me does it involve the Attorney General. I referred him to that.

1745 **Hon. R M Clinton:** Would you not think it would make sense for the Attorney General to be involved in the process and giving advice?

Hon. Chief Minister: Well, Mr Speaker, if I thought that was the case I would have answered differently.

1750 **Hon. R M Clinton:** Mr Speaker, can the Government then explain what legal advice they take prior to issuing instructions if the Attorney General, i.e. the lawyer for the Government, is not present?

1755 **Hon. Chief Minister:** Mr Speaker, the Attorney General does not have to be present when the Government takes legal advice in all respects. The Government takes legal advice from the Attorney General, from the Gibraltar Law Officers and from private chambers.

Mr Speaker: Next question.

Q433/2018
Varyl Begg Social Club –
Plans for relocation

Clerk: Question 433. The Hon. D A Feetham.

1760

Hon. D A Feetham: Mr Speaker, what are the Government's plans for the relocation of the Varyl Begg Social Club?

Clerk: Answer, the Hon. the Chief Minister.

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Chief Minister (Hon. F R Picardo): Mr Speaker, I have met with the Varyl Begg Social Club committee and assured them of Her Majesty's Government's commitment to relocate the Varyl Begg Social Club to a suitable permanent premises as soon as these become available. A temporary facility is being provided in the interim in the south west area of Varyl Begg on a site identified in conjunction with the committee.

1770

Despite the best attempts of the former, former Leader of the Opposition to agitate the members of the committee of the social club, they very sensibly continue to work with the Government to resolve the issue of their relocation.

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Hon. D A Feetham: Mr Speaker, I will ignore the barbed comment. Can he at least give a commitment to this House and also to the people who live in Varyl Begg that the Varyl Begg Social Club will be relocated within the Varyl Begg estate?

1780 **Hon. Chief Minister:** Mr Speaker, I have given a commitment in terms of the first answer, which the hon. Gentleman does not seem to have accepted.

Hon. D A Feetham: Mr Speaker, I will be corrected if I am wrong. Perhaps I did not hear the answer properly – and I apologise if I did not – but he did not give a commitment that he was going to relocate ... He gave a commitment that he was going to relocate but not that he was

1785 going to relocate within the Varyl Begg Estate, and I will tell you why: because the information
that has come to the Opposition is that the plan of the Government is to relocate the Varyl Begg
Social Club to Chilton Court. Of course, the Chilton Court Varyl Begg Social Club does not have
the same ring to it as the Varyl Begg Social Club. It is the Varyl Begg Social Club; it should be
located within Varyl Begg. That is important to the residents of Varyl Begg and I am asking the
1790 Chief Minister to provide that commitment.

Hon. Chief Minister: Well, Mr Speaker, I do not know which of the residents of Varyl Begg he
spoke to, because I met with the ones that signed this petition asking for it not to be in a
particular area of Varyl Begg and those who represented these ... By the way, I'll fan it for him
1795 again, Mr Speaker. These representatives also were very keen not to have it on other sites in
which it would fit in Varyl Begg, Mr Speaker.

So I do not know who he is holding a brief for, because the members of the committee are
discussing with us various different locations, some in and some out of Varyl Begg. The people
who signed the petition did not want it in one particular place, and the people who came
1800 representing the people who signed the petition did not want it in any other place.

Unless he is going to pretend that he has the ability to expand Varyl Begg now, it may be very
difficult to give the commitment in the terms that he seeks. Nonetheless, we are working
towards actually achieving the commitment in that way, but I cannot say that it will definitely be
achieved in that way.

1805 Mr Speaker, finally, I am surprised that he has taken the position he has taken on the basis of
the information reaching him as a member of the Opposition. When he turned up at Varyl Begg
he said he was there as a friend, not as a Member of Opposition, not to do politics but to offer
free legal advice if they wanted it. Unfortunately for him, they told him they did not want it.

1810 **Hon. D A Feetham:** Well, Mr Speaker, I have to say he continues to, with impunity almost, in
the answers – very little that I can do, I have to say, but with impunity – distort and
misrepresent.

Yes, of course I was there. I was there because I was asked, by people who actually work
there and also residents of Varyl Begg, for me to be there in order to advise them about the
1815 process and to try and help them out. That is what I did, that is my role, and indeed if I am asked
to help anywhere else that is what I will do because I am paid by the people of Gibraltar to do
that. And even if I was not paid, the reality of the situation is that Varyl Begg is very close to my
heart because I grew up there and my mother lives there, and I have probably been to the Varyl
Begg Social Club far more times than the Hon. the Chief Minister has or ever will be going to the
1820 Varyl Begg Social Club.

Can I ask him this: outside the Varyl Begg Social Club, what are the locations that the
Government is looking at? And am I right that the Government is looking at Chilton Court?

1825 **Hon. Chief Minister:** Mr Speaker, the Government is considering a number of locations. None
of them are receiving any consideration which is yet fixed and therefore I am not going to get
drawn on the subject, but I have already said that some may be in Varyl Begg and some may be
outside.

Mr Speaker, I would be surprised if he has been to Varyl Begg Social Club very often since
they started flying the GSLP flag; I thought he found that now entirely anathema.

1830 But it is true he grew up there, Mr Speaker. I did not, but I have attended very many fantastic
GSLP bingos and other events there, and indeed a number of birthday parties, and therefore I
sincerely hope we will be able to provide a fantastic facility for the residents of Varyl Begg of the
order of that provided for them before by the GSLP when Pepito Baldachino was then Minister
and they provided the excellent facility that they had, which fell to a great extent into less use
1835 than it had before.

1840 We remain entirely committed to providing the Varyl Begg Social Club with brilliant facilities, and maybe here or from elsewhere – given that he has no axe to grind and he will not be offering himself for election next time round – he might actually be able to bring himself one day to utter the words that Roy Clinton uttered at the beginning of his questioning of me in respect of an earlier question when he said, ‘I congratulate the Chief Minister’, once we have provided a fantastic new site for the Varyl Begg Social Club.

1845 **Hon. D A Feetham:** Mr Speaker, actually it was GSLP members who invited me, so I have to say they must have been pretty discontented to ask me. Indeed, what they said to me is, ‘Fabian doesn’t really understand us, but Joe Bossano does because he’s the president of the social club.’

Can I ask the Father of the House whether at least he could, as President of the Varyl Begg Social Club, take a personal interest in relation to this?’

1850 **Mr Speaker:** You cannot ask him.

1855 **Hon. Chief Minister:** No, Mr Speaker, he cannot ask that question because the Hon. Minister is not here in his capacity as President of the Varyl Begg Social Club, and he knows that but he is just making mischief.

Mr Speaker: And the Speaker is getting a little bit tired, he tells me, because some of the ... This afternoon I think hon. Members are letting themselves down. Some hon. Members are behaving as if they have not left primary school.

Next question.

Q434-441/2018
Rifaat al-Assad –
Europort Trust transaction

1860 **Clerk:** Question 434. The Hon. D A Feetham.

1865 **Hon. D A Feetham:** I am not sure this is the appropriate question to try and calm things down, but prior to the sale of blocks 6-9 Europort to Glenthorne Holdings Ltd did the appropriate authorities in Gibraltar consider freezing the assets of Mr al-Assad and his family?

Clerk: Answer, the Hon. the Chief Minister.

Chief Minister (Hon. F R Picardo): Mr Speaker, I will answer with Questions 435 to 441.

1870 **Clerk:** Question 435. The Hon. E J Phillips.

1875 **Hon. E J Phillips:** Mr Speaker, can the Government confirm that the Chief Minister was informed by the Minister for Financial Services that his family trust, from which he is excluded as a beneficiary, was intending to be involved as one of the ultimate beneficiaries of the company that is purchasing the Europort blocks 6-9?

Clerk: Question 436. The Hon. E J Phillips.

1880 **Hon. E J Phillips:** Mr Speaker, in light of the approval of the sale of Europort by the Supreme Court and the recent international allegations and proceedings that have surfaced in relation to

Rifaat al-Assad, can the Government state whether the Attorney General is intending to take steps to freeze distributions of the sale proceeds to the al-Assad family?

1885 **Clerk:** Question 437. The Hon. E J Phillips.

Hon. E J Phillips: Does the Government or the Attorney General have information in relation to the Assad family's wealth that goes beyond that put to the Supreme Court in the recent Europort Trust case?

1890 **Clerk:** Question 438. The Hon. Ms M D Hassan Nahon.

Hon. Ms M D Hassan Nahon: Was the Government aware of the Rifaat al-Assad Europort transaction prior to it going before the courts?

1895 **Clerk:** Question 439. The Hon. Ms M D Hassan Nahon.

1900 **Hon. Ms M D Hassan Nahon:** Is the Government satisfied that the Rifaat al-Assad transaction has not damaged or does not have the potential to damage Gibraltar's reputation as a finance centre, whether as a result of Assad or the fact that the family of a Minister is involved in this deal?

Clerk: Question 440. The Hon. Ms M D Hassan Nahon.

1905 **Hon. Ms M D Hassan Nahon:** Does the Government not agree that any business done in Gibraltar with Rifaat al-Assad could have reputational consequences for the jurisdiction, especially in light of the existing investigations and freezing orders which affect Rifaat al-Assad?

Clerk: Question 441. The Hon. Ms M D Hassan Nahon.

1910 **Hon. Ms M D Hassan Nahon:** Is the Government satisfied that there is no conflict of interest insofar as a company owned by a trust held for the benefit of the family of a Government Minister acquiring property with substantial Government tenants and who will have the ability to negotiate these renewals and rents in the future?

1915 **Clerk:** Answer, the Hon. the Chief Minister.

1920 **Chief Minister (Hon. F R Picardo):** Mr Speaker, as Government stated in its Press Release 280/2018, the Government can clarify that the acquisition of the Europort property by Mr Rifaat al-Assad was notified to the GSD Government in 1999-2000. I can confirm that the GSD made no attempt to stop the purchase. They let him in. It is as a result of that acquisition at the time that the GSD were in Government that the Assad family has been able to hold the Europort property asset.

1925 The acquisition of 6-9 Europort by Mr Assad took place on 14th June 2000, therefore 16 years following his exile from Syria. The allegations against him in France were made in 2013 and relate to alleged acquisitions of property by Mr Assad between 1984 and 1992. The case is still ongoing. There is also a similar investigation ongoing in Spain.

1930 The Gibraltar authorities have, for a number of years now, been co-operating with the French authorities who are investigating Mr Assad. That close co-operation has included providing information and data as required by international transparency and disclosure rules and, as Gibraltarians would expect, given the gravity of the unsavoury allegations against Mr al-Assad.

Indeed, since August 2015 Gibraltar has been aware of the investigation by the French authorities into Mr Assad and has been co-operating to the fullest degree with the French

1935 authorities not only by the provision of information and data, but also by a face-to-face meeting with the Senior Vice-President of the High Instance Court of Paris who is charged with the investigation in France, and also with the chief investigator in France. I personally met this gentleman to pledge Gibraltar's support for the investigation.

1940 Active consideration was given as soon as Gibraltar became aware of the investigation in France as to the possibility of seeking freezing orders, and such consideration was constantly under review. No application was made, as the Government is advised that legal requirements could not be and still cannot be met. The French and Spanish authorities have frozen properties and bank accounts in Spain, France and England.

The French and Spanish authorities have been aware for a considerable period of time of the existence of Mr Assad's financial interest in 6-9 Europort.

1945 An Overseas Territory would be entitled to register an overseas freezing order if it was suspected that the property had been purchased using property obtained through unlawful conduct, that is to say the proceeds of crime. The registration of the order would be pursuant to the European Freezing and Confiscation Orders Regulations 2014. At no stage has there been a request by France, Spain or any other jurisdiction to register in Gibraltar an overseas freezing order in respect of Mr Assad's assets.

1950 The French authorities have registered in England a freezing order in respect of one property in Mayfair, London – although I understand Mr Assad has more than one property in the United Kingdom. The English authorities, like the Gibraltar authorities, are not undertaking any form of investigation for their own benefit, but are providing information.

1955 The Office of Criminal Prosecutions did not have advance notice of the proceedings in the Supreme Court, and nor were they served with any papers in connection with the proceedings. The proceedings were in private. The handing down of the judgment was in public and Office of Criminal Prosecutions were made aware of the proposed handing down. Neither the Attorney General nor the Office of Criminal Prosecutions took part in any of the proceedings to which reference has been made, nor were they served with any papers.

1960 The proceedings in the Supreme Court have been brought by the trustees to seek the court's approval in respect of the sale of 6-9 Europort and also the sale of a property in Sotogrande and the companies through which they are owned.

1965 Mr Speaker, the Government understands that an investigation by the RGP commenced in 2017 in order to see whether there was any evidence of any criminality that had occurred locally. No arrests or charges have resulted from this investigation and none are at present anticipated. Information and intelligence has been gathered from various sources both within Gibraltar and from overseas in respect of all aspects of the matter. All of this information and intelligence is of a confidential nature and it would be possible to identify sources or the nature or extent of such material if we disclosed more.

1970 Mr Speaker, I am confident that the Attorney General and the Office of Criminal Prosecutions are fully cognisant of their responsibilities with regard to the protection of assets in cases of money laundering or any other criminality. In order for restraint proceedings to succeed, the issue, as confirmed by the Chief Justice, is whether when the assets were settled they were or represented the proceeds of crime. This is specifically set out in paragraph 20 of the Chief Justice's ruling. The learned Chief Justice also ruled that he was satisfied that the trustees' belief as to the provenance of the funds was a considered and reasonable belief and one which could properly be held notwithstanding the ongoing proceedings in France and Spain.

1980 The Government has no doubt that if the RGP or the Office of Criminal Prosecutions had been aware of cogent provable evidence that could potentially demonstrate that any property within Gibraltar had been obtained with the proceeds of crime or in any way represented the proceeds of crime, then steps would have been taken pursuant to the Proceeds of Crime Act 2014.

1985 In the circumstances, there can be no basis upon which it could be suggested that the reputation of Gibraltar as a finance centre has been or could be damaged as a result of the ruling of the Supreme Court.

1990 The Government is at present not aware of the terms upon which the properties in question at Europort will be managed in future if the transaction proposed to the court by the trustees goes ahead, but we are confident that, given the professional reputation of the trustees and the high esteem in which they are held, that all matters concerning the management of the properties will continue to be undertaken transparently and at arm's length.

In fact, given all the above, hon. Members and right-thinking people in the wider community will see that the relationship with the French authorities leading on this matter has been excellent, as Gibraltar has provided fulsome assistance to their investigation.

1995 In yet a further example of Gibraltar's internationally compliant and co-operative approach to this matter, the Supreme Court of Gibraltar has rightly ensured that no money that can reasonably be suspected of representing the proceeds of criminal conduct by any person can be paid out of Gibraltar. Gibraltar's prosecuting authorities could and would apply to the court to prevent this from happening. The Chief Justice, who heard all the relevant evidence and saw all the relevant documents, has nonetheless found that it is reasonable for the Gibraltar trustees to believe that Europort was not purchased by Mr Assad using the proceeds of any criminal conduct. Hon. Members and members of the public should be loath to replace his informed views with their own impressions, given that they have not seen the documents nor heard the evidence, and that is true as much for this case as for any other.

2000 The Supreme Court was involved by the trustees, only one of which is linked to the Isola family, as a matter of good trust administration practice and to ensure that any sale was therefore dealt with in a manner that was transparent to the courts and Gibraltar and international law enforcement agencies. Mr Speaker, it is a matter of public record that the trustees were represented by Sir Peter Caruana QC.

2010 Further, Mr Speaker, if anything, Gibraltar's reputation has therefore been safeguarded as our law enforcement agencies, professionals and indeed the Supreme Court and the counsel before it have all worked to ensure that the rule of law has prevailed, and further that should any international law enforcement agency have a claim on the proceeds of sale, time for such a claim to be made has been afforded.

2015 Finally, Mr Speaker, Albert Isola is a full-time servant of the people of Gibraltar doing an excellent job in enhancing our international reputation at all times and he has not been involved in any matter relating to this issue. He has acted entirely properly throughout, as is entirely characteristic of him. He is a man who is investing more energy than most people have in ensuring he carves out for Gibraltar not just more business and more clients – he is carving out new industries and new markets, and he is achieving that and more. He enjoys my full and unadulterated confidence and that of all his Cabinet colleagues. (*Banging on desks*)

2020 Government also has and expresses full confidence in the actions of the Office of Criminal Prosecutions in Gibraltar and the Attorney General in respect of this matter, as they have been dealing with it for some years and are fully appraised of all the facts and issues relating to the Assad investigation and their interests, and all options have been considered during that time.

2025 This is a matter entirely in the hands of our law enforcement agencies. The Government must also express its confidence in the decisions of the Gibraltar courts and the application of the rule of law in Gibraltar.

2030 **Hon. E J Phillips:** Mr Speaker, just one question, if the Chief Minister can help me with this. I am grateful for the very full answer the Chief Minister has given this matter, given the public interest in relation to the issues that arise here.

Mr Speaker, my question relates to the French and Spanish authorities. It is well known that both the French and Spanish authorities have rejected the argument put forward by Mr al-Assad

2035 in relation to the provenance of the funds. He says that the funds come from the Saudi royal family and in fact they were a gift from the king himself.

It naturally follows, therefore, that the Gibraltar authorities, that were co-operating quite clearly for some time now with the French and Spanish authorities, have concluded clearly that – and I would like the Chief Minister to help me with this particular question ... that the Gibraltar authorities have accepted the argument by Mr Rifaat al-Assad that the funds were a gift from the king rather than anywhere else.

Hon. Chief Minister: Mr Speaker, I am not able to tell the hon. Gentleman what the Gibraltar authorities have accepted or not accepted, because it is a law enforcement matter, it is not a Government matter. But I can tell him what the court decided. The court decided, in respect of the asset in question, that the trustees had provided evidence, as the court set out in paragraph 23 of its ruling, that this asset had not been acquired other than with funds which the court believed had come in respect of Saudi Arabia.

I have no knowledge of this case and the information that the law enforcement agencies have in Gibraltar about assets in Gibraltar, or that the French law enforcement agencies have or the Spanish law enforcement agencies have. But there are different moneys, obviously; some may come from one source which is untainted, and some may come from a source that is tainted. The finding in respect of the matter in respect of which hon. Members have asked is the Chief Justice's finding, which I think should give us all huge confidence because he has looked at the documents, he has heard the evidence and his finding – not the law enforcement agencies' – is that in Gibraltar the assets in question were not acquired with funds other than funds the provenance of which could be ascribed to Saudi Arabia.

Hon. E J Phillips: Mr Speaker, I am grateful for the answer to the question that the Chief Minister has given. And just as a matter of record, the reason why I referenced the Gibraltar authorities was not in relation to the court case. Clearly all of us in this House should respect the decision of the Chief Justice, who made a decision based on the evidence before him on the day. So my question was entirely directed at the law enforcement agency as opposed to the judicial process that was underway.

Hon. Chief Minister: Mr Speaker, in that case it would not have been a question which I think is in order now that the hon. Gentleman has clarified, because we cannot here answer questions about the investigations that law enforcement agents are carrying out or what evidence they have or do not have.

Mr Speaker: The hon. Lady.

Hon. Ms M D Hassan Nahon: Mr Speaker, I have two supplementaries to this very exhaustive, sensitive and intricate answer provided, which I am grateful for.

Regarding Moneyval, Gibraltar has been waiting for 13 years for the Moneyval evaluation. The evaluation, as I understand it, is due in the first quarter of 2019, so is the Government, in light of this, not worried, given how Assad's assets have been frozen in Spain, France and the UK, the latter under a European order, that this sort of thing is exactly what the Moneyval assessment will be looking for in terms of perhaps considering that Gibraltar's standards are seemingly lower on the compliance side of things?

Hon. Chief Minister: Mr Speaker, with warmth and affection, 'utter nonsense' I must say to the hon. Lady, because the Moneyval assessment has nothing to do with that.

This is the acquisition of an asset in Gibraltar which even the French authorities have not sought to freeze. They are the lead authority in respect of the investigation and they are not seeking to freeze. They would have been able to seek through us to freeze, and in the answer

that I gave I said to her they would have been able even to seek to register their freezing order here.

2090 They have come here and they have looked at everything our law enforcement agents have. They have looked at all the evidence. They have looked at it exhaustively and for a number of years and they have made the decision not to ask us to freeze, and the decision which I am relating to her – which is not our decision; I am just relating what we have been informed of in order to deal with this issue in this House – has been that there is not evidence to take proceedings to freeze. If the French had thought that there was a reason why the money here was tainted, they would have frozen here by registration. It is an automatic thing.

2095 I think we would be dealt with very harshly by Moneyval if we went around freezing assets which there is no evidence to freeze, even when a legal authority that has all of the information necessary to freeze other assets has come here, has co-operated with us, we continue in co-operation with them and they are not asking us to freeze and they are not even registering their freezing order here, which would be automatic.

2100 Moneyval issues are completely separate. We are working very hard to ensure that when we finally have a Moneyval assessment we pass it with flying colours, and that is about the probity of the people in the Gibraltar financial services industry, the probity of the people in industry generally in Gibraltar who make reports about alleged money laundering.

2105 In this case, Mr Speaker, there is a disclosure to the Government in 1999 and the Government makes the decision to allow the purchase, and when the issue of whether the money is tainted arises and the asset is disclosed to the authorities that are pursuing those tainted assets, those authorities do not pursue the freezing. So I do not think the hon. Lady is barking up the right tree.

2110 **Hon. D A Feetham:** Just a number of questions and I will just mix them up because I do not intend to ask any further, other than this.

2115 He has mentioned 1999 and 2000. My understanding is the Government in 1999-2000 could not have blocked the sale of this particular property to Mr al-Assad because in fact that was a transaction as between two private entities. What the Government then could do, which it did do, was refuse Mr al-Assad an application for Cat 2 status. In other words, Mr al-Assad wants to come to Gibraltar to be resident in Gibraltar and that was refused in 1999-2000.

2120 Does he accept that there is a fundamental distinction indeed between the situation in 1999-2000 and the situation now, the situation since 2013, and it is this: that in 1999-2000 Mr al-Assad was being accepted, his investments were being accepted all over Europe? He had investments in France, he had investments in Spain, he had investments I think in Switzerland, in England. Indeed, the *Daily Telegraph* records that right up to 2011 he was resident in a – £13 million, I think – mansion in Mayfair. It is in 2012-13 that you have proceedings in Switzerland that do relate historically to some of Mr al-Assad's conduct when he was in Syria and the source of his wealth as to whether it is to do with the plundering of the Syrian people. 2125 You then have proceedings in France, you then have parasitic proceedings in Spain in aid of the French proceedings, and you then have proceedings in the United Kingdom in aid of the French proceedings.

2130 And one additional reason why it is different: looking at this transaction, when we stand back and we look at the price that has been paid for this particular asset, there appears to be a haste on the part of Mr al-Assad in the sale at a cut price to sell and obviously exit the jurisdiction. I wonder whether there has been any indication by any of those jurisdictions that I have mentioned about the possibility ... well, enquiries in relation to that transaction, sale, from Mr al-Assad and any indication that any type of action might possibly be envisaged in the future.

2135 **Hon. Chief Minister:** Well, Mr Speaker, I must say he would not expect me to answer that question, would he? And he would not expect me to answer a question about what law enforcement agents may be thinking of doing. And if I did not know better, I would think he was

2140 trying to raise a spectre of a sort that is not logical, because for leading counsel to interpret the Rules of Parliament to pretend to allow him to ask a supplementary question about what law enforcement agencies may be about to do in respect of alleged potential proceeds of crime is frankly not something that would merit serious consideration.

2145 Second, Mr Speaker, dealing with what he started with, he said that consent could not be denied to the transaction, it could not be prevented from coming in. Well, the information I have is that Mr Assad sought consent even if consent was not required, and consent was not not granted – he was told that he needed no consent. If somebody comes and tells you, ‘Can I do this?’ he is opening himself up for you to say, ‘Well, I at least would not like you to, even if you can.’ Mr al-Assad might have taken a different decision in that case. But he was not told that and he invested. It is true that at that time there were no issues of the sort that there are now, but the issues were there. The reputation was not gained in 2012. The issue as to proceeds of crime 2150 legislation and the ability to freeze arose in 2012. The history was well known by then. The UN report was well known by then. So, Mr Speaker, I do not think that he could wriggle off the 1999 hook so easily.

I am very pleased Mr Assad did not obtain Cat 2 status in Gibraltar and I commend the Chief Minister who made that decision.

2155 Mr Speaker, the hon. Gentleman has mischaracterised the reality of the price being paid as set out in the judgment. I think the judgment actually sets out quite explicitly what the valuation is and how the sale is entirely in keeping with the valuation. If he is just referring to the cash, he has missed the bit in the valuation that says that there is an assumption of an outstanding debt of £10½ million to Casanove, which means that the total price is well within – indeed, I think 2160 above – what the valuation suggests it should be. So there does not appear to be a fire sale aspect to this.

Mr Speaker, all I am going to defend in this House is the judgment of the Chief Justice, who saw all the documents and who made all the decisions which you could ask a court to make in the context of the application made, and the relationship between the Gibraltar authorities and the French authorities and the deep co-operation there has been between them, and reiterate 2165 my views as to the probity of the Hon. Mr Isola. I set out our position in respect of the work that he does and the support that he enjoys from hon. Members on this side of the House. I dare say if hon. Members stopped and thought, they would wish to clarify they are not in any way seeking to impute his reputation or his actions in respect of the discharge of his functions as a 2170 Minister of the Crown.

Mr Speaker: Any other supplementary?

2175 **Hon. Ms M D Hassan Nahon:** Mr Speaker, I have one more supplementary, but may I just say that I do not think any of us on this side are seeking to impute any ... I have never spoken for anybody, but I think we are talking about processes being followed accordingly and correctly, so I do not think anybody is out to impute anybody’s reputation, personally.

If I can just ask: despite the Chief Minister correctly noting that this client came in through the GSD in the GSD years, shall we say, the issue of ongoing monitoring ... Section 12 of the Proceeds of Crime Act shows that there is a process for ongoing monitoring. So this is something 2180 that has to be legally abided by. Does the Chief Minister then accept that ongoing monitoring is as significant and pertinent as letting the individual in, despite who let him in?

2185 **Hon. Chief Minister:** Of course I do, Mr Speaker. That is why, if she considers what I have said, I have referred her to the fact that the Gibraltar Police and the Gibraltar Office of Criminal Prosecutions have been in contact with the French authorities for some time – I think now for a number of years. That is what the ongoing monitoring produces, Mr Speaker, and that is why it is not that this issue springs up when the hon. Lady, who was the one leading on the subject, first issues a press release and then puts some questions, or it appears in a newspaper; that is

2190 the result of many years of work already done in respect of the Office of Criminal Prosecutions. My meeting with the French authorities was either a year or two years before then.

2195 We amended the Proceeds of Crime Act with a certificate of urgency some time last year with the support of Members opposite in great measure to assist further in respect of this matter. So the ongoing monitoring is what is going on. That is the result of the ongoing monitoring: the work which is unseen but which is excellent work of the Office of Criminal Prosecutions, of the office of the Attorney General, in establishing those strong links with other prosecuting authorities, which went on for years before they thought that it was worth asking 12 questions about this week.

2200 **Mr Speaker:** Any other supplementary?

Hon. D A Feetham: Yes, just one and I ask this question in good faith because the Hon. the Chief Minister may have said something that I am not sure he intended.

2205 He said that the statute was amended last year in large measure because of this case. Does he mean because of inquiries that were made in relation to this case, or does he mean in order to assist generally in cases of this nature and other cases, but that it was not brought to Parliament specifically because of this case? Because that would then open up another avenue in terms of questions.

2210 **Hon. Chief Minister:** And does he think that that would assist the jurisdiction somehow?

What I said I said very advisedly. I said that we brought an amendment to the Proceeds of Crime Act, which they supported, in great measure in relation to this case, and I think that is explicit.

2215 **Mr Speaker:** Any other supplementary?

ADJOURNMENT

Mr Speaker: Right, we then go on to Question 442, but I do not know about Hon. Members – I have a commitment to attend the Corpus Christi mass which starts at 7.30 p.m.

2220 **Chief Minister (Hon. F R Picardo):** I will deal with that in a moment, Mr Speaker, if you will let me. Mr Speaker, I move that the House should adjourn to tomorrow at 4 p.m.

Mr Speaker: The House will now adjourn to tomorrow at four in the afternoon.

The House adjourned at 7.16 p.m