



# PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

**AFTERNOON SESSION: 3.00 p.m. – 5.32 p.m.**

**Gibraltar, Thursday, 26th June 2025**

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# The Gibraltar Parliament

*The Parliament met at 3.05 p.m.*

[MADAM SPEAKER: Hon. Judge K Ramagge GMH *in the Chair*]

[CLERK TO THE PARLIAMENT: P A Borge McCarthy Esq *in attendance*]

## Standing Order 7(1) suspended to proceed with the laying of documents

**Clerk:** Meeting of Parliament, Thursday 26th June, 2025. Suspension of Standing Orders.  
The Hon. the Chief Minister.

5

**Chief Minister (Hon. F R Picardo):** Madam Speaker, I beg to move under Standing Order 7(3) to suspend Standing Order 7(1) in order to proceed with the laying of documents on the table.

**Madam Speaker:** Those in favour? (**Members:** Aye.) Those against?  
Carried.

10

## PAPERS TO BE LAID

**Clerk:** Papers to be laid.  
The Hon. the Chief Minister.

15

**Chief Minister (Hon. F R Picardo):** Madam Speaker, I have the honour to lay on the table the Air Traffic Survey Report 2024, the Tourist Survey Report 2024, the Hotel Occupancy Survey Report 2024 and the Employment Survey Report 2024.

20

**Madam Speaker:** Order to lie.

**Hon. Chief Minister:** And Madam Speaker, before the House starts its official business, I would just like to mark this afternoon the fact that this morning Sir Derek Reffel has been laid to rest in the United Kingdom. He was Governor of Gibraltar between 1989 and 1993. Like all our Governors, much loved, and today Government buildings are half-masting their flags, just like the Convent, as a mark of respect for Sir Derek and of course a sign of our affection for his family.

25

**Hon. Dr K Azopardi:** Madam Speaker, may I associate myself with the remarks of the Hon. Chief Minister for members on this side of the House who dealt with Sir Derek during his tenure in Gibraltar and of course our condolences and well wishes to his family.

30

**Madam Speaker:** Thank you. I join both the Hon. Chief Minister and the Hon. Leader of the Opposition in their sentiments. Thank you.

35

## Questions for Oral Answer

CHIEF MINISTER

Q677/2025

Unemployment benefit –  
Young people between the ages of 16 and 30

**Clerk:** Answers to Oral Questions continued.

Questions to the Hon. Chief Minister.

Question 677, the Hon. G Origo.

**Hon. G Origo:** How many young people between the ages of 16-30 have been in receipt of unemployed benefits, broken down by month from January 2024 to date?

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

**Chief Minister (Hon. F R Picardo):** Madam Speaker, I will hand Mr Origo a schedule with the information requested.

### ANSWER TO QUESTION 677

Month	Recipients
Jan-24	2
Feb-24	1
Mar-24	3
Apr-24	2
May-24	4
Jun-24	6
Jul-24	10
Aug-24	2
Sep-24	7
Oct-24	3
Nov-24	4
Dec-24	2
Jan-25	1
Feb-25	3
Mar-25	6
Apr-25	2
May-25	Nil
01/06/2025 - 17/06/2025	1

**Madam Speaker:** Would the Hon. Mr Origo like time to consider the schedule? Next question.

**Q678/2025**  
**Tariffs –**  
**Importation of goods**

60 **Clerk:** Question 678, the Hon. C Sacarello.

**Hon. C Sacarello:** Will there be tariffs applied for the importation of goods manufactured in from 3rd countries and imported from the UK?

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

**Chief Minister (Hon. F R Picardo):** Madam Speaker, assuming that the hon. Member's question is about what will arise as a result of a treaty between the United Kingdom and the European Union in relation to Gibraltar. I can confirm that the EU Common Customs Tariff will apply to Gibraltar once such a treaty is in place. Therefore, all goods imported into Gibraltar will be subject to whatever EU customs duties apply to such goods under the EU Common Customs Tariff. The fact that third country goods are imported from the United Kingdom does not alter that. Standard rules of origin on the goods will continue to apply. If, however, the goods are transformed in the United Kingdom so that they qualify as United Kingdom goods, then no customs tariff shall apply to those goods on importation to Gibraltar. This is a consequence of the customs arrangements we are establishing with the European Union under the treaty and the fact that, under the EU-UK Trade and Corporation Agreement, no tariffs apply on UK goods being imported into the EU.

80 **Madam Speaker:** Next question.

**Q679/2025**  
**EU Zone –**  
**Exportation of goods**

85 **Clerk:** Question 679, the Hon. C Sacarello.

**Hon. C Sacarello:** Can the Government please explain the procedure behind how a local business will export goods into the EU zone?

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

**Chief Minister (Hon. F R Picardo):** Madam Speaker, although the hon. Gentleman's question does not specify at all, I will answer this question both in relation to the sale of goods in commercial quantities, that is to say wholesale by a local business into the European Union, and in respect of the sale of goods in retail quantities. I will start with the latter. In respect of retail quantities, a business in Gibraltar will be able to ship via post or courier, direct from Gibraltar or elsewhere if they wish, any item to any person within the EU single market, which is the correct way to refer to the EU zone, without having to comply with any procedure or formality of a customs nature or otherwise.

100 The sale will be exactly like the sale from a member state of the EU single market to another and will be seamless. Selling to someone in Madrid, Munich or Milan will be the same as effecting a sale on Main Street. On wholesale quantities, the basic regime is that all goods would be exported through the Land Border.

They will move from Gibraltar by road to a designated customs post (DCP) in the EU. The treaty will specify the DCPs. These will include, but will not be limited to, a DCP in La Línea and in Algeciras.

That movement from Gibraltar to the DCP will be carried out under the Gibraltar transit regime that will be established in the treaty. At the DCP, the goods will be subject to EU customs clearance formalities. These formalities consist of the carrying out of all procedures and controls necessary to ensure that the goods can be released for free circulation in the EU.

This will include checking compliance with customs formalities, product standards and any other formalities necessary for the release of the goods for free circulation in the EU. It will also require the payment of the relevant EU VAT. The goods would thereafter move to their final destination under normal EU transit procedures.

For such wholesale exportations, a local business will therefore have to ensure that the goods it exports to the EU comply with EU standards, will not have to pay transaction tax on those goods in Gibraltar and will not have to pay any EU customs duties on the exports of goods to the EU.

**Hon. C Sacarello:** I would like to thank the Hon. Chief Minister for his considerate and detailed explanation in this respect. I would like to ask for a little bit of clarification. You mentioned two entry-exit points as in La Línea and Algeciras.

Am I to take it that there is a difference in the two depending on the type of goods that are being exported into the EU zone or the single market?

**Hon. Chief Minister:** Well, there could be, Madam Speaker, but there will not be. So, Algeciras has an SPS clearance facility. La Línea does not have an SPS clearance facility.

I do not believe that there is any business in Gibraltar that currently exports foodstuffs from Gibraltar. I do not believe it is a line of business that is likely to take hold in Gibraltar. So that would be the only thing that would be different, because the DCPs would be checking for compliance with EU rules and the only thing that cannot be done at La Línea at the moment and would not be possible to do in the context of the DCP that is likely to be established in La Línea is SPS checks.

**Hon. C Sacarello:** Madam Speaker, if the Hon. Chief Minister would indulge, I know it is slightly different to my question, but in the same respect for importation, will there be some companies required to send their lorries, food-apart, via Algeciras or most likely to come directly through La Línea?

**Hon. Chief Minister:** Well, Madam Speaker, it is not up to me to indulge, it is up to you. But there is another question on the order paper that I believe deals exactly with that point.

**Hon. C Sacarello:** Madam Speaker, would the Hon. Chief Minister be able to elaborate slightly on the area of enforcement in terms of the EU authorities looking at the goods? I presume this simply means making sure everything is compliant with EU law and standards.

**Hon. Chief Minister:** What else could they do, Madam Speaker?

**Hon. C Sacarello:** Madam Speaker, regarding a comment that was made by the Hon. Chief Minister on one of the programmes, with regards to the access to a market which is 300 million plus that we now have. Is it fair to say that that must still be caveated with the terms of the tax agreement, which has its limitations on the amount of business a company can do in Spain, for example?

**Hon. Chief Minister:** Well, Madam Speaker, the hon. Gentleman is wrong about the size of the market. It is 480 million people. It is not 300 million people.

155 300 million people is the United States. 480 million people is the single market. And no, Madam Speaker, there is no read-across from the tax agreement to this agreement, because obviously the companies that would be selling into the single market from Gibraltar would be Gibraltar companies based in Gibraltar, and Gibraltar companies based in Gibraltar are not caught by the agreement between the United Kingdom in respect of Gibraltar and Spain.  
160 When they are selling from Gibraltar.

**Madam Speaker:** Next question.

165 **Q680/2025**

**Local businesses at the thin end of the wedge –  
No support**

**Clerk:** Question 680, the Hon. C Sacarello.

170 **Hon. C Sacarello:** Is the Government still insisting on its line that there will be no support for businesses at the thin end of the wedge, or can the Hon. Chief Minister ease the concerns of affected businesses and lighten the load on their shoulders by offering support where and when it counts?

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

175 **Chief Minister (Hon. F R Picardo):** Madam Speaker, the Government is just unable to recognise any aspect of the hon. Gentleman's question which accords to any line taken by the Government in respect of any businesses experiencing any reality akin to that described and upon which to base an answer.

180 **Hon. C Sacarello:** Madam Speaker, the question was geared particularly at the retail and wholesale sector who will be affected by a huge hike in the percentage and a reduction consequently in their margin. I have asked in previous sessions of Parliament if the Government will lend support to alien businesses caught up in this and help them transition to a new way of doing business. As businesses do, they do adapt.  
185

In the past we have been met with a negative response, I argue. My question here is simply, will those businesses caught up in that trouble, albeit there will be a time for transition anyway, I understand. Nonetheless, there will be some that will be facing existential issues. Will there be any support for those?

190 **Hon. Chief Minister:** But Madam Speaker, the hon. Gentleman needs to understand, it is not up to me to explain to the hon. Gentleman how to pose a Parliamentary question and I am not the gatekeeper of parliamentary questions, Madam Speaker is. There is nothing Unparliamentary about the hon. Gentleman's question, Madam Speaker, so I think it has passed muster with you  
195 rightly. But there is no object to the question.

All of the things that the hon. Gentleman has told us about the question, which I of course accept, are in his mind. But they are not in the question. There is no mention in the hon. Gentleman's question of the treaty, the new import duty or transaction tax rates which are going to apply, the period of transition, all of the things that he has told us in his supplementary, he  
200 needs to understand should have been in his question.

I think I have been generous, Madam Speaker, in the way that I have dealt with his two previous questions. With the first one, I made the assumption and asked him as I was replying that it was about, assuming that it was about the result of the treaty. And then, Madam Speaker, in the

second one, because he did not set out whether he was talking about exportations by retail or by wholesale traders, I gave him both.

On this one, Madam Speaker, he is just telling me that I am insisting on a line that I do not recognise I have ever given, because he is also characterising the line in the way that he sees fit. I do not think we have ever mentioned businesses at the thin end of the wedge, at least in my memory, in the year and a half that the hon. Gentleman has been here. So, all of the things that he has now told us in the context of putting all of that information about the question, should have been in the question.

And I must say that to the hon. Gentleman with affection and respect. And so, I can give him an answer now, because the answer is yes. But I could have given him a more detailed answer if he had put those things in his question.

And the more detailed answer, Madam Speaker, would have been also to reflect on the fact that when we have lowered import duties from 12%, the same businesses the hon. Gentleman is talking about have not lowered their prices. So, he needs to understand that you have businesses in Main Street, in some lines, who have seen considerable reductions of import duty, and have not lowered their prices. And so, in some instances, some businesses will see considerable increases in transaction tax versus import duty.

But we would have thought that they have not moved their profit margins much, and therefore this will not move their profit margins much. Because in most instances, most of the lines in Main Street will be taxed under the transaction tax. And when that happens, let us assume, Madam Speaker, for a moment, it is 2026, at 5% more than they were taxed, well, in fact, at 3% more than they were taxed in 2004.

Some of them in 2012 and in 2015, because we have been also lowering those rates. So, those businesses which were viable then, with fewer numbers of arrivals in Gibraltar then than there are now, and were selling then, will be selling with the same import duty, now called a transaction tax, plus 3%. And in any event, despite all that, Madam Speaker, we are going to do things to help them.

And in any event, Madam Speaker, it must also be factored into the equation, that if you are paying a rate of duty, which will now be called a transaction tax, at 12%, to sell to the 500,000 people who might have been coming into Gibraltar then, who were not cross-Frontier workers, and you were viable, you would have thought that you would be extraordinarily much more viable when you have access to much larger numbers of people walking past your shop, because there is likely to be a lot more arrivals into Gibraltar. Indeed, if I hear any criticism of the treaty, it is just about too many arrivals in Gibraltar. And able to sell, as I told you in the context of my previous answer, to anyone of the 480 million people in the single market, online, in the same way as you do when they step into your shop, whether they are in Madrid, Milan, or Munich.

That too has to be factored into the equation. And in that context, what I have had, Madam Speaker, from Main Street retailers, is massive support, encouragement, and congratulation. Despite, Madam Speaker, hon. Members opposite thinking it is incredible that we have delivered the deal that we have delivered, because they never expected that we would.

We have, Madam Speaker, and people are delighted with it. And when they see the detail, Madam Speaker, I think they will be even more delighted with it.

**Hon. C Sacarello:** Madam Speaker, I appreciate the comments, some more than others. But in answer to the Hon. Chief Minister's questions—or rebukes, really—on how I structured my questions, I think that if I spent a preamble of two minutes per question, I would face similar rebukes from Madam Speaker herself. And given the context of this sitting of Parliament, which swiftly follows the announcement, I would have thought that would have been self-evident. But nonetheless, I shall be more specific next time, so as to appease the Hon. Chief Minister. On the question of the viability of businesses, Madam Speaker, it is fair to say that most businesses suffer from the misunderstanding in Gibraltar that there are tight margins due to the high levels



255 of costs. And time will tell whether the businesses are viable or not, as market forces determine whether their business survives.

In other words, if there are products that are cheaper, it will be much easier to go over the border and buy them in Spain than it is at the moment, with the inconvenience of border and customs checks. But my question would be—well, first of all, I would like to say that the businesses  
260 will welcome the Hon. Chief Minister's comments that this Government will now support those businesses that require the support, as time will tell. But the question is: when will this support be available and how do they access it?

**Hon. Chief Minister:** Madam Speaker, the hon. Gentleman does not need to appease me. He  
265 just needs to ask questions that can be properly answered, if that is what he wants. I mean, if he wants to ask a question which is not related to the treaty, about phraseology that I do not recognise, he can ask it, it is no problem at all.

As long as it passes muster with you, Madam Speaker, and is Parliamentary, we will answer it. But it will not get to what the hon. Gentleman wants us to get, because we do not have to assume,  
270 Madam Speaker, that just because this is the Parliamentary session after we have delivered a historic agreement for Gibraltar—so historic, in fact, Madam Speaker, that people on the opposite benches who pipe up about everything, even when it is not in their area of shadow responsibility, have not piped up a certain word—why should we assume that his question is about that? Of course we do not have to assume anything. He needs to put those things in the question.  
275 I would have thought those assisting him with settling into Parliamentary life would have been doing that with him, Madam Speaker, as was done to me when I was a fledgling Member of this Parliament, and I learnt in the only way that is possible to learn in the GSLP, Madam Speaker, which is—I was going to translate it loosely as—at sticks. That is to say, *a palo*, Madam Speaker. But I learnt, before I put the question, I used to learn at GSLP headquarters how to put my  
280 question.

Because I know that the hon. Gentleman will put a brave face on it, Madam Speaker, but this must be as embarrassing for him as it must be for the Hon. Leader of the Opposition to have put a question such as this, Madam Speaker. hon. Members have to remember that they are paid by the taxpayer to put these questions, and they may as well put them well, no?

285 So, Madam Speaker, everything that he has said about the potential problems that Gibraltar businesses have—because it is going to be easier for Gibraltar residents to go into Spain to buy—is obviously equally true, not about the 32,000 people in Gibraltar, it is equally true about the 300,000 people in the Campo de Gibraltar. Or Andalucia, up the Costa del Sol.

I mean, it will be no secret, Madam Speaker, because the hon. Members will have seen it in the newspapers, that there is great concern around Gibraltar because of the entrepreneurial flair of the people of Gibraltar, the retailers and commercial classes in Gibraltar, that this deal, which puts us lower than the VAT in the area around us, puts us much more accessible to all in the area around us, gives us access to all of the people in the single market, creates a boon for our retailers, not a problem.

295 Madam Speaker, in colloquial terms, this deal could be *da bomb*, but not *da bomb* under our businesses—could be *da bomb* for our businesses. Slim Shady will know exactly what I mean, Madam Speaker.

Because, let us be clear, what is not to like about having access to 500 million people who can take your wares, and you just pop it in the post in Main Street, or give it to the courier, and it is in Madrid tomorrow morning, it is in Seville this afternoon, and at a lower rate of indirect taxation than the place next door.

300 Madam Speaker, despite that, of course—not *now*, the hon. Gentleman says in his apology—will the Government *now*? It is not *now*, Madam Speaker. The Government will, when the time comes, be ready to provide support such as may be necessary. *Such as may be necessary*.  
305 But we do not recognise the circumstances that the hon. Gentleman is talking about. There may be a teething issue. And even if there is not a teething issue, and even if there is not a problem,

what has this Government demonstrated that it has done for the past 14 years? Help working people as much as we help entrepreneurs. So, of course, we will continue to assist our entrepreneurs on Main Street. We will continue to assist our traders throughout Gibraltar. We will continue to provide support, and we will continue to provide support on the circumstances that appertain today, and in the circumstances that will appertain, if we are able to ratify a treaty, when the treaty applies. It could not be otherwise.

**Madam Speaker:** Next question.

**Q681/2025**

**Gibraltar businesses –  
Purchase goods from Spain VAT-free**

**Clerk:** Question 681, the Hon. C Sacarello.

**Hon. C Sacarello:** Will Gibraltar businesses be able to purchase goods from Spain VAT-free, and if not, how will VAT be reclaimed to avoid double taxation?

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

**Chief Minister (Hon. F R Picardo):** Madam Speaker, yes, ma'am.

**Hon. C Sacarello:** Madam Speaker, that was a worthy answer, and I thank the Hon. Chief Minister for his brevity in this case, due to a subsequent interview he gave in the press. But my question is that there are loads of these questions and similar ones, and I understand that the Chief Secretary is coming up with a frequently asked question—an FAQ summary of the questions being submitted by email.

But could I suggest as well that there is a workflow chart, or some form of other explanation, perhaps some type of diagram, or just information sheets detailing all of these points for people rather than everyone individually sending in emails?

**Hon. Chief Minister:** Madam Speaker, the hon. Gentleman must not think that I do not have huge personal affection for him. But not everybody needs a diagram to understand this. Let us be very clear.

There are going to be FAQs, there are going to be seminars, which will be necessary under ASYCUDA to explain how systems will change, etc. But it is really quite simple, and it is not so different to what happens today, because as we found out when we did our heat maps—and I told hon. Members about the heat maps when I made my statement on Monday—hon. Members may not remember because they were not in this House at the time, and they may not have heard it at the time from outside this House, but 95% of our imports happen through the Frontier. They are going to continue to happen through the Frontier. They are going to continue to come to Customs and Gibraltar. You are just going to have to pay, in effect, in a simplified world, a 17% instead of the 12% or the 16% or the 3% or the 0% that you pay now. That is it. And the goods will come VAT-free.

I do not think it needs a diagram. But there will be flowcharts which will be given to the traders that Customs deals with, and the Customs agents and all the rest of it—they will, of course, have those seminars when the time comes. A lot of the questions that we have had, Madam Speaker, relate to matters relating to residency.

I will come to some of them when I deal with the questions by the Hon. Leader of the Opposition, etc. But this one, Madam Speaker, in particular, I cannot see a diagram relevant at all.

**Hon. C Sacarello:** Madam Speaker, I was not referring necessarily just to a drawing, for heaven's sake. It was more a question of a flowchart. So does the Hon. Chief Minister not accept that some people view things visually, other people are good at words, and other people are good with numbers?

360 And so to cater for everyone across Gibraltar, we need to make sure that the information is communicated effectively. So my question was: will the Government be prepared to cater for everyone and communicate effectively?

**Hon. Chief Minister:** Well, Madam Speaker, yes, given that we were the Government that introduced the concept of equality, that we are the Government that has included the concept of providing sign language on the 10th of September and whenever we can in the context of everything else that we do, and that we provide subtitles in everything that we do when we can, Madam Speaker, we fully understand that different people understand things in different ways.

370 And we will be providing all of our data, as we usually do, in a way that those who are more visual than—I do not know—numerical, more numerical than those who are reading, we will provide it in all of the ways that we always provide everything, Madam Speaker, including in the flowchart.

375 But this one, Madam Speaker, does not require a diagram. Unless we do a diagram that says “VAT” and put a big no-entry sign through it and say—and I sort of parade myself like one of those people who parade themselves in a boxing ring so that people understand it more clearly—but I really do not think it is an issue that anybody other than the hon. Gentleman has been concerned about.

**Madam Speaker:** Next question.

380

**Q682/2025**

**VAT –**

**Application of transaction tax rate of a minimum of 17%**

**Clerk:** Question 682, the Hon. C Sacarello.

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**Hon. C Sacarello:** In the EU, certain essential goods are subject to a zero rate of VAT, such as basic foodstuffs, medical supplies and pharmaceuticals, children's clothing, to name a few. Will the transaction tax rate of a minimum of 17% apply to all goods, including the aforementioned categories?

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

**Chief Minister (Hon. F R Picardo):** No, ma'am.

395 **Hon. C Sacarello:** Madam Speaker, I am aware that the Hon. Chief Minister has already announced this and elaborated a little bit more in the press since I published my question. And again, just a simple question: where will this information be available for people to access?

**Hon. Chief Minister:** The Customs Tariff, Madam Speaker, and the Import and Export Act.

400

**Hon. C Sacarello:** Sorry, one last question on this, Madam Speaker. Who is the ultimate arbiter in the setting of these tax rates? Are they completely controlled by us or are we subject to EU comparisons?

405 **Hon. Chief Minister:** There is an excellent line, Madam Speaker, in the magnificent musical *Chess* by the two gentlemen in Abba that says, *I'm the arbiter, I know the score. From square one, I'll be watching all 64*. Well, Madam Speaker, the answer is very simple. The VAT directive sets out what the options are and different states can choose to have different things in particular categories in the zero—or one is called the reduced and the other one is called  
410 the super reduced—category. So those are the options that we have. And Madam Speaker, we will soon expect to be able to publish all of that.

The interesting thing, Madam Speaker, is that in the final throes of the negotiation, the Deputy Minister, the Attorney General and I were able to succeed in our argument that Gibraltar should have a specific derogation from the directive, which was difficult to persuade those of our  
415 negotiating counterparts on, but we have achieved, which is that electricity—that everywhere in the European Union suffers a 5% VAT and should have suffered a 5% TT in Gibraltar—will be at zero, and water will continue at zero, although it is not in most states, but there is an option to do that.

There is no option to do that under the VAT directive in respect of electricity, but we won that  
420 concession for Gibraltar.

**Q683/2025**  
**New tax regime –**  
**Adjustment period for businesses**

425 **Clerk:** Question 683, the Hon. C Sacarello.

**Hon. C Sacarello:** How long in months will businesses have to adjust from the signing of the Treaty to the actual implementation date of the new tax regime?

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

**Chief Minister (Hon. F R Picardo):** It is impossible, Madam Speaker, to give a precise answer to this question at this stage.

435 **Hon. C Sacarello:** Is there any answer that is possible, perhaps a non-precise one, which we will not hold the Hon. Chief Minister to?

**Hon. Chief Minister:** Well, Madam Speaker, I believe I let the hon. Gentleman into the discussions that we are having and what that might indicate, which I am not going to do. I am very  
440 clear, Madam Speaker, that from the indications I am getting from members opposite, all they are doing is standing behind the proverbial door with the axe in the air, waiting for us to turn up with the Treaty text, to denounce it, claim that we have betrayed our principles and our people, and try and bring the axe down. Is it not ever thus, Madam Speaker?

So, he will forgive me for not allowing them to see our thinking on matters and where we are going, because those matters will be set out in the final text of the Treaty. They are not yet finally  
445 agreed, so we will publish them when we are ready, and we will give an indication to the public as soon as we are able to.

**Hon. C Sacarello:** Madam Speaker, thank you very much to the Hon. Chief Minister for his reply there. So, my question there refers to the actual implementation date and my supplementary refers to post-implementation. Will there be a phasing-in period, Madam Speaker?

There are rumours that it will be around three years. It would be interesting to know if there will be a tiered rating of the import tax, for example.

**Hon. Chief Minister:** Madam Speaker, the Hon. Mr Bossino calls me paranoid from a sedentary position. I just remind him of Sartre's view that just because one is paranoid does not mean that one is not being watched. And I will say to the Hon. Mr Sacarello that I am sorry again to have to repeat to him how much of a personal affection I have for him, but I am afraid that I am not here to answer questions about things that have already been said in public.

I explained, I think, on the first *Viewpoint*, that it will be a three-year escalator: 15%, 16%, 17% each year from the first date of implementation.

**Madam Speaker:** Before we move on to the Hon. Mr Clinton, can I return to Question 677? *How many young people between the ages of 16 and 30 have been in receipt of unemployment benefits broken down by month?* The Hon. Mr Origo—any supplementaries?

**Hon. G Origo:** Thank you, Madam Speaker. Can I ask the Hon. Chief Minister whether from the data he has provided, is there any potential for duplication? That is to say, I can count from the 18-month period that there are about 59 different recipients for unemployment benefits and I just want to know whether these are 59 different people or are the numbers being carried over from month to month?

**Hon. Chief Minister:** Madam Speaker, I do not see any reference to 59 in the table that I have given him. Is he saying that he has added them up and that is the number that he gets? These are potentially the same individual, potentially.

But that must be obvious. How not? It is a different number, more or less, each month. They cannot be necessarily the same individual.

**Madam Speaker:** Let us not have a discussion across the floor.

**Hon. G Origo:** Madam Speaker, I must tell the Hon. Chief Minister that it is not obvious from the table provided that these numbers are being carried over. In some months we go from 2 to 4 to 6 up to 10 and then down to 2. So I made the generous question for him to answer whether these are being carried over.

I will not take it from his answers that there is definitely potential for duplication. So does he have the totality of how many different people have received benefits for the 18 months?

**Hon. Chief Minister:** Madam Speaker, I accept the point he is making, but I do not think the hon. Gentleman knows how unemployment benefit works in Gibraltar. It is 13 weeks. There can be nobody who has been on that for more than three months and one week. There cannot be a period when one person would have been on this table for the whole of the period.

So, for example: in January 2024 there are two; in February 2024 there is one. That one may also be one of the two that was there before and may also be one of the three that is there in March and one of the two that is there in April. But it cannot be one of the four that is there in May because it is 13 weeks.

So, it is not mathematically possible.

**Madam Speaker:** Any other supplementaries?

**Hon. Dr K Azopardi:** Presumably, will the Hon. Chief Minister agree with me that it must be possible to have a number on that but it is not possible to extrapolate that number from the table as organised. But the Department must know.

**Hon. Chief Minister:** That is exactly right, Madam Speaker. That is what I am trying to convey, that the extrapolation is obviously incorrect.

**Madam Speaker:** Any other supplementaries? Next question.

**Q686/2025**  
**Principle Auditors Report F/Y ended March 2019 –**  
**Tabling in Parliament**

510

**Clerk:** Question 686, the Hon. R M Clinton.

**Hon. R M Clinton:** Can the Government advise if the Principal Auditor has indicated when his report for the year ended 31 March 2019 will be tabled in Parliament?

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

**Chief Minister (Hon. F R Picardo):** Madam Speaker, I have recently met with the new Principal Auditor, Mr Philip Sharman, whom I take the opportunity to welcome to Gibraltar on behalf of all Members of the House. I have no doubt he will enjoy his time here and that his work will be greatly valued by the community. I have discussed with him all outstanding audits.

520

I am unable at this stage to give any timeline for the tabling of the outstanding audits.

**Hon. R M Clinton:** Madam Speaker, I am gratified to hear that the Hon. Chief Minister has met with the new Principal Auditor. But the outgoing Principal Auditor, who is retiring, did mention in a press release that he was focused on finalising the 2018–19 report, and I quote, before he commenced pre-retirement leave on 1st June. I would ask the Hon. Chief Minister, is he aware whether that report has been finalised?

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**Madam Speaker:** I am just going to interject here because the question was a proper one. There was nothing wrong with the supplementary, but just as a reminder, that questions shall not be asked as to whether a statement in the press is accurate. Note, the hon. Member has not asked that, but I just flag it so that the Government does not go down that route.

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**Hon. Chief Minister:** Well, I have not had any conversations with the outgoing Principal Auditor, Madam Speaker, in respect of that report, and therefore I refer the hon. Gentleman to the answer I gave a few moments ago.

535

**Hon. R M Clinton:** So, Madam Speaker, if I understand the Hon. Chief Minister correctly, he has had a conversation with the new Principal Auditor, he has not had a conversation with the old Principal Auditor, and as far as he is aware, he has not—or his office has not—been in receipt of any report in respect of 2019?

540

**Hon. Chief Minister:** Madam Speaker, my conversation with the new Principal Auditor has suggested he should meet with Mr Clinton and the Hon. Leader of the Opposition. I think it is important that when he is settling in, he has the opportunity to meet with all relevant actors. And in respect of all other matters, Madam Speaker, I refer the hon. Gentleman to the answer I gave a few moments ago.

545

**Hon. Dr K Azopardi:** Madam Speaker, the hon. Member—the Hon. Chief Minister—referred to a conversation with the new Principal Auditor, who, by the way, we also welcome to Gibraltar and hope he has a fruitful time here examining the Government accounts. In that conversation, did the Principal Auditor not discuss with the Hon. Chief Minister that that report had been concluded?

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555 **Hon. Chief Minister:** The hon. Gentleman will allow me to say, in this House, in respect of that conversation and others, that I am not going to disclose my conversations with Senior Officials.

**Hon. Dr K Azopardi:** It is not about disclosing the conversation, but rather providing an answer to the direct question, which the original question was: has the Principal Auditor indicated that the report will be tabled? In other words, is it ready? So, we are really asking for a substantive answer on something which is relatively simple, which is: the outgoing Auditor said, "Before I retire, I am going to finish the report."

He has spoken to the new Auditor. Is the report finished? It has already been a six-year lag.

565 **Hon. Chief Minister:** Madam Speaker, I have discussed with the new Principal Auditor all outstanding audits, I said. I am unable at this stage to give any timeline for the tabling of the outstanding reports. That is plural.

It obviously involves the one that they are asking about.

570 **Hon. Dr K Azopardi:** Being unable to give an indication as to the tabling of the report does not confirm whether the report has been concluded and passed on to the Hon. Chief Minister. That does not require a revelation of conversations. It requires simply the Hon. Chief Minister to say whether he has received a report.

575 **Hon. Chief Minister:** Madam Speaker, that is not the question I was asked.

**Hon. Dr K Azopardi:** Will he now answer that question, which flows from the original question and the original answer: has he received the 2018–19 report?

580 **Hon. Chief Minister:** Madam Speaker, it is the hon. Gentleman's view that that flows from his original question. It is not my view. I have given an answer to this question.

I do not intend to say anything else about my discussions with the new Principal Auditor. It is very clear.

585 **Hon. Dr K Azopardi:** Does the Hon. Chief Minister not agree with me that the more he avoids a very simple question, which is, has he received the 2018–19 report, the more it is sounding as if he does not want to reveal it ahead of the budget debate?

590 **Hon. Chief Minister:** No, Madam Speaker, I do not agree at all with the hon. Gentleman that that might be a proper analysis. Far from it. I think it is a totally perverted view of my original answer, which I thought was very honest and very straightforward.

But, Madam Speaker, nothing surprises me. Nothing surprises me. But I am conscious, Madam Speaker, that the Hon. Leader of the Opposition likes to go around saying that we got an F for the last Principal Auditor's report.

595 He likes to go around saying that if it had been published before the last General Election, we would have lost. But of course, Madam Speaker, I do not agree with any of that. Because with his candidate selection, one could win an election against him any time.

**Madam Speaker:** Next question.

600

**Q687-8/2025**

**GEP Limited –**

**Borrowed money from the Gibraltar Savings Bank; Money lent to third parties not related to Government**

605 **Clerk:** Question 687, the Hon. R M Clinton.

**Hon. R M Clinton:** Given that in answer to W87/2025 the Government stated that ‘GEP Limited is not currently engaged in any construction projects’ can the Government advise why GEP recently borrowed a further £60 million from the Gibraltar Savings Bank in addition to the £70 million it had already borrowed?  
610

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

**Chief Minister (Hon. F R Picardo):** Madam Speaker, I will answer with Question 688.  
615

**Clerk:** Question 688, the Hon. R M Clinton.

**Hon. R M Clinton:** Can the Government advise if GEP Limited is lending any money to any third parties, not related to Government, and if so to whom and in what amounts?  
620

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

**Chief Minister (Hon. F R Picardo):** Madam Speaker, in relation to Question 687, GEP Limited has recently borrowed a further £60 million via the issue of a debenture to repay the sum advanced to it by the Government in respect of the construction and fitting out of various schools. In relation to Question 688, GEP Limited is not lending any money to any third party that is not related to the Government.  
625

**Hon. R M Clinton:** So, Madam Speaker, in relation to the Hon. Chief Minister's indication that the Government had advanced £60 million to GEP, can the Hon. Chief Minister advise where that would have come from? Would that have come from the Consolidated Fund, or is this via another Government entity, and if so, which Government corporate entity?  
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**Hon. Chief Minister:** Madam Speaker, I believe from an advance account, and that would have been from the Government General Account, I believe, but I would need the Financial Secretary just to confirm that that is the part from which it came.  
635

**Hon. R M Clinton:** That is an enormous amount of money to be taken from an advance account, as I am sure the Hon. Chief Minister will appreciate. And, just for the sake of completeness, because when I asked previously about the previous £70 million, the Hon. Chief Minister would not tell the House why GEP had borrowed £70 million, and I was quite happy to tell us why they borrowed £60 million. Can the Hon. Chief Minister at least connect the two and say, well, it is actually, they were both for the same purpose. Is that so?  
640

**Hon. Chief Minister:** Madam Speaker, the hon. Gentleman seems to frown in the face of *glasnost*—for the same purpose.  
645

**Hon. R M Clinton:** Madam Speaker, so, GEP Limited has borrowed £130 million from the Savings Bank, and GEP, if I remember correctly, was drawn to educational projects, which is built to all the schools. How is GEP going to repay this money?  
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**Hon. Chief Minister:** Madam Speaker, it is not difficult. It is going to charge the Government rent for the use of the schools, and that is going to enable it to repay the Savings Bank. If the hon. Gentleman thinks that is complicated, as Mr Bossino has indicated from a sedentary position, it is only because he will not be able to grasp simple concepts, like the ownership of a building leading to—nothing Unparliamentary about what I have said—leading to the payment of a rent in order to discharge a mortgage liability, not even a mortgage liability, it is a lending liability because the properties are not mortgaged.

So, it is quite straightforward. It is done all the time. It is the sort of facility that enables the magnificent investment in our people that we have seen, which is in excess of £130 million invested in our schools.

It is probably closer to £140 million or £150 million because £20 million—more than £20 million—was part of the premium for Bayside, which saw the TNG Foundation build two of the schools, at a lower cost to the Government because we only had to cover the cost over that premium, which I think was £23 million or something like that.

So, Madam Speaker, we have new schools and we are going to have more facilities refurbished in the coming years, and that is how you do it, and that is how you deliver it, and you deliver for our children the new schools that I know, Madam Speaker, is the big difference between us and them.

Because at least at one stage, Madam Speaker, there was an honest Leader of the Opposition who got up in front of the public at the Mackintosh Hall and when we were both asked, *Will you build a new St Martin's?* He said no and I said yes.

They would not have invested this money in our schools and in our children. We have. This is how we have done it.

**Hon. R M Clinton:** Madam Speaker, I do not know whether you want me to ask this as two separate questions—I can ask this as one. Two separate, if you will allow me two separate.

**Madam Speaker:** I will allow two questions.

**Hon. R M Clinton:** Thank you, Madam Speaker.

If I could ask the Hon. Chief Minister, this idea that schools have been rented to the Government is certainly new to me. Could the Government advise the House when this arrangement was entered into? Is this something that has been entered into this year or was it something that was entered into last year? Can he give us some indication of the level of rent and the period of the rental?

**Hon. Chief Minister:** Madam Speaker, I can confirm from the diligent Financial Secretary who is listening that the advances came from the Consolidated Fund Cash Reserve—in respect of a comment that the hon. Gentleman made earlier.

In respect of the arrangements, I believe from memory—but of course we have been in the throes of negotiation so my memory may not be exactly chronologically right—it has happened in this financial year because we finished the establishment of all of the structures etc. I think it is in the beginning, during the course of this financial year. I will say more about that during the Budget Debate which is on the Order Paper for next week. So I will not be drawn any more now.

But I am very clear, Madam Speaker, that this is not something that has at all been hidden. Because we have been developing the schools for all the time that we have been in Government and the cost of the development of the schools has not been in the Improvement and Development Fund. It has been in the companies.

So, it is not as if it is a secret that we were developing the schools and we were doing it through the companies. So, this is not a question of *now he tells us*. It is a question of *if you had not worked it out by now, where were you—dozing, Rumpelstiltskin?*

**Madam Speaker:** I am not sure Rumpelstiltskin is an appropriate comment to make.

**Hon. Chief Minister:** Madam Speaker, I entirely withdraw that and I shall avoid Rumpelstiltskin, Goldilocks and all the other fairy tales.

**Madam Speaker:** Yes, the Hon. Mr Clinton.

**Hon. R M Clinton:** Madam Speaker, the Hon. Chief Minister appreciates, as he just admitted, that none of the expenditure of the schools went through the books. And seeing as he files virtually no information on the companies, how on God's earth does he expect us to deduce what he has just told the House?

But in any case, I am grateful he has at least told us now and we will find out more during his Budget Address.

But does the Hon. Chief Minister not accept that effectively by taking £130 million—or borrowing £130 million—from the Savings Bank, GEP, which had previously borrowed the money from the Government, effectively the Government is indirectly borrowing the money from the Savings Bank to replace money that it needs?

**Hon. Chief Minister:** Madam Speaker, the hon. Gentleman could not have been more ungenerous in the way that he has characterised this Government's remarkable commitment to transparency. And they laugh, Madam Speaker. It is really quite something.

They must be laughing like the turkeys who voted for Christmas, for a simple reason. They passed a law when they were in Government that required every company in Gibraltar, including the companies owned by the Government—they did not caveat it—to file their accounts. They filed them for the year 1996–1997 in some respects and then they never filed them again. Without mentioning the character, Madam Speaker, it appears that they went down the rabbit hole. We start the process of unravelling all of that, which they failed to do, and we, Madam Speaker—the terrible GSLP and Liberals in their analysis—file all of the GSD and GSLP Liberal accounts for the companies. And in that process, I suppose, Madam Speaker, that the hon. Gentleman, Mr Bossino, from a sedentary position, is referring to, once again, the golden legacy of the GSD.

That is to say, the golden legacy of having filed not one—not one—of their company accounts. Certainly a legacy, perhaps not so golden. I would have said Goldilocks, but I cannot. And so, Madam Speaker, when we create companies—and this company is a company created in our time after 2011—the companies are obviously the vehicle that are doing the things that are not going through the book. Because what the hon. Gentleman cannot do, Madam Speaker, is to say that something has been done by sleight of hand or behind a curtain, hidden from the taxpayer, when we have been standing up since 2010, saying our schools are not in the state they need to be in. When we are in, we will rebuild them.

And in the 2023 General Election, I was able to get up in every housing estate in Gibraltar and say that every school in Gibraltar, including St Joseph's—which has not yet been refurbished, but it starts this summer—has been built or established under a socialist Government, because that one was done by the first socialist administration.

And if it is not in the Improvement and Development Fund, where else could it be, Madam Speaker? The hon. Gentleman has been going around Gibraltar, doing the other side of that balance sheet, if we can call it that, saying it is absolutely terrible. They are doing all of these projects through the companies.

So, Madam Speaker, how can he now pretend to be surprised? I am sorry that it takes a bit of time to unravel the Gordian knots that the hon. Gentleman gets himself into, but he cannot in one breath say it is happening through the companies, and in another breath say, *Oh, so now you tell us it was happening through the companies.*

755 At the very least, Madam Speaker, at the very least, he should say that when I told him it was Gibraltar Educational Projects Limited that held the schools, he knew then.

**Hon. R M Clinton:** Madam Speaker, the Hon. Chief Minister, having had his cake and wants to eat it as usual, will remember he only told us the name of this company very recently. And perhaps, if you were to look at the accounts of this company, which is so transparent, which gives us so much information, you will find out that the company which they incorporated—while saying, *Oh, the terrible GSD did not file an account*, Madam Speaker—they incorporated in 2017, and they have only filed one set of accounts for 2018.

The rest of the accounts on their website have a great big red stamp on it, saying, *Draft subject to audit*.

Perhaps the Hon. Chief Minister could tell me where on this balance sheet—by the way, a company that has net liabilities of £178,000—where does it say, *Oh, by the way, we are getting rental income from the Government?* If the Hon. Chief Minister could point out on this piece of paper where it says that, I will take back all my words.

**Hon. Chief Minister:** Madam Speaker, of course I will. But the hon. Gentleman will not take back all his words. For a simple reason.

He knows that that balance sheet is not for the current financial year. I have told him that, in fact, we started the rental agreement in the past financial year, so in the financial year which will reflect for the company the payment of rent—which started in Government financial year 2024–25—he will see the incoming rent.

The hon. Gentleman says he does not, Madam Speaker, because he does not have it yet. When he has it, he will see it, and it will be filed in keeping with the requirements of the law to be filed at the usual time.

I know that his problem now is that he has nowhere left to run. That he now has all the balance sheets that his long complaint said he did not have.

That is why I told him before, Madam Speaker, he is like a campaigner for openness smirking in the face of *glasnost*. It is remarkable. The hon. Gentleman is obviously a man with whom we cannot do business—to paraphrase Mrs Thatcher.

**Madam Speaker:** Next question.

#### Q689/2025

#### Deputy to the Governor –

#### Payment details from start date of contract to 31 March 2025 and reports delivered

**Clerk:** Question 689, the Hon. R M Clinton.

**Hon. R M Clinton:** Unfortunately, I cannot reciprocate that feeling. Madam Speaker, Can the Government advise how much has the former Deputy to the Governor been paid from the start date of his contract with the Government of Gibraltar to 31 March 2025 and what reports has he delivered?

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

**Chief Minister (Hon. F R Picardo):** Madam Speaker, the former Deputy Governor has been paid £74,408 since the start of his contract to the 31st March 2025. Madam Speaker, I can also confirm that Mr Pile has been in constant contact with me and the Chief Secretary, reporting predominantly through direct advice during our many and various meetings.

805 These discussions have been both substantive and regular, providing for the timely exchange of information in relation to the discussions of ongoing work and the delivery of strategic input in real time, consistent with the nature of our contractual obligations.

810 **Hon. R M Clinton:** I am grateful to the Hon. Chief Minister. If I recall correctly, he was engaged to conduct some review of the Civil Service and efficiency of the Civil Service. Can I ask the Hon. Chief Minister, in the course of all these meetings and constant contact, whether any written report has been delivered?

**Hon. Chief Minister:** Not to me, Madam Speaker, but maybe to the Chief Secretary. But I must also say that the ambit then went a lot further than just the Civil Service.

815 **Madam Speaker:** Next Question.

**Q690/2025**  
**Treaty for a new relationship with the EU –**  
**Explanatory booklet**

820 **Clerk:** Question 690, the Hon. Leader of the Opposition.

825 **Hon. Dr K Azopardi:** Will the Government produce an explanatory booklet for citizens and business on practical questions in respect of mobility and goods and how the arrangements envisaged under the proposed Treaty for a new relationship with the EU will work?

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

830 **Chief Minister (Hon. F R Picardo):** Madam Speaker, yes, ma'am, as we have already said publicly on a number of occasions—and it may even include diagrams, Madam Speaker. The Government is already preparing a Frequently Asked Questions document that will address the key themes and concerns being raised by the public. This will be made available as soon as it is finalised.

835 **Hon. Dr K Azopardi:** Yes, well, the answer had been, at least in principle, made public after I filed my question. Can I ask the Hon. Chief Minister, is it envisaged from—and do I take it from the last phrase—that it is envisaged that this booklet will be made available before the conclusion of the treaty, or is it after the conclusion of the treaty?

840 **Hon. Chief Minister:** No, Madam Speaker, in coming weeks, as soon as we have finished the answers to the emails, we will be compiling the document with the Frequently Asked Questions.

**Madam Speaker:** Next question.

**Q691/2025**  
**Treaty for a new relationship with the EU –**  
**Transport commitments**

**Clerk:** Question 691, the Hon. Leader of the Opposition.

850 **Hon. Dr K Azopardi:** What transport commitments are expected to be entered into under the proposed Treaty for a new relationship with the EU?

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

855 **Chief Minister (Hon. F R Picardo):** Madam Speaker, the treaty envisages arrangements covering air, maritime and road transport. As the Government has already confirmed, the treaty will open up Gibraltar Airport to flights to and from airports in the European Union. This means that for the first time in our history, and directly as a result of these negotiations, we may see commercial flights operated between Gibraltar and the European Union.  
860 These arrangements therefore take us beyond the short-lived Cordoba arrangements which only envisaged flights to Spain. The potential opportunities that this creates—that this treaty unlocks—for businesses, for tourism, for commerce, for industry, simply cannot be understated. It is truly remarkable that we have been able to achieve this now, that we are outside of the European Union, and in a way which does not cross any of our red lines on sovereignty, jurisdiction or  
865 control, and to put to rest an issue which has plagued Gibraltar's political history ever since Spain first opposed Gibraltar's participation in the EU Single Sky package of measures close to 40 years ago.

Then, in the maritime space, the treaty will include for Gibraltar-registered vessels provisions on non-discrimination, including in relation to non-discriminatory access to EU ports and access  
870 to international maritime transport services.

This news will, I am sure, be welcomed by the Gibraltar Maritime Administration, which has craved the legal certainty that its clients require to operate in EU ports on an equal footing.

Finally, as I have also already stated, the treaty will also include provisions on road transport. Operators from Gibraltar will be able to transport goods by road both between Gibraltar and an  
875 area referred to as the Contiguous Frontier Zone—likely to be the Campo de Gibraltar—between Gibraltar and the United Kingdom through the EU.

There will be special provisions too, covering the provision of ambulance services provided by Gibraltar ambulances in the area, extending beyond the Contiguous Frontier Zone to hospitals in Spain, which are relied upon by the GHA when referring patients. This will greatly reduce the need  
880 for the GHA to have to rely on Spanish ambulances to the extent it has done since EU withdrawal.

The treaty will also pave the way for Gibraltar operators to be able to participate in the international road haulage framework established by the European Conference of Ministers of Transport, otherwise known as the ECMT, so that permits issued to Gibraltar operators will allow those operators to transport goods between Gibraltar and the 43 ECMT member countries, which  
885 include the EU member states as well as European countries extending beyond the borders of the EU.

The treaty will separately unlock Gibraltar's participation in the Interbus Agreement, which would allow for Gibraltar operators to perform coach and bus services in 36 European countries, including the EU member states. Taxi services are not—I repeat, taxi services are not—covered.  
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**Hon. Dr K Azopardi:** I see. Can I maybe just start on that issue? Because I had understood—perhaps I misunderstood his answer in *Viewpoint*—that taxi services were included in this contiguous zone, but he is saying they are not included. May I just get that right, yes?

895 **Hon. Chief Minister:** Well, Madam Speaker, I must have swallowed my words, but in the transcript I have seen of what I have said, it was very clear that taxis were not covered.

**Hon. Dr K Azopardi:** As I say, I wanted to get his clarification. I had understood that in *Viewpoint* he had said something different, but I do not have the *Viewpoint* transcript with me, so that is fine, that is clear. Can I just ask about the contiguous zone?  
900

That is not yet a defined area, but he envisages that that is going to be the Campo area. Can I ask him that? And can I ask him, on the ambulances—because it is related to contiguous zones—so if he does not mind I will just roll that into the second question.

On the ambulances, will they be subject to contiguous zones or not?

905

**Hon. Chief Minister:** Let me start at the end, like he did with me, Madam Speaker. I specifically said already in my first answer that the ambulances will not be limited to the contiguous zone. The Contiguous Frontier Zone, Madam Speaker, is very likely to be the extent of the municipalities that make up the Campo de Gibraltar.

910

There is a reason for that, Madam Speaker. If the EU were to allow us a further area into Spain, then that would engage and probably put the EU in breach of its WTO obligations. But there is a solution to that, which is that at the same time you join the ECMT and then these provisions fall away and you have the full run of the area known—to adopt the terminology of the hon. Mr Sacarello—as the EU zone.

915

So this would extend to the whole of the 43 nations that make up the ECMT. That is really continental rather than treaty Europe, so to speak. It is neither Schengen Europe nor the European Union. It is the wider spread of countries that make up the continent of Europe.

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**Hon. Dr K Azopardi:** I understand the compatibility then of the statement he made that it would allow operators—which I took to mean not excluding taxis, as he has clarified—buses and coaches, access to the contiguous zone. But what he is saying is that, subject to this clarification he has just given, the access would be much wider than that. Is that right? No?

925

**Hon. Chief Minister:** The hon. Gentleman is mixing apples with pears. Buses and coaches—that is under something called the Interbus Agreement. So, we will join the Interbus Agreement. That is 36 European countries, including all of the EU member states, but not limited to the EU member states. As the name of that convention implies, it deals with buses, coaches and route buses—not taxis. There is not a European convention in respect of taxis, neither continental nor otherwise.

930

But if you have freedom to provide services, then there is a question about whether or not taxi services can flow. We do not have the freedom to provide services, so our taxis will have the area of Gibraltar protected as exclusively for them, which is what we set out to achieve for them when we went into this negotiation.

935

I declare an interest, Madam Speaker. I represented the good men and women of the Gibraltar Taxi Association when I was in private practice, and I still consider myself to be looking out for their interests when I am in Government, because they deserve that we should have their interests looked out for.

940

They are not known as Gibraltar's ambassadors for nothing, Madam Speaker, and when many people are comfortable in their beds, perhaps even criticising them, they are at the quayside waiting for the tourists, ready to give them the best experience of Gibraltar.

And then the other issue, Madam Speaker, is the ECMT, which deals with road haulage. That is what I was talking to him about in terms of road haulage, because in his first supplementary he asked me about ambulances and lorries and trucks.

945

So, he needs to have all of those different concepts in his mind to understand what it is that we have been in fact able to achieve in the context of this negotiation, which goes beyond just this treaty.

**Madam Speaker:** Next question.

950

**Q692/2025**  
**Morocco –**  
**Cessation of ferry service**

**Clerk:** Question 692, the Hon. Leader of the Opposition.

955 **Hon. Dr K Azopardi:** When would the Government envisage the cessation of the ferry service to Morocco?

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

960 **Chief Minister (Hon. F R Picardo):** Madam Speaker, the Government would envisage the cessation of the ferry service to Morocco on the date of entry into force of the treaty. At that time, Moroccan nationals residing in Gibraltar will have either been issued with their new residence permits or transnational arrangements will have been agreed, allowing them free access to the Schengen area and therefore to the ferry terminals in Algeciras and Tarifa.

965 Madam Speaker, I preface this by a reference to Moroccan nationals, but of course the same applies to any third country national that might wish to use the ferry.

**Madam Speaker:** Next question.

970

**Q693/2025**  
**Treaty for a new relationship with the EU –**  
**Referendum**

**Clerk:** Question 693, the Hon. Leader of the Opposition.

975 **Hon. Dr K Azopardi:** Does the Government intend to put the proposed Treaty for a new relationship for Gibraltar with the EU to a referendum?

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

980 **Chief Minister (Hon. F R Picardo):** Madam Speaker, no ma'am, although I note that he has insisted that it should be and that his policy must be that he will do so if he is elected as Chief Minister in the future, which of course one hopes will never be the case.

985 **Hon. Dr K Azopardi:** Madam Speaker, I remind the hon. Member that we both had commitments to have a Referendum in our 2023 Election manifestos. We were not, at the end of the day—you know—I only came third, so I was not elected to be in the Government, but he came second and became Hon. Chief Minister.

990 So, his manifesto commitment was that in the event that a treaty is concluded with the EU, at the end of the four-year review period, Spain and Gibraltar cannot agree on the way forward, a GSLP Liberal Government would hold a Referendum to determine whether or not the treaty should be terminated.

995 The manifesto commitment was in the context of a very clear position taken by the GSLP Liberals that for four years you are going to have Frontex. At the end of the Frontex period, Spanish officers exercising jurisdiction was unacceptable and that is why the treaty was going to be put to a referendum.

Given that what he appears to be bringing back is exactly what would have been envisaged as unacceptable, which would have been subject to and triggering a Referendum under the GSLP manifesto, why is it not going to a Referendum now?

1000 **Hon. Chief Minister:** Because that is not what is coming back, Madam Speaker. He is completely wrong. But you see, given that the hon. Gentleman came third and therefore does not have the chance to put matters to a Referendum in the way that he proposed—which was that any agreement we negotiate, he said, they would put to a Referendum—and I came second, Madam Speaker, and became Chief Minister and have been leading the negotiations, but the  
1005 commitment in the GSLP Liberal manifesto was written by the person who came first, Madam Speaker, and is therefore very carefully worded and absolutely properly set out in our manifesto, then, Madam Speaker, I think it is particularly clear that what we have now is a situation where we have negotiated our way not to Frontex, which is what the hon. Gentleman is trying to do when he is trying to lay the seed of how he is going to lead opposition to this treaty.

1010 Because it is clear that what is coming is GSD opposition to this treaty. He is already saying—he said it on *Viewpoint* yesterday or the day before—*Ah, but this is not what they had a mandate for because they have not brought Frontex, and they said that if Frontex was not there, what Spain wanted was unacceptable, so they have gone beyond the remit of the mandate, and now he has made that explicit by saying, Therefore, you must put it to a Referendum.*

1015 He is wrong. What we have negotiated away is not Frontex. What we have negotiated away was the problem that Frontex would have had to deal with, and I have explained that, Madam Speaker, but perhaps I will connect the two for him.

We are not going to have Spanish police at our port, because we are not going to have passenger ferry services. Those were the circumstances in which they had to be there.

1020 So, Madam Speaker, there is absolutely no reason for the GSLP Liberals to see this engaged, because what we managed to do—and I say *we* in the royal sense, because, as I have always said, I am the organ grinder and the conductor—but the excellent work done by the negotiating team, by the Attorney General, by the Hon. Deputy Chief Minister, by Daniel D’Amato, by everybody who was in the negotiating team, with me doing my little bit—what we have done with the  
1025 support of the Cabinet, with the input of the Cabinet, with the ideas from the Cabinet, and with Gibraltar’s sovereignty hawks in the Cabinet, is to negotiate away, now, the problem that might have been in four years’ time.

That is to say, there is not a permanent presence at Gibraltar Port by Frontex to deal with passenger arrivals there, which will, in four years’ time, see Frontex disappear and the Spanish  
1030 police take over.

There is now neither Frontex nor the Spanish police at Gibraltar Port. They could be there if a Government of Gibraltar were ever to agree to have passenger ferry services there. This Government of Gibraltar—a GSLP Liberal Government of Gibraltar—will never agree to that if what that means is that there has to be a Spanish police officer there.

1035 We will not. We will not. There are other circumstances. In future, all border arrangements may be electronic. So, you could, perhaps in the future, have circumstances appertaining which enable passenger services to arrive at the port without having to see that eventuality. But if it involves a Spanish police officer, we will not agree with them.

And that is not something, Madam Speaker, I have a problem saying here, because it might  
1040 sound to my negotiating counterparts as something different to what I have said at the table. We say the same things in public that we say in private about sovereignty, jurisdiction, control—all of these issues, Madam Speaker. So, the hon. Gentleman is completely wrong.

None of the issues which would have appertained at the end of the four-year review period, which might have led us to consider that the arrangements are going to be unacceptable and  
1045 therefore to have to put to a referendum with us saying, *Vote down the treaty*, appertain—because we solved the problem.



His problem, Madam Speaker, is actually very different. Unless he is going to change his policy, his manifesto commitment was very, very clear.

1050 As a further safeguard, *we will put any agreement that we negotiate to a referendum so you will have the final say on whether it remains in place.*

1055 So, at the next General Election, Madam Speaker, if he is still the leader of his party—and unless his party is going to be as persuaded as they should be, but they obviously will not be—that we have negotiated an excellent deal for Gibraltar, because they are literally just waiting to appear with the axe to try and chop it down, although they are getting precious little support from anywhere.

This is quite a situation, Madam Speaker, where even empty vessels are making a noise in favour of our treaty or our agreement for a treaty.

1060 Unless he changes, he has to go into the next General Election with the treaty accepted by everybody in Gibraltar saying, *I am going to put it to a Referendum.* Good luck with that, Jack.

**Hon. Dr K Azopardi:** Madam Speaker, wow for the rewriting of history, by the way, and how the negotiations have evolved. But look, there is another question on the Order Paper on Frontex, so I am not going to pre-empt what we are talking about. But I do detect a couple of features in what has happened in the last two or three weeks.

1065 First, a massive hard sell, and secondly, a real eagerness that we should oppose this treaty. And how many times has he mentioned the axe? Not just today, but on other occasions. Every time he has got an occasion to get up, it is the glorious deal—that still has not been done, by the way, because until the treaty is done, there is no treaty.

1070 And secondly, that we are waiting behind the door with an axe to... Well, look, all we have said is we are going to suspend judgement until the treaty text is known, because the treaty text will have a lot of detail in it, and then we will know whether the deal is safe and beneficial.

1075 But can I ask him on this, which is the question? Let us come back to the question, instead of all his hyperbole and rambles along the jungle, trying to write my 2027 or 2026 or 2025 manifesto. When he said in *Viewpoint* the other day, when he was pressed by the interviewer there, that a Spanish officer can, without a uniform, travel in a car to the port area—clearly to exercise the jurisdiction that Frontex would have had, had they done the four-year Frontex deal—so why are we not, in the period envisaged in his manifesto?

1080 Why is it that he is now trying to squirm out of the manifesto commitment that he gave the people of Gibraltar, that if they could not deliver Frontex, they would put the deal to a referendum?

1085 **Hon. Chief Minister:** Madam Speaker, hard sell? What hard sell? I have done what I have been asked by the national broadcaster and Gibraltar's only remaining newspaper to do. I have given an interview on *Gibraltar Today* when I returned to Gibraltar. I have done a *Viewpoint*, which they asked me to do, despite being exhausted, because I had woken up at four o'clock in the morning at Heathrow Airport that day and had not been able to shave before appearing on television. And I have done various interviews that I have been asked by media to do.

1090 I have refused to do a lot more interviews in and outside of Gibraltar. I have tried to just deal with the main news outlets. If I had not done that, the accusation would simply have been that I have not given people enough information, that it is very unfair that I have done these arrangements and I was not giving people the necessary information.

1095 Well, I have given people all of the information that I have, and I think people have appreciated that the Hon. Deputy Chief Minister has spoken in particular about the airport in great detail to both the national broadcaster and to the local newspaper.

And it is not, Madam Speaker, that I have an eagerness for them to be against this treaty. It is that it is obvious that they are trying to find a reason to be against the treaty.

The hon. Gentleman's interview yesterday, or the day before on *Gibraltar Today*, and everything that he has said is, as I told him, Madam Speaker, in this House, about his response to my statement, such a caveat, a cautious welcome, that he takes out the W, the E, the L, the C, the O, the M and the E of *welcome* in the way that he caveats his approach.

I mean, you can sense that the hon. Gentleman seems to have been—well, perhaps not the only person in Gibraltar, Madam Speaker—but among the only people in Gibraltar who appeared to hope that we would not come back with a treaty, or at least with an agreement for a treaty, so that they could try and make hay about that.

I mean, people used to talk about limbo, Madam Speaker. I will have something to say about the limbo in the context of my Budget speech. He is the only person who was dancing the limbo, being delighted that we had not come back with a treaty.

So, there is no eagerness on our behalf that he object. There is a realism, Madam Speaker, that the hon. Gentleman sees Opposition not as scrutiny, but as opportunity to object. He will forgive me if that is the impression that he gives me. Perhaps he could give me a different impression, but I do not have a different impression.

And neither do most of these things called, objectively, political observers, Madam Speaker. Most political observers are just waiting for him to come out and say that he is against it, because that is what everybody expects.

He has already spoken, Madam Speaker, perhaps ungenerously—do we not all sometimes fall into the trap of using this old phrase—talking about ladies who are kilo-graphically challenged having to sing before there is anything to celebrate.

Well, Madam Speaker, we will see when the kilo-graphically challenged sing what people think of what it is that the lyrics to that song are.

But Madam Speaker, I do not think the hon. Gentleman is being serious when he is telling us that the fact that potentially on some occasions it is possible for a Spanish immigration official to accompany a Gibraltar immigration official in a case where a person who is not Schengen cleared is being taken under our custody and control to the Schengen second-line check area—and accompanying us whilst we do that—that that is the same, that that is the same—we are talking about a person out of uniform, by the way—as having a *Policía Nacional* in a Spanish *Policía Nacional* uniform with a Spanish *Policía Nacional* gun and other instruments standing at the port.

Is he seriously saying to the people of Gibraltar that that is the same thing? Because that is where Frontex was going to be. That is what Frontex was going to do. And everybody who arrived in Gibraltar by sea would have had to go there to do all their immigration by sea.

So, Madam Speaker, I think the hon. Gentleman is completely wrong. But it is not just me that thinks the hon. Gentleman is completely wrong.

It is also Joseph Garcia who thinks the hon. Gentleman is completely wrong—not known to be a soft touch on the Spanish issue, as the Spanish negotiators who became our colleagues used to remind him when we used to turn up. And it is not just Joseph Garcia who thinks that. Or the Attorney General, who is not a politician, is an official. But it is also Joe Bossano who believes that Madam Speaker.

Because this was not something that Joe Bossano heard about when I spoke about it on *Viewpoint* or on *Gibraltar Today* or in whatever interview the hon. Gentleman is referring to. It is something that the Gibraltar Cabinet has agreed in the context of the negotiation.

If the hon. Father of the House—who I might generously refer to as the hawk of all hawks, who Adolfo Canepa, the former Chief Minister, said two days ago gave him additional comfort because of his analysis—is satisfied that therefore there are none of the issues that we envisaged would lead us, the GSLP and the Liberals—not the soft-touchers, not the Cordoba people—if we do not think that those circumstances appertain, Madam Speaker, then it ill behoves him to pretend that he is the tougher guy on Spain.

That he is the one who is the guardian of our sovereignty.

1150 I mean, I reminded them—one of the things that we used to debate during the course of the last general election campaign is that his analysis of sovereignty is a little softer than ours, at least when it comes to Andorra.

**Madam Speaker:** Next question.

1155

**Q694/2025**

**Treaty for a new relationship with the EU –  
Non-residents stamped at Gibraltar Airport on entry into Gibraltar**

**Clerk:** Question 694, the Hon. Leader of the Opposition.

1160 **Hon. Dr K Azopardi:** Will non-residents be stamped at Gibraltar Airport on entry into Gibraltar under the arrangements envisaged under the proposed treaty for a new relationship with the EU?

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

1165 **Chief Minister (Hon. F R Picardo):** Madam Speaker, as I have already repeatedly explained publicly, only third-country non-residents will have their passports stamped on entry into Gibraltar or be required to pass through the Schengen Entry/Exit System, assuming that this system—which will replace the manual stamping of passports—will be operational prior to the entry into force of the treaty.

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**Madam Speaker:** Any supplementary.

**Hon. Dr K Azopardi:** Madam Speaker, I am just checking if I may whether the question in my mind is better under a different question. Yes, I will ask it later.

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**Madam Speaker:** Next question.

**Q695/2025**

**Gibraltar arrivals –  
Non-resident Gibraltarians entry requirements**

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**Clerk:** Question 695, the Hon. Leader of the Opposition.

1185 **Hon. Dr K Azopardi:** Madam Speaker, will non-resident Gibraltarians arriving at Gibraltar Airport be subject to the entry requirements for residents of Gibraltar or non-resident British or third-country nationals under the arrangements envisaged under the proposed treaty for a new relationship with the EU?

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

1190 **Chief Minister (Hon. F R Picardo):** Madam Speaker, non-resident Gibraltarians arriving at Gibraltar Airport will be subject to the same entry requirements as for residents of Gibraltar. They will need to have their red ID cards with them, as indeed resident Gibraltarians will need to have.

**Hon. Dr K Azopardi:** But how is that going to happen? Because the Government is going to issue red ID cards for non-resident Gibraltarians—because obviously ID cards are issued for a period. There will be non-resident Gibraltarians.

There will be thousands of non-resident Gibraltarians presumably out there. But the Government may have a record in the Register of Gibraltarians. How is that going to work? Are they intending to issue red ID cards for non-resident Gibraltarians who will not be in possession of them?

**Hon. Chief Minister:** I am surprised at the question, Madam Speaker. The regime that we inherited from members opposite when we were elected is that red ID cards can be issued to those who are registered Gibraltarians even if they are not resident in Gibraltar, with addresses outside of Gibraltar. That is not the position that we have taken.

It is a position that we inherited and it has been the case, and therefore we have not changed it.

**Hon. Dr K Azopardi:** Madam Speaker, I was asking because I certainly had understood that that practice had changed somehow, because we had been approached by people who were having difficulties in getting an ID card. If that is not the case, as the Hon. Chief Minister now suggests, well, presumably then there is an easy fix to the issue.

So, it will be the case, will it, therefore, that non-resident Gibraltarians simply need to apply for a red ID card if that red ID card has expired?

**Hon. Chief Minister:** Well, Madam Speaker, I suppose that just demonstrates that a lot of the information that the Opposition obtain and then they base their questions on is not correct. Yes, Madam Speaker, if you have a red ID card and it is going to expire and you do not live in Gibraltar, you have got to renew it. That is normal.

If you have got a red ID card and it is going to expire and you live in Gibraltar, you have got to renew it. Otherwise, you will have to start the process of application again. In that process, whether it is renewal or otherwise, you simply have to prove that you are a registered Gibraltarian.

**Hon. Dr K Azopardi:** Can I just ask this? Again, I think there may be another question on the Order Paper—yes, Question 701—perhaps I can ask this.

It strikes me now, so let me just ask it. The Hon. Chief Minister, I think, suggested in the *Viewpoint* programme that the cards that people have are going to be replaced by new residence cards. Presumably, the red ID card is in the same position as that, so it is not residence-based in that sense. Insofar as the red ID card is concerned, that is about Gibraltarian status, not precisely residence. Is that correct?

**Hon. Chief Minister:** What I said, Madam Speaker, I did not say about red ID cards. I said about Civilian Registration Cards.

**Madam Speaker:** Next Question.

#### Q696/2025

#### Treaty for a new relationship with the EU – FRONTEX Officers Schengen checks

**Clerk:** Question 696, the Hon. Leader of the Opposition.

**Hon. Dr K Azopardi:** Why and when did the Government agree that FRONTEX officers were no longer to carry out Schengen checks under the proposed Treaty for a new relationship for Gibraltar with the EU?

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

**Chief Minister (Hon. F R Picardo):** Well, Madam Speaker, I do not know whether the hon. Gentleman accepts that I have already answered this question in the context of the earlier.

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**Hon. Dr K Azopardi:** Yes, I do accept that he generally answered it, but if he was going to be more specific about the why and when in his prepared answer, then he could perhaps read it for the record. If it is not more precise, well then, no.

1255

**Hon. Chief Minister:** Well, Madam Speaker, I will read it for him if he wishes. Madam Speaker, it was His Majesty's Government of Gibraltar who proposed that Frontex officers were no longer to carry out Schengen checks under the treaty. This decision was taken as negotiations advanced on the precise role that Frontex could play and when an agreement was reached on the detail of how Schengen checks will be carried out, and in particular when an agreement was reached on how the new facility will be built at Gibraltar Airport.

1260

Taking each of those in turn:

- Firstly, the role for Frontex was agreed at our suggestion in the New Year's Eve Agreement of 2020, which was entered into by the UK and Gibraltar and Spain. Once the European Commission opened the negotiations in October 2021, they made clear that in any event Frontex officers would not be able to operate on their own. They would have always needed to be accompanied by a Spanish border guard. This was a position from which the EU would not budge over numerous rounds of negotiations. It seriously undermined the very reason why we wanted Frontex in the first place.
- Secondly, the Schengen checks will be carried out principally by automated border control systems. In the vast majority of cases, this will be the only interaction that the passenger will have with a Schengen check. The use of automated systems will increase even further, in particular with respect to third-country nationals arriving in Gibraltar, once the Entry-Exit System becomes operational, expected for later this year. The cases where a physical Schengen check may be necessary are very limited—for instance, a technical problem with the automated border control systems, a Schengen alert being flagged at the automated border control machine, or for families travelling with children under the age of 14.
- Thirdly, the configuration of the new facility that will be built at the airport, which will straddle equidistantly Spain and Gibraltar, is such that His Majesty's Government of Gibraltar is satisfied that the Schengen check can be carried out from that facility by a Spanish border guard without compromising our red lines, as I have already explained.

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When all of that is taken into account, and considering the legal uncertainty over the entire treaty that the presence of Frontex would create—since their role would have to be reviewed after four years of the entry into force of the treaty—all sides in the negotiation agreed that it was not necessary to pursue this issue further, and that greater stability was created for the entire treaty by removing the role that Frontex would play for border checks in that initial period.

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**Hon. Dr K Azopardi:** So, to be clear from that, as I have listened to that, it was the Government that requested that Frontex no longer carry out the checks?

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**Hon. Chief Minister:** It was the Government that proposed that Frontex should carry out the checks, and it was the Government that subsequently proposed that it should no longer be

1295 Frontex, because the new arrangements had dealt with the issues that we wanted Frontex to have dealt with—which would not have been dealt with in any event, because of the position of the European Commission in respect of Frontex.

**Madam Speaker:** Next Question.

1300

**Q697/2025**

**Borders and Coastguard Agency Officers –  
Removal from the Land Border with Spain**

**Clerk:** Question 697, The Hon. Leader of the Opposition.

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**Hon. Dr K Azopardi:** Madam Speaker, will all BCA officers be removed from the Land Border with Spain under the arrangements envisaged under the proposed treaty for a new relationship with the EU?

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

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**Chief Minister (Hon. F R Picardo):** Madam Speaker, as I have explained publicly already, there will be even more work for Borders and Coastguard Officers (BCA) officers once the treaty comes into force. BCA officers should therefore rest assured that their jobs are fully secure and that the Government would never do anything to put their jobs at risk.

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The deployment of BCA officers, as indeed other Public Officials who work in areas covered by the treaty, is a matter which will continue to be addressed by His Majesty's Government of Gibraltar at the appropriate time.

I envisage they will continue to play a hugely important role at the Land Border.

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**Hon. Dr K Azopardi:** All right, let me try to unpack that so that I understand it. An important role at the Land Border is not the same as being there, in the sense that it has been said publicly as part of the political agreement that it involves the removal of the border checks and so on. The political agreement that was signed in Brussels says that there will be a removal of all checks at the crossing point between Gibraltar and La Línea, etc.

1325

That suggested that that means the personnel would not be there, including BCA. I certainly can understand that BCA officers will be deployed to other tasks—maybe close by, maybe electronic surveillance or other work—but really my question was intended to be more precise, which is: on entry into Gibraltar, you normally see BCA officers right there at the Frontier. Are they going to be there, or does the removal of checks envisage the removal of personnel at the entry point when you cross with your car?

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**Hon. Chief Minister:** The two are not mutually exclusive, Madam Speaker.

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**Hon. Dr K Azopardi:** Well, the two are not mutually exclusive in the sense that they may not check documentation, but the mere presence—if there is going to be mere presence—of BCA or, for example, Policía Nacional, it will cause, presumably, drivers to behave as if the checks are still there.

So, has the Government not considered that possibility? And what is happening on the Spanish side?

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Is the Government aware that the Policía Nacional are also going to be there in presence, albeit not checking?

**Hon. Chief Minister:** Well, even that is not correct, Madam Speaker. But everything that he said is laced with facts which are incorrect. Nothing was signed in Brussels.

1345 Yes, it did. The hon. Gentleman said *when they signed in Brussels*—nothing was signed in Brussels. But we did not sign anything, Madam Speaker, so that is wrong.

And it is not right to say that people will slow down when they see a BCA officer. It is remarkable, Madam Speaker. When they get something wrong, they laugh.

1350 They laugh, Madam Speaker—I guess a nervous laughter—because they have got it so wrong. This is too important to get basic points wrong, Madam Speaker.

People might slow down if they see a BCA officer in uniform. They might not know it is a BCA officer if the BCA officer is not wearing a uniform, but is keeping an eye out to ensure that those who are coming through are not people who are illegally in the Schengen area. And, Madam Speaker, we do not expect there will be Spanish Policía Nacional on the other side, 1355 but if they wanted to have them keeping an eye, it is a matter for them. There is no right, Madam Speaker, if you are illegally in Spain, to enter Gibraltar also illegally from Spain.

1360 So, of course you can have people where the land Frontier is—patrolling, surveilling, making sure that somebody who comes through who is acting suspiciously is asked whether they are legally in the Schengen area.

So, all of the assumptions—all of the assumptions—the hon. Gentleman has made in his question are wrong. Even the exact statement that something was signed in Brussels—nothing has yet been signed in Brussels, as he reminded us earlier, until the kilo-graphically challenged have sung.

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**Hon. Dr K Azopardi:** I mean, let us not be so nervous about it, because he has used the phrase before, *until the fat lady sings, there is no treaty*, because the treaty is entered into when it is entered into.

1370 What I said was, there was a statement—a political agreement—he has talked about the agreement they have landed. An agreement requires two parties to agree—three parties, four parties to agree in this case, presumably.

1375 The statement in Brussels is headed: *A joint statement on the negotiations*. It was a statement that was signed up to—not signed with a pen—but signed up to, in Brussels. He held hands with Spanish Foreign Minister José Manuel Albares, European Commissioner Maroš Šefčovič and Secretary of State for Foreign and Commonwealth Affairs of the United Kingdom David Lamy, you know.

1380 So, you know, there is only so much—so many boundaries of credibility—that the Hon. Chief Minister can infringe. The political declaration says that there will be a removal of all physical barriers, checks and controls on persons.

I have made no factual statements. I am making—I am putting—questions to the Hon. Chief Minister. I am not in a position to assert facts. That is precisely our position: that we will not assert a position until we see the treaty text.

That is when we will make a judgement on whether it is safe and beneficial.

1385 I am enquiring, because he is in a position where he is—where he is apparently quite fast and loose, despite not entering into the treaty—about giving detail to people of how it is going to work.

Are they going to remove the BCA officers or not? Has it not been discussed? The way that he has answered suggests that he does not even know whether Spain is going to have the Policía Nacional at the border or not.

1390 Well, I am asking him: is it the case that under the arrangements envisaged, the BCA officers will be at the border—even though the checks will be removed—will they physically be at the border?

1395 **Hon. Chief Minister:** Madam Speaker, I am not nervous about anything. I am not. But the nervous laughter coming from the other side belies that it is the mote in his own eye that the hon. Gentleman seems to be describing.

I am not surprised, because he is absolutely right—we have signed up to a historic agreement. But he was absolutely wrong to say a few moments ago, as Hansard will show very quickly now, Madam Speaker—*El Chivatito* will show—that he said *signed*.

1400 A hon. Gentleman is enough of an experienced counsel to know there is a big difference between something being *signed* and something being *signed up to*. The two are two completely different concepts.

Madam Speaker, I have already answered his supplementary. I think he just wanted to get up to make the preambular references, which, of course, if you have permitted, I accept.

1405 **Madam Speaker:** Next question.

**Q698/2025**  
**Treaty for a new relationship with the EU –**  
**Frontier workers rights acquired**

1410 **Clerk:** Question 698, the Hon. Leader of the Opposition.

**Hon. Dr K Azopardi:** What rights are frontier workers acquiring under arrangements envisaged under the proposed Treaty for a new relationship with the EU?

1415 **Clerk:** Answer, the Hon. Chief Minister.

**Chief Minister (Hon. F R Picardo):** Madam Speaker, as I have already stated outside of this House, the treaty includes a part on Frontier workers. It will apply only to EU citizens legally residing in Spain and working in Gibraltar, and to British citizens legally residing in Gibraltar and working in Spain. The part is therefore fully reciprocal in terms of the rights which it advances to Frontier workers on either side of the border.

1420 It shall apply to both employed and self-employed workers. The provisions on Frontier workers follow closely the provisions under EU law. However, there will be some important differences. For example, given that the treaty will not grant establishment rights to reside in Gibraltar or the EU member states, it has been clarified that Frontier workers shall therefore not have access to rights concerning housing, contrary to the position when we were in the EU. This part is supported by a protocol on social security coordination, but this will only apply between Gibraltar and Spain. We will therefore not be obliged to coordinate with other member states or to aggregate.

1430 The protocol will regulate how Spain and Gibraltar will take into account contributions paid by Frontier workers in each other's social security systems or relevant periods of work when determining entitlements to benefits due in either Spain or Gibraltar. It replicates the provisions of EU law in this area, just as the UK did for the purposes of the TCA.

1435 **Hon. Dr K Azopardi:** Will Frontier workers have access to the Health Services under the treaty?

**Hon. Chief Minister:** I have already explained that that is the case for both sets of Frontier workers.

1440 **Hon. Dr K Azopardi:** Do I assume that the Frontier workers covered by this arrangement will be the Frontier workers in place after 1 January 2021? Is that the case?



**Hon. Chief Minister:** No, Madam Speaker.

**Hon. Dr K Azopardi:** So perhaps the Hon. Chief Minister can clarify.

1445

**Hon. Chief Minister:** Well, it can only be one cohort, Madam Speaker. The post-treaty cohort of Frontier workers.

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**Hon. Dr K Azopardi:** The post-treaty cohort, I see. So there presumably then will be three groups of Frontier workers: the Frontier workers that acquired rights under the Withdrawal Agreement—so Frontier workers in place up until 31 December 2020; the Frontier workers who became Frontier workers from 1 January 2021 to the date of the treaty; and the Frontier workers after. Is that what you his is saying?

1455

In which case, what is the bag of rights of the Frontier workers in the middle?

**Hon. Chief Minister:** Yes, that is what I am saying. And the answer is it depends whether they continue after the treaty or not.

1460

**Hon. Dr K Azopardi:** Sorry, Madam Speaker. Yes, no, I was...

**Madam Speaker:** I saw the hon. Member nodding and I thought it was a sign for me to march on.

1465

**Hon. Dr K Azopardi:** I was nearly there on passing on, but I had one more question which was in my mind when the Hon. Chief Minister was finishing. Does he confirm then that there is no grandfathering arrangement in the proposed treaty that will cover the group of persons who were Frontier workers between the period 1 January 2021 and the date of the treaty if they ceased to be Frontier workers?

1470

**Hon. Chief Minister:** That is why I told him his analysis was correct, that there were three cohorts.

**Madam Speaker:** Next question.

1475

#### Q699/2025

#### Treaty for a new relationship with the EU – Impact on future reclamation in Gibraltar waters

**Clerk:** Question 699, The Hon. Leader of the Opposition.

1480

**Hon. Dr K Azopardi:** Will the possibility of future reclamation in Gibraltar waters be impacted under the arrangements envisaged under the proposed Treaty for a new relationship with the EU?

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

1485

**Chief Minister (Hon. F R Picardo):** Madam Speaker, no, ma'am.

**Hon. Dr K Azopardi:** No, because any aspects concerning reclamation in the waters is not going to be covered by the environmental aspects of the proposed treaty?

1490

**Hon. Chief Minister:** No, because we are already signatories to the International Convention, or at least, if not signatories, we have had extended to us the International Convention that deals

with these matters. The European law on these matters is really just a restatement of the International Convention and to be asked to comply with the International Convention is to be asked to comply with the rules that we have long complied with and have always expected to comply with and would always comply with.

1495 **Hon. Dr K Azopardi:** I see. Well, I understand that, but over and above that, is the Hon. Chief Minister saying there will not be more specific arrangements in respect of the environment chapter of this treaty that will in any way be discursive of the possibility of reclamation in our waters?

1500 **Hon. Chief Minister:** Madam Speaker, the question is about whether reclamation will be impacted in the arrangements and they will not be.

**Hon. Dr K Azopardi:** So, I am not trying to be awkward. I am really trying to get a precise answer. Not being impacted because, as I understand what the Hon. Chief Minister is saying, they are not going to be impacted because there are no new obligations.

1505 You continue to adhere to whatever international obligations you are subject to. What I am asking is, is reclamation referred to in the proposed treaty?

**Hon. Chief Minister:** No.

1510 **Madam Speaker:** Next Question.

**Q700/2025**  
**Treaty for a new relationship with the EU –**  
**Infrastructure projects**

1515 **Clerk:** Question 700, the Hon. Leader of the Opposition.

**Hon. Dr K Azopardi:** What infrastructure projects are envisaged to be carried out as part of the implementation process of arrangements under the proposed Treaty for a new relationship with the EU?

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

1525 **Chief Minister (Hon. F R Picardo):** Madam Speaker, the arrangements made under the treaty will necessarily require infrastructural developments, the purpose of which will be to maximise the capabilities which the treaty creates, in particular, insofar as the circulation of persons is concerned.

1530 At the airport, as was made public at the time of the New Year's Eve agreement, His Majesty's Government of Gibraltar foresees the construction of a second line checks area, a facility which will be equidistantly straddling both sides of the border. Passenger flows will change in order to adapt to the new arrangements and this too will require infrastructural modifications. But we do not expect these to be significant. His Majesty's Government of Gibraltar is also developing plans to enhance use of the south-western arm of the terminal, which is currently the area known as the Wessex Lounge, to prepare for the opportunities that the treaty creates for flights to operate between Gibraltar and the European Union in the Schengen area.

1535 Vehicular traffic flows at the Land Border will also be improved so that roads providing for access and egress to and from Spain will be able to support the volume of traffic which we anticipate would move across the border and allow such traffic to move fluidly and without obstacles now that immigration and customs controls will be removed.

1540 Infrastructure to considerably enhance the security of Gibraltar in a context where border controls will be suppressed are also envisaged, in particular in the border area. His Majesty's Government of Gibraltar will announce further details regarding all of these plans in due course, insofar as possible. Some of them will of course impact security and will not be publishable.

1545 **Hon. Dr K Azopardi:** Madam Speaker, I understand that latter aspect and I am not going to ask about security for those reasons and the Hon. Chief Minister has indicated there will be security enhancement which Members on this side would expect as part of the arrangements.

Can I ask about the timing of these projects now, given that the work for the treaty is going to continue? The Hon. Chief Minister I think has also said publicly that it is possible that some of the  
1550 implementation aspects of the physical infrastructure will be carried out in parallel to the concluding process of the negotiation or the ratification process.

Some of what he suggested sounds more significant than others. It may be that changing the vehicular flows on the Frontier is quite significant in terms of road infrastructure, but perhaps he can clarify. And obviously they have to build the now well-known Schengen facility which is lying  
1555 astride the Frontier.

But can he give us a bit more information about the timing of these projects?

**Hon. Chief Minister:** No, ma'am.

1560 **Hon. Dr K Azopardi:** Can he at least indicate whether it would be intended to start the projects before the ratification of the treaty?

**Hon. Chief Minister:** I am afraid not, ma'am.

1565 **Hon. Dr K Azopardi:** And can I ask that in terms of the infrastructure projects and in relation to this equidistant facility, is that the only part of the Frontier fence that will be removed and the rest of it will remain?

**Hon. Chief Minister:** No, ma'am.

1570 **Hon. Dr K Azopardi:** Can he be more specific about how much of the fence will be removed?

**Hon. Chief Minister:** I have already explained that publicly on a number of occasions on television. I have been interviewed at the Frontier fence and explained all of that.

1575 **Madam Speaker:** Next question.

#### Q701/2025

#### Treaty for a new relationship with the EU – Gibraltar residence cards

1580 **Clerk:** Question 701, the Hon. Leader of the Opposition.

**Hon. Dr K Azopardi:** When would the Government expect to issue new Gibraltar residence cards that would allow entry into the Schengen area and be recognised as such under the  
1585 Schengen Border Code under the arrangements envisaged under the proposed Treaty for a new relationship with the EU?

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

**Chief Minister (Hon. F R Picardo):** Madam Speaker, by residence cards I assume the question is in relation to the holders of green, blue and magenta Civilian Registration cards. I shall reply to the question first on that basis. For completeness, I will also address the position of red cards, which is not a residence card but an ID card.

The circulation rights advance to holders of Gibraltar residence permits—currently green, blue and magenta civilian registration cards—will apply from the date that the treaty enters into force. The treaty envisages specific transitional arrangements in relation to these cards, so it will not be the case that those issued prior to the date of entry into force of the treaty will become invalid after this date. This is a technical issue, Madam Speaker, that still needs to be discussed with the EU.

There will need to be an eventual migration to a new residence permit, which will have to comply with the uniform format laid down in EU law. That migration is something that can be managed smoothly, not only because of the specific transitional arrangements I have just explained, but also because it matches that the Government of Gibraltar will have time, prior to the entry into force of the treaty, to prepare accordingly. It may be that we issue the new residence permits to all those who have green, blue or magenta cards before the entry into force of the treaty, so that we are ready with the new format from day one, but this needs to be considered further.

The circulation rights advance to holders of a Gibraltar ID card, which is the current red card, will also apply as from the date that the treaty enters into force. Whilst we were members of the EU, these cards were recognised by the EU as a valid travel document. Therefore, it may be the case that these cards will not have to be replaced.

But again, this is a technical issue that still needs to be discussed with the EU. In any case, the public should rest assured that for the time being, they need not take any action in relation to identity cards and residence permits and no one who will be entitled to rights under the treaty will be left in the position that they are not able to exercise them on day one of the treaty entering into force.

**Hon. Dr K Azopardi:** But there are no timing issues on these things, but there is a model annexed to the draft treaty of what—I do not mean a drawing—I mean some kind of description of what model the future residence card needs to take. Is that correct?

**Hon. Chief Minister:** No, Madam Speaker. And it would not be. It is in the relevant directives of the European Union governing movement under the Schengen rules. And that is what would be relevant. And that is the model that would be used.

**Hon. Dr K Azopardi:** Yes. But in terms of the timing issues themselves, the Hon. Chief Minister cannot illuminate me any further on when it is envisaged that these things would be done. That is correct?

**Hon. Chief Minister:** That is correct, ma'am.

**Madam Speaker:** The Hon. R M Clinton.

**Hon. R M Clinton:** Thank you, Madam Speaker. Just for clarity, I have heard the Hon. Chief Minister talk about residency cards and we have also heard about ID cards. Is it that in future it is envisaged that they will exist in parallel, that the red ID cards will continue issued to Gibraltarians and there will be another card which is referred to as a residency card and that is what will be used in future? There will be two cards effectively. Is that correct?

**Hon. Chief Minister:** Exactly the same as now, Madam Speaker.

**Madam Speaker:** Next question.

**Q702/2025**

**Treaty for a new relationship with the EU –  
e-gates at EU borders or within the EU to access the Schengen area (not La Linea)**

1645

**Clerk:** Question 702, the Hon. Leader of the Opposition.

1650

**Hon. Dr K Azopardi:** Madam Speaker, how would e-gates at EU borders or within the EU to access the Schengen area (not at La Linea) recognise Gibraltar passports or residence cards as subject to the special arrangements envisaged under the proposed Treaty for a new relationship with the EU?

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

1655

**Chief Minister (Hon. F R Picardo):** Madam Speaker, there will not be an immigration border in La Línea once the treaty enters into force. British passports issued by the Gibraltar Civil Status and Registration Office can, like other British passports issued by the UK authorities, already be read by IT systems operated at Schengen external borders. However, the passport will not distinguish us from other British nationals.

1660

The crucial documents for the purposes of this question—that is to say, what will allow an individual to establish at any Schengen external border crossing point or at the airport border crossing point that they have the circulation rights granted by the treaty—are the Gibraltar identity card and the Gibraltar residence permit.

1665

Once the treaty enters into force, all Gibraltar residents should travel in the Schengen area with their passports and their ID card or residence permit. It is the Gibraltar identity card or Gibraltar residence permit that will distinguish the holder as the bearer of rights established under the treaty.

1670

Given the added importance that these documents will acquire in future, the hon. Member is right to ask whether we have been able to negotiate that they will be recognised at any Schengen external border in the future. The answer to this question is yes, and it will be the case that these documents will be able to be processed by Schengen IT systems operated at these borders.

1675

**Hon. Dr K Azopardi:** But let me ask... OK, that is a good start. Let me ask him.... Let me ask him something that flows from that.

So, given that Gibraltarians are not stamped on return to Gibraltar—of course that is absolutely right—and non-resident Gibraltarians are not subject to that, so you are not stamped. But if you then want to travel to Milan or Belgium or whatever, are we saying that the e-gates at Milan or in Belgium are going to recognise the red ID card or this newly issued residence card, because they are making some kind of electronic adjustment that will recognise the residence card? Is it the residence card or the red ID card that will be recognisable?

1680

**Hon. Chief Minister:** Well, as we have just told him, it is both.

1685

**Hon. Dr K Azopardi:** And so a non-resident Gibraltarian who has only a red ID card—presumably a non-resident Gibraltarian will only have a red ID card and not a residence card, a newly issued residence card, whatever that is. He is saying no, so perhaps I can pause so he can clarify. Non-resident Gibraltarians are going to have residence cards. I will ask him that.

1690 **Hon. Chief Minister:** He is asking the wrong question, Madam Speaker. Resident Gibraltarians will only have red ID cards. That is why I have told him both cards will give access.

**Hon. Dr K Azopardi:** Sorry, resident Gibraltarians will have red ID cards. Only.

1695 **Hon. Chief Minister:** A red ID card will be enough.

**Hon. Dr K Azopardi:** And non-resident Gibraltarians will have the red ID card and the red ID card will be enough. And anyone who is not entitled to a red ID card will have the residence card, whatever that is, which is the amalgam, if I am understanding, of the blue-green-magenta. Is that correct?

1700 No one who is entitled to a red ID card would have a residence card. Is that correct?

**Hon. Chief Minister:** By Jove, he's got it, Madam Speaker.

1705 **Hon. Dr K Azopardi:** By Jove, I wish it were that clear because otherwise I would not be asking these questions. So, in terms of... In terms of the...

If they are going to be recognisable within the e-gates, then presumably any red ID cardholder, any person with a residence card, would only be...

1710 **Hon. Chief Minister:** The hon. Gentleman may be about to do something which might put people who he might not wish to affect in a difficult position because we have not got a treaty yet.

Can I suggest that we have a conversation behind the Speaker's chair rather than do this exploration that he is about to do, because I know exactly what he is about to do, because the things that we say here echo in eternity from here to Brussels and Madrid.

1715 And I know exactly what he is going to say and he needs to ask himself whether he wants to say it and cause the problem he might be about to cause.

**Madam Speaker:** Next question.

1720

#### Q703/2025

#### Treaty for a new relationship with the EU – Calculation of 90-day periods for the Schengen Area state periods

**Clerk:** Question 703, the Hon. Leader of the Opposition.

1725 **Hon Dr. K Azopardi:** Madam Speaker, would relevant 90-day periods for the Schengen Area state periods be calculated for non-residents in practise by passage through the e-gates that will be placed at Gibraltar Airport under the arrangements envisaged under the proposed treaty for a new relationship with the EU?

1730 **Clerk:** Answer, the Hon. Chief Minister.

**Chief Minister (Hon. F R Picardo):** Yes, ma'am.

1735 **Hon. Dr K Azopardi:** Well, OK. But presumably... This... Yes, yes, yes. Well, I can see that we are... No, no, I can see we are in the same area.

**Madam Speaker:** Next question.

1740

**Q704/2025**

**Treaty for a new relationship with the EU –**

**Confirmation that residence in Gibraltar (for residents of Gibraltar) does not constitute a stay in the Schengen area for the purposes of calculating relevant 90-day periods in the Schengen area**

**Clerk:** Question 704, the Hon. Leader of the Opposition.

1745 **Hon. Dr K Azopardi:** Can the Government confirm that residence in Gibraltar (for residents of Gibraltar) does not constitute a stay in the Schengen area for the purposes of calculating relevant 90-day periods in the Schengen area for access into or travel to the Schengen area under the arrangements envisaged under the proposed Treaty for a new relationship with the EU?

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

1750

**Chief Minister (Hon. F R Picardo):** Yes, ma'am.

**Madam Speaker:** Next question.

1755

**Q705/2025**

**Treaty for a new relationship with the EU –  
Tracking visitor numbers across the land border**

**Clerk:** Question 705, the Hon. Leader of the Opposition.

1760 **Hon. Dr K Azopardi:** Will the Government still track visitor numbers across the land border after the removal of checks and controls on persons following implementation of the proposed arrangements envisaged under the proposed Treaty for a new relationship with the EU?

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

1765

**Chief Minister (Hon. F R Picardo):** Yes, ma'am. The intention is to do so.

**Hon. Dr K Azopardi:** Okay, so this will be done how? Because will it be done electronically by some electronic method? Is that how it is going to be done?

1770 In terms of, obviously, Frontier flows and vehicular traffic, people crossing the Frontier, that kind of thing.

**Hon. Chief Minister:** In a number of different ways, Madam Speaker, electronically, non-electronically and also manually.

1775

**Hon. Dr K Azopardi:** Is it going to be done differently to how it is done now?

**Hon. Chief Minister:** Obviously.

1780 **Hon. Dr K Azopardi:** It would be helpful—can he provide us a bit more information about how they intend to track this?  
This is about simply Frontier flow, really, and visitors.

**Hon. Chief Minister:** It is working progress Madam Speaker.

1785 **Madam Speaker:** Next question.

**Q706/2025**

**Treaty for a new relationship with the EU –  
Visa requirements for resident non-British, non-EU, third country nationals**

1790 **Clerk:** Question 706, the Hon. Leader of the Opposition.

**Hon. Dr K Azopardi:** Will resident non-British, non-EU, third country nationals need a visa to cross the border into Spain under the arrangements envisaged under the proposed Treaty for a new relationship with the EU?

1795 **Clerk:** Answer, the Hon. Chief Minister.

**Chief Minister (Hon. F R Picardo):** No, Madam Speaker. No Gibraltar resident will need a visa to cross the border into Spain, of which all checks will have been suppressed. All non-British, non-EU, third-country nationals resident in Gibraltar will be issued with a residence permit.

1800 That residence permit will grant them visa-free access to the whole of the Schengen area, not just Spain.

**Madam Speaker:** Next question.

1805

**Q707/2025**

**Treaty for a new relationship with the EU –  
Possibility of Spanish Guardia Civil or Spanish police boats entering Gibraltar waters**

**Clerk:** Question 707, the Hon. Leader of the Opposition.

1810 **Hon. Dr K Azopardi:** Can the Government explain in what circumstances it would be permissible, if any, for Spanish Guardia Civil or Spanish police boats to enter Gibraltar waters under the arrangements envisaged under the proposed treaty for a new relationship with the EU?

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

1815

**Chief Minister (Hon. F R Picardo):** Madam Speaker, the exact manner in which maritime border surveillance for Schengen will be carried out for the purposes of preventing unauthorised border crossings, illegal migration, or to counter cross-border criminality, is a matter which is still being considered in detail. This includes whether surveillance is to be carried out, by whom, and the specific arrangements under which it would be carried out.

1820

**Hon. Dr K Azopardi:** It is slightly surprising to hear that, because I would have thought that this is quite fundamental, actually, because how Spanish Guardia Civil or Spanish police boats can, or



1825 whether it is permissible to enter Gibraltar waters under certain things, one would have thought it is quite fundamental, and may raise fundamental issues that could be a problem in the conclusion of the negotiations.

Is he saying that actually the fundamentals have been agreed, but really what is being drawn up is the administrative or operational logistical arrangements, but rather he does not envisage that this would be issues of substance, of principle?

1830

**Hon. Chief Minister:** Exactly that, Madam Speaker. All of the fundamental issues which would have prevented any of us from agreeing the principles for the treaty to be drafted would have been agreed, have been dealt with. But some of the detail has not yet been dealt with.

1835 None of that detail goes to any of the fundamentals that would concern any of us on this side of the House, in terms of sovereignty, jurisdiction, or control, are absolutely clearly British Gibraltar Territorial Waters.

**Hon. Dr K Azopardi:** But, of course, what the Hon. Chief Minister is then saying is that there will be provisions in the treaty by which it will be permissible for Spanish Guardia Civil boats or Spanish police boats to enter into our waters in certain respects to be defined in the treaty or the administrative arrangements under it, which he is content with having made an assessment on sovereignty, jurisdiction, and control.

1845 **Hon. Chief Minister:** No, that is not what I have said. I have said what I have said, not what he has said.

**Madam Speaker:** Next question.

1850

#### Q708/2025

#### Treaty for a new relationship with the EU – Gibraltar residence applications

**Clerk:** Question 708, the Hon. Leader of the Opposition.

1855 **Hon. Dr K Azopardi:** Madam Speaker, will Gibraltar residence applications have to be shared with Spanish or other EU authorities either pre or post-grant by the Gibraltar authorities under the arrangements envisaged under the proposed treaty for a new relationship with the EU?

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

1860 **Chief Minister (Hon. F R Picardo):** Madam Speaker, yes, Ma'am. I have already addressed this in my public interactions. The treaty makes it clear that His Majesty's Government of Gibraltar will remain responsible for issuing and renewing Gibraltar residence permits.

1865 I point this out because the EU's starting position was that Spain would be responsible for issuing and renewing Gibraltar's residence permits, as set out in paragraph 21 of the European Union's negotiating mandate. I am not giving anything away there, Madam Speaker. That was published.

We made it clear to the European Union that this would never be acceptable to us, and I am glad to report that we succeeded in making our position prevail.

1870 Since the effect of this part of the treaty is to create a common travel area between Gibraltar and the Schengen area, it is necessary and logical for the provisions of this part, which includes those on residence permits, to be based on those which apply between Schengen states. The Hon. Gentleman will therefore be aware that all Schengen states are required to consult one another

when they propose to issue residence permits in their respective countries, and in the same way, therefore, the treaty will require us to notify Schengen via Spain for further consultation with the other Schengen states before we issue or renew residence permits.

Such necessary consultations are obviously understandable in the Schengen system, because once a residence permit is issued to a person in Gibraltar, then, in the same way as a residence permit that is issued in any Schengen state, that permit shall grant rights to travel in the entire Schengen area, and shall exempt the holder of the permit from the stamping of their passports, from the entry-exit system, and from ETIAS, the EU equivalent of ESTA in the USA.

Here, at the land Frontier, no immigration controls will exist, and from Spain, the holder of the Gibraltar residence permit will be able to travel freely to any of the 29 Schengen states. The purpose of the consultation with Spain is for Spain to check whether the applicant poses a threat to any of the Schengen states. In other words, it is the interface with the Schengen states and the Schengen Information System.

That is exactly the same reason as why Schengen states are required to consult each other before they issue or renew residence permits. The consultation process does not grant Schengen states free rein to raise objections to the grant of a residence permit by another Schengen state. Far from it.

It would never be the case that any Schengen state could object to the granting of a Gibraltar residence permit for reasons other than, on the basis of the personal conduct of the applicant, he or she represents a genuine and sufficiently serious threat—for instance, in cases where a Schengen state has entered an alert in the Schengen Information System for refusing entry to the individual concerned on security grounds. Quite frankly, Madam Speaker, we do not want such people to be residing in Gibraltar anyway.

That threshold is very high. It has been restrictively interpreted by the Court of Justice of the European Union and His Majesty's Government of Gibraltar takes comfort from the fact that the Court has prevented Schengen states from entering objections when those strict conditions are not met. The reason for this restrictive interpretation is clear.

It is the same test that applies where an EU member state seeks to prevent the movement to its country of a citizen from another EU member state. That is to say, an act contrary to one of the cardinal principles of EU law: the freedom of movement of persons and the right of establishment. The relevant applicable clause in the Free Movement Directive would therefore form part of the treaty text as a footnote.

Madam Speaker, I have replied to the question which is specifically in relation to residence applications. This concerns persons who today would apply for a green, blue or magenta civilian registration card. It does not, Madam Speaker, concern red ID card holders, that is to say, Gibraltarians.

Therefore, the need to notify does not apply where His Majesty's Government of Gibraltar intends to issue a red ID card. Only His Majesty's Government of Gibraltar can decide who qualifies as a Gibraltarian and who should be granted a red ID card. Again, this is a position akin to that existing in the Schengen states where they do not consult one another when deciding on the grant of nationality.

It is important for this point to be understood. As I said in answer to an earlier question, the existing green, blue and magenta civilian registration cards will have to be replaced by new residence permits, which will have to comply with the uniform format laid down under EU law.

The process for the grant of residence permits remains completely Gibraltar-owned. Thus, as is the position today, only His Majesty's Government of Gibraltar is competent for assessing whether an individual meets Gibraltar immigration law requirements with respect to establishing a right to reside in Gibraltar. We will continue to assess whether a person has suitable accommodation in Gibraltar, whether they have sufficient income or a contract of employment in place, and so on. Then, once the Government decides that the necessary conditions under Gibraltar law have been established and that it intends to proceed to issue an applicant with a

residence permit, only then would the need to notify arise, just as all other Schengen states would do with respect of each other.

EU citizens and their family members resident in Gibraltar, like red ID card holders, will be outside of the scope of the notification process, and there will be special rules applied to persons posted to Gibraltar in service of the United Kingdom Armed Forces or to the United Kingdom Government, so that individuals as well as their family members to whom these special rules apply may never be prevented from being granted a Gibraltar residence permit either.

**Hon. Dr K Azopardi:** Madam Speaker, I welcome the information that he has given and the confirmation in relation to red ID cards. Welcome, not cautiously welcome, and without an axe, by the way. Can I ask him this?

In terms of, precisely on the red ID card holders, which would not be subject to the information share in terms of the pre or post grant by the Gibraltar authorities, is it the case, though, that insofar as red ID card holders, there would need to be some kind of provision of information by list of those persons who do have a red ID card so that the Schengen authorities are aware who a red ID card holder is and therefore is entitled to travel in the Schengen area?

**Hon. Chief Minister:** No, Madam Speaker, and neither have we insisted on having the names of the 500 million people in the Schengen area provided to us.

**Hon. Dr K Azopardi:** Well, I was not sure how that would work, so that is the reason for my question. In terms of the others—the residence cards, the green, blue, magenta—again, are we exchanging a list of holders with the Schengen authorities of the existing holders? And when you receive an application, are you consulting before the grant, presumably?

But does that apply also even for those who already hold a residence card on a renewal?

**Hon. Chief Minister:** No, list is provided. It is just initially dealt with on renewal.

**Madam Speaker:** Next question.

#### Q709/2025

#### Treaty for a new relationship with the EU – Arrangements relating to the reciprocal application of the EU Regulation on jurisdiction and the recognition and enforcement of judgments

**Clerk:** Question 709, the Hon. Leader of the Opposition.

**Hon. Dr K Azopardi:** Will the proposed Treaty for a new relationship with the EU contain arrangements relating to the reciprocal application of the EU Regulation on jurisdiction and the recognition and enforcement of judgments as between the EU States and Gibraltar?

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

**Chief Minister (Hon. F R Picardo):** Madam Speaker, the treaty does not contain arrangements relating to the mutual recognition and enforcement of judgments as between the EU member states and Gibraltar. These matters will continue to be covered by international agreements that may be applicable between Gibraltar and EU member states.

The United Kingdom and Gibraltar are in the process of seeking the extension of these agreements to Gibraltar, where those have not already been extended. This includes the

Convention of 2 July 2019 on the recognition and enforcement of foreign judgments in civil or commercial matters, otherwise known as Hague 19.

1975 **Hon. Dr K Azopardi:** I really was asking more precisely whether, as the Hon. Chief Minister will know, the UK has disapplied the EU regulation on jurisdiction and recognition of enforcement of judgments after Brexit. We have not, although we apply it almost unilaterally in that sense because the other EU states would consider us out.

1980 But I was wondering whether in the context of discussion on these arrangements, on judicial cooperation for example, given that this envisages removal of checks and so on and therefore freer flow of persons and goods, whether it made sense, and there had been an impetus in the negotiations to discuss the continuation of that particular EU regulation under the treaty in respect of Gibraltar and the acceptance by the EU of recognition of Gibraltar judgments as a result of that.

1985 **Hon. Chief Minister:** Well, Madam Speaker, we proposed Lugano, etc., but that was not something the EU were interested in. But we will have Hague 19 and that will resolve a lot of the issues going forward and then will stop the unilateral application of Brussels and Lugano.

1990 I thought from the beginning this would be a good thing but frankly it would be something which, I think as the treaty is, in my view, hopefully quickly, finally drafted, ratified, implemented. It will be for the next GSLP Government with the Liberals to go ahead and seek that further additional strand.

**Madam Speaker:** Next Question.

1995

#### DEPUTY CHIEF MINISTER

**Q675/2025**

**Cross of Sacrifice –**

**Value of premium to be paid by the developers**

2000 **Clerk:** Questions to the Hon. Deputy Chief Minister.  
Question 675, the Hon. D J Bossino.

**Hon. D J Bossino:** What is the current value of the premium to be paid by the developers of the site by the Cross of Sacrifice?

2005 **Clerk:** Answer, the Hon. Deputy Chief Minister.

2010 **Deputy Chief Minister (Hon. Dr J J Garcia):** Madam Speaker, the premium paid by the developer for the grant of a building lease for development rights to the existing car park is £8 million. The transaction does not include the plot to the rear of the Cross of Sacrifice sites.

**Hon. D J Bossino:** So, by way of clarification, if he could confirm the two things: that there has been a reduction by £3.5 million to the originally envisaged and agreed premium, but that the tranche which has been paid, which is the £8 million, will cover the cost of the now relocated college? Is that analysis correct

2015 **Hon. Dr J J Garcia:** Madam Speaker, the college has been dealt with by my hon. Friend the Minister for Education and not by me. But he will recall originally this development had two sites. One was on top of the car park, the other one behind the Cross of Sacrifice.

2020 Both were interconnected and the college occupied part of the area behind the Cross of Sacrifice. The situation now is that after discussion with the developer, the plot behind the Cross of Sacrifice has been released, so that is available for the Government to either renegotiate with this developer or indeed with another developer, if that were to happen.

And as a result, the premium has been reduced from £11.5 million to £8 million, but the plot of land is still available and has a value, obviously.

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**Hon. D J Bossino:** The Hon. Deputy Chief Minister is talking about the plot of land behind the Cross of Sacrifice. In what way does he say, does the Hon. Minister say, it is available?

2030 **Hon. Dr J J Garcia:** Madam Speaker, it is no longer covered by this project and no longer covered by the premium, so the plot is available for the Government to allocate or to sell or to use for something else.

2035 **Hon. D J Bossino:** There is another point of clarification, but I wanted to pursue this further. I understood that that particular plot was not available to this particular developer because there were issues with the—I do not know what the commission is called—but there was heritage... the Commonwealth War Graves Commission had issues. And I assumed that the issues were so extreme that it would not be possible ever to make that land available for construction. So that analysis, I understand from his answer, is incorrect?

2040 **Hon. Dr J J Garcia:** Madam Speaker, yes, it was a different issue. The War Graves Commission were concerned with an encroachment on their demise. So, the plot that is available now is a plot of land which no longer includes the demise held by the War Graves Commission.

2045 **Hon. D J Bossino:** And it can be used by the Government and sold by the Government in the future. Thank you. In respect of the cost of the construction of the newly sited college, will that still be the responsibility of the developer, as I think was originally envisaged?

2050 **Hon. Dr J J Garcia:** The position is—and my colleague the Minister for Education is better placed to answer this question than I am—but the position as I understand it is that the funds from this development, so those £8 million, would be used to relocate the college. Whether additional funds are required or not, I do not know, because I have not seen the new designs or the new costings.

2055 **Hon. D J Bossino:** I seem to pursue this point further with the Hon. Deputy Chief Minister. I hear what he says when he refers us to his colleague who would be able to answer the question better, in effect. But when my hon. Friend, the Hon. Leader of the Opposition, asked him on the 19th of March, he said—and I put this to him to give him an opportunity to explain the position perhaps better—when he says that, *so it is right that whatever the cost of the college is at the alternative site will be paid by this developer.*

2060 And his answer was, *that is correct, Madam Speaker.*

2065 **Madam Speaker:** I am going to interrupt the hon. Member. I am concerned—and I may be wrong—but the rules state that a question shall not refer to any answer that has been given within the preceding six months. Now, if you are directly referring to an answer that has been given within the preceding six months, it appears to contravene the rules.

**Hon. D J Bossino:** I would need to consider it further. I would have thought that that would have applied to answers given to the official answers to the first question as opposed to supplementaries. But if I can...

2070 Perhaps. It is simply to ask the questioner to clarify whether the position has indeed changed and progress the issue further. I do not know, but maybe he would...

**Madam Speaker:** The question can be legitimately phrased without a specific reference to the answer given in the previous six months, perhaps.

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**Hon. D J Bossino:** Then the question would be, is it not the case that the Government's position has in the past been—and I would ask him whether... If there has been a change, there has been a change. And I would ask him to state whether there has been a change because the position, in terms of the information which has been provided to us emanating from the Government, has been that the developer would be responsible for the cost of the college at the new site.

2080

And that was very clearly set out. So has the position changed or is the Hon. Deputy Chief Minister not able to answer now?

**Hon. Dr J J Garcia:** Madam Speaker, the answer is that I cannot say. My colleague, the Minister for Education, has dealt with the college aspects of it. I have dealt with the land aspects of it. Originally, that £11.5 million raised... The whole structure was going to cost whatever it was that we said at the time. The college has moved to a different site, so we do not know... I do not know what the cost is going to be and I have not seen either the designs or the costings.

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So I think in the interest of accuracy of the answers given across the House, it is better that the hon. Member tables the question to my colleague, the Minister for Education.

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**Hon. D J Bossino:** Yes, so in effect, what the Hon. Deputy Chief Minister is saying is that it is possible and conceivable that the funding will need to be perhaps sourced from a source other than this developer who has been granted permission to build, I think, on the car park site of the Cross of Sacrifice. Is that position correct?

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**Hon. Dr J J Garcia:** Madam Speaker, the position is that that may be the case or it may not. I mean, I cannot answer.

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**Madam Speaker:** Next Question.

#### Q676/2025

#### Visit to Washington by the Deputy Chief Minister – Meetings held

2105 **Clerk:** Question 676, the Hon. Leader of the Opposition.

**Hon. Dr K Azopardi:** Will the Government provide a list of the meetings held by the Deputy Chief Minister in the recent May visit to Washington?

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

**Deputy Chief Minister (Hon. Dr J J Garcia):** Madam Speaker, yes. The Government will be happy to supply the information to the hon. Member on a confidential basis.

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**Hon. Dr K Azopardi:** Madam Speaker, the Hon. Deputy Chief Minister and I had a word behind the Speaker's chair about this. I think he has answered in the same terms I said to him that I did, I think, 23 years ago when he asked me the same question and I was sitting in exactly the same seat that he does today, and I would happily receive the information on that basis.

**Madam Speaker:** All right. I think that is the end of questions.

2120

**Clerk:** Answers to Written Questions.

#### ANSWERS TO WRITTEN QUESTIONS

2125

**Chief Minister (Hon. F R Picardo):** Madam Speaker, I have the honour to table the answers to Written Questions numbers W89 to W115 of 2025 inclusive.

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#### Adjournment

**Chief Minister (Hon. F R Picardo):** Madam Speaker, I now have the honour to move that the House should now adjourn to Monday the 30th of June at 10.30 in the morning so that we can start the week by considering the Appropriation Act, that is to say, the Budget debate.

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**Madam Speaker:** All right. I now propose the question which is that this House do now adjourn to Monday the 30th of June at 10.30am.

I now put the question which is that this House do now adjourn to Monday the 30th of June at 10.30am. Those in favour? (**Members:** Aye.) Those against? Passed.

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This House will now adjourn to Monday the 30th of June at 10.30am.

*The House Adjourned at 5.32 p.m.*