



PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

MORNING SESSION: 9.33 a.m. – 10.50 a.m.

Gibraltar, Thursday, 25th June 2026

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The Gibraltar Parliament

The Parliament met at 9.33 a.m.

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

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

Questions for Oral Answer

JUSTICE, TRADE AND INDUSTRY

5

Q136 – Q139/2026

Chemical castration –

Individuals convicted of serious sexual offences; chemical castration drugs & annual cost per individual

Clerk: Meeting of Parliament, Thursday 25th of June 2026. Answers to Oral Questions continued.

Questions to the Hon. Minister for Justice, Trade and Industry.

10 Question 136, the Hon. J Ladislaus.

Hon. J Ladislaus: Is the Government exploring making chemical castration a mandatory sentence in cases involving individuals convicted of serious sexual offences?

Clerk: Answer, the Hon. Minister for Justice, Trade and Industry.

15 **Minister for Justice, Trade and Industry (Hon. N Feetham):** Madam Speaker, I will answer this question together with Questions 137 to 139.

Clerk: Question 137, the Hon. J Ladislaus.

20 **Hon. J Ladislaus:** Has the Government sought and received any advice from the Attorney General in respect of the human rights and ethical implications relating to the potential introduction of chemical castration as a part of sentencing of individuals convicted of serious sexual offences?

Clerk: Question 138, the Hon. J Ladislaus.

25 **Hon. J Ladislaus:** Who would be responsible for administering chemical castration drugs and monitoring the treatment and have the GHA and the wider Gibraltar medical community been consulted as to the ethical implications?

Clerk: Question 139, the Hon. J Ladislaus.

Hon. J Ladislaus: Have the Government looked into the annual cost per individual of administering chemical castration medication and conducting the necessary medical follow-ups?

30 **Clerk:** Answer, the Hon. Minister for Justice, Trade and Industry.

Minister for Justice, Trade and Industry (Hon. N Feetham): Madam Speaker, as I have previously said publicly, His Majesty's Government of Gibraltar is exploring the feasibility of introducing mandatory chemical castration as part of the sentencing framework for the most serious sexual offences against children. The Government's position is that in addressing offences of this gravity, no potential measure should be dismissed without proper consideration. Madam Speaker, in that context, the Government has engaged with the Government of the United Kingdom to obtain further information regarding the proposed expansion of its voluntary pilot scheme. We have also sought their views on the legal, constitutional and ethical implications of any local legislation that might provide for mandatory chemical castration for certain categories of offenders, including whether they would raise any objections to such a course. I have done this in order to ascertain whether the United Kingdom may be in their own exploration of mandating this approach, as set out in the then Lord Chancellor and Secretary of State for Justice, Shabana Mahmood, in the House of Commons on 22nd May 2025, where she states that she was, quote:

Exploring whether mandating this approach is possible.

45 Madam Speaker, I emphasise that this work remains at a very early stage. Once the views of the United Kingdom Government have been received, the Government will undertake further detailed analysis of the policy's feasibility. This will include seeking advice from His Majesty's Attorney General on issues of constitutionality, as well as the broader consultation, including with the Gibraltar Health Authority, to assess the practical considerations involved in implementing such a sentencing measure.

50 **Hon. J Ladislaus:** Madam Speaker, taking each question one at a time. So, the first one on 136, we are hearing that the consideration is for mandatory sentence. Is there any consideration being given to voluntary chemical castration? Because my understanding is that that is an option that is used in other jurisdictions as well.

Hon. N Feetham: Yes, Madam Speaker.

55 **Hon. J Ladislaus:** Madam Speaker, we have heard that it is in cases to do with children, where the victim is a child. Are there any considerations being given to other types of victims, and not just child victims? Because of course there are vulnerable victims out there who in fact are adults. Is any consideration being given outside of children?

60 **Hon. N Feetham:** Madam Speaker, as I have said in answer to the question, and indeed as I have said publicly before, all options are on the table. We are at a preliminary stage. We do not discard any option when it comes to the protection of vulnerable persons, and indeed children primarily.

65 **Hon. J Ladislaus:** Madam Speaker, just moving on as to who would be responsible for administering the chemical castration drugs, does the hon. Minister have any information perhaps to share as to what the necessary medical follow-ups in fact entail, just to give the public some understanding of what this process might be?

Hon. N Feetham: Not at this stage, Madam Speaker.

Madam Speaker: Next question.

Q140/2026

AI services –

Signed contracts or negotiations

Clerk: Question 140, the Hon. C Sacarello.

70 **Hon. C Sacarello:** Has the Government signed any contract or is in negotiations with any external provider of AI services? Please give details if so.

Clerk: Answer, the Hon. Minister for Justice, Trade and Industry.

75 **Minister for Justice, Trade and Industry (Hon. N Feetham):** Madam Speaker, for context, I have referred to this AI tax project both in Parliament and publicly outside this House on a number of occasions. The existence, purpose and intended benefits of the Central Arrears Unit and Tax Office AI project are therefore a matter of public record. In direct answer to the question, the Government has not signed a contract with an external provider of AI services.

80 **Hon. C Sacarello:** Madam Speaker, I thank the hon. Minister for his reply and for confirming that no contract has yet been signed. Would the Government be able to confirm, would the hon. Minister be able to confirm whether or not negotiations are proceeding and, if so, is it based on a closed-loop system? I will leave the next question for that.

Hon. N Feetham: Closed-loop? Closed-loop?

85 **Hon. C Sacarello:** I can repeat it, yes. Would the Hon. Minister be able to confirm whether negotiations are ongoing and, despite not having signed a contract, and whether it is based on a closed-loop system?

90 **Hon. N Feetham:** Madam Speaker, in answer to the first question, we are beyond the point of negotiation. In other words, we have a dedicated resource within the Ministry, in other words a civil servant who has the capability and indeed the expertise and specialisation in developing systems of this nature. We are at a very advanced stage where we might be able to go live with the Central Arrears Tax System within the next few months in terms of the external engagement support which has been provided. The support has been provided on a professional services basis, assisting our Ministry capability in developing what is a bespoke system for the Central Arrears Unit. I will be very happy, Madam Speaker, that once the system is operational, to invite the hon. Member opposite to visit the Central Arrears Unit and indeed to show him the operational capability of the system that we think will improve the capability of the Tax Office considerably. That, I think, is the answer to the first question. The answer to the second question, Madam Speaker, I am going to perhaps ask the hon. Member to elaborate on what he means by, I think he referred to a closed-loop system.

100 **Hon. C Sacarello:** Thank you Madam Speaker and the Hon. Minister for his reply. Just to elaborate on closed loop, simply means sourcing information from what is fed and not from external sources. And so, my next supplementary, would the Hon. Minister be able to confirm that this is the Government's policy across the whole of Government and not just limited to this particular section?

105 **Hon. N Feetham:** Madam Speaker, this is specifically limited to the Tax Office of which I am ministerially responsible. In other words, we are developing a bespoke system for the Central Arrears Unit in order to be able to enhance the efficiency of that department. If the question is, are we rolling this out to every other Ministry of the Government, that decision has not been taken. The work that I am doing is confined specifically to my Ministry. I think the hon. Member has also asked me to confirm whether it is a closed-source system. In other words, that the data

110 remains within the database that is currently held by the Tax Office and the Central Arrears Unit. The answer to the question is yes, there is no transfer of data outside the current system. The system is an enhanced system to allow for better efficiency and indeed capability in the administration of taxes and more specifically in relation to Arrears.

115 **Hon. C Sacarello:** Madam Speaker, the Hon. Minister has given a very lengthy, if not entertaining answer to the question but simply has not answered the main question. The Government may have assigned the question to the Hon. Minister and his department, but the question is Government-wide. Has the Government signed any contracts or is it in negotiations with any provider of AI services? So, my question was Government-wide, not to his department. So, would the Hon. Minister be able to address the question and directly answer whether or not
120 the Government as a whole across all departments engaged in any contract negotiation or signed or is in the process of negotiating such a contract with any provider of AI?

Hon. N Feetham: Madam Speaker, I find the supplementary question itself very entertaining because it has taken him three supplementary questions to ask and to get to the crux of the matter. When we saw this question, Madam Speaker, we believed that the question was directed
125 at me as the Minister with responsibility for taxation because I have been making public statements both in this House and outside this House. If the question is broader, Madam Speaker, we will go back and have a discussion within the Government to see whether any other AI system contract has been entered into by the Government. What I can tell you is that the answer that I have given is specific to the responsibilities that I hold under my Ministry.

130 **Madam Speaker:** The Hon. Leader of the Opposition.

Leader of the Opposition (Hon. Dr K Azopardi): Thank you Madam Speaker. So there, I mean there was an assumption clearly by the hon. Member of the Government that this was directed to previous pronouncements that the Hon. Minister has made. The question clearly is very wide in its scope and is asking the Government about any contract it has signed and so on. Is the
135 Minister then saying that he simply does not know whether there is any contract or any negotiations with an external provider of AI services in a service not outside his responsibility?

Chief Minister (Hon. F R Picardo): Madam Speaker, if the question is a Government-wide question, I can tell hon. Members that we would have to do a trawl through every department to ensure that the answer that we give the Parliament is an accurate one because we are concerned
140 to give answers which are accurate. I think the assumption that has been made in this case has been based on the fact that there have been exchanges about AI in a particular department. But it is absolutely fine, Madam Speaker, if hon. Members want to say to us that we should not make assumptions about their questions and that we should take them literally. If we do, they may find that the literal meaning of their questions might not be as clear as they say it is in relation to this one and that they find themselves in situations they find themselves in other instances where they have said that the question was obviously about this because we had an exchange about it two
145 weeks ago. So, Madam Speaker, if hon. Members were to want to put the question again or if you wanted to give the Government time before the end of the question time to come back with an answer which is Government-wide, then perhaps whatever opinions Mr. Bossino has expressed from a secondary position, your views would be ones which the Government would take into
150 consideration and obviously act upon.

Madam Speaker: On the basis of that, I will make a decision if the hon. Member allows me
(*Interjections*) On the basis of what has been said, I will allow the Government to revert to this question if they are in a position to do so at the end of this session of questions and answers and
155 if they are not, then perhaps we can put the answer off for the next session without you having

to wait for the six months. Well, I am addressing the Hon. Mr Sacarello because it is his question although the Leader of the Opposition is on his feet.

Hon. Dr K Azopardi: Yes, Madam Speaker, because if I may, and obviously I was not aware that Madam Speaker was going to rule and of course we are going to accept your, Madam Speaker's ruling, but I had a further question if I may on this issue because we have had a word salad from the Hon. Chief Minister and anyone listening or sitting at home and listening to this on the radio or watching the proceedings might actually be confused having heard the Hon. Chief Minister say this that this question was not about the Government and its contracts. Let me read the question again for anyone who is wondering at home what this question is about. The question is, has the Government signed any contract or is it in negotiations with any external provider of AI services? Please give details if so. It is asking a very clear question. So, word salad notwithstanding, does the Chief Minister not accept that it is obvious that that question is directed at the Government and is not department specific?

Hon. Chief Minister: Madam Speaker, it is obvious that the hon. Gentleman comes here every month to bury the Caesar salad, not to praise it. That is clear. He is going to do everything he can to try and win a point over the Government. But this is very simple. An assumption has been made, by the way, in good faith by people who assign questions, not by politicians, in order to give an answer in respect of what was seen as the context. I have no difficulty in agreeing with the hon. Gentleman that the word there is Government as the object, not the Ministry for Financial Services. But it is also true, Madam Speaker, that the only exchanges there have been in public about this and in Parliament have been about the Ministry for Financial Services. But Madam Speaker, look, we are still in good time we are only at the beginning of this question time. We will hear many more word salads from hon. Members opposite as they try and show that their questions mean one thing that the paper does not say as clearly as this one might, Madam Speaker. That is fine. We are in time. You have said you are going to give us time. Perhaps by the time I am answering my questions we will be able to give the answer on a Government-wide basis. That is it. I do not think there is any need to further even the point about the form of the question. Although, Madam Speaker, I have to say that the juvenile excitement on the Opposition benches puts them to shame compared to the mature and remarkable exercise in debating that we have seen from teenagers who have done a much more responsible job than they seem to be able to do from a sedentary position.

Madam Speaker: We will move on and revert to question 140 before the end of the session. Remind me if I forget. I am sure you will. Next question.

Q141/2026

Trip to El Salvador –

Programme of visits and minutes of the meetings held

Clerk: Question 141, the Hon. C Sacarello.

Hon. C Sacarello: Would the Hon. Minister Feetham please provide details of who he met on his recent trip to El Salvador? Please could he provide us with a copy of the programme of visits and minutes of the meetings held?

Clerk: Answer, the Hon. Minister for Justice, Trade and Industry.

Minister for Justice, Trade and Industry (Hon. N Feetham): Madam Speaker, I travelled to El Salvador to attend an International Digital Asset conference hosted by the Government of El Salvador and to promote Gibraltar's jurisdiction for innovation, financial services and Digital Assets. During the visit, I met with the *Comisión Nacional de Activos Digitales*, CNAD, the national authority responsible for regulating digital assets in El Salvador. I had discussions with the President of the CNAD, together with Senior Officials from that agency. The visit also provided an opportunity to participate in the conference programme, engage in networking events and meet industry participants and potential investors. I also met with regulators, Government Ministers and officials.

Gibraltar also received international exposure through a feature article in *El Diario de El Salvador*. In media interviews during the visit, I explained that a key objective of the trip was to observe and better understand El Salvador's approach to the regulation and development of digital asset ecosystems, with particular reference to tokenisation. The engagement with the CNAD formed part of a wider fact-finding exercise. Since returning from the visit, we have published our own tokenisation bill, reflecting the Government's ongoing work in this area.

In addition, I met with a senior Canadian official, who has since assisted in facilitating engagement between the Ministry and the Hon. Dale Nally the Minister of Service Alberta and Red Tape Reduction, Canada. With regards to the hon. Member's request for a programme of visits, the principal engagements undertaken were those set out above, together with attendance at conference sessions and associated networking events. With regards to the request for minutes of meetings, no formal minutes were taken. The engagements undertaken were predominantly conference sessions, networking events, exploratory bilateral meetings, including meetings held in the margins of the conference programme. Such meetings were informal in nature and were attended to facilitate relationship building and exploring potential opportunities for Gibraltar. They were not formal negotiations or decision-making meetings.

Madam Speaker, I should also add that these engagements form part of the Government's wider efforts to promote Gibraltar internationally and to attract investment and business opportunities to our jurisdiction. Following a series of engagements with potential investors, including meetings held in London on my return from El Salvador, Gibraltar has since received a new application in the prediction market sector, a new gaming licence application and the submission of a substantial financial services pre-application. In addition, interest has also been received from a further prospective investor following that travel.

These developments reflect Gibraltar's ongoing engagement with emerging sectors and the importance of maintaining an active international presence in order to support innovation and economic diversification. I also take this opportunity to place on record my appreciation for the dedication and professionalism of staff within the Ministry, who consistently support this programme of international engagement, often involving significant travel and time away from their families.

Hon. C Sacarello: Madam Speaker, can the Government confirm whether any briefing materials provided to the Hon. Minister identified any risk associated with stable coin-enabled criminal activity, including money laundering and sanctions evasion, and whether or not mitigating measures were recommended to the Hon. Minister in advance?

Hon. N Feetham: Madam Speaker, this is typical of the hon. Member opposite. He is shooting from the hip because of complete and utter ignorance. I have said in the past that I would like the hon. Member to put forward more questions related to financial services, and I have encouraged him to do so. But if the premise of the question that he has asked is one which is based on utter ignorance, then I think it is a reflection on the hon. Member opposite that if he ever occupied this seat on this side of the House, I think the financial services community in Gibraltar, and indeed the wider business community, would be under serious concern. Because he is shooting from the hip, it is like saying, have the hon. Member received a stress test analysis of a specific financial

services application? Of course, every application contains an element of risk, there is absolutely no doubt about it. I often said when I was in private practice that you cannot take risk out of risk taking, and financial services are about risk taking. But specifically on the question of stable coins, of all the cryptocurrencies that he could have chosen to highlight a potential area of risk, actually he should have not started with stable coins, he should have started with any other category of digital assets, because stable coins are ordinarily digital assets that are backed by a sovereign currency itself. In other words, if you look at a stable coin issued by a particular country, ordinarily it is a stable coin that is backed by the underlying currency. So, to that extent, of all the digital currencies that he could have chosen, he should have perhaps chosen a different version, and not stable coins. But specifically in answer to the question, did the Government receive or has the Government received a report about the risks pertaining to stable coins? No, Madam Speaker, no report. But I can tell you, Madam Speaker, that I know enough about the subject to be able to have a legal debate with the hon. Member opposite, and to that extent, either he brings a motion to this House and we debate it, or he does not want to do that, Madam Speaker, I ask him to ask for a GBC debate. We sit in front of the camaras and I will show how little he knows on financial services, Madam Speaker.

Hon. C Sacarello: Madam Speaker, I think the Hon. Minister is a little bit confused. The leadership debate is over, and he longer needs to impress anyone, and I will not rise to debate. I would like to offer the assurance to the Hon. Minister, his Government and the wider public that I will never ever shy away from asking questions that relate to risk, jurisdictional harm and reputational harm. I will not back away or be bullied into not doing so. So, I shall follow up with the following question with you, Madam Speaker.

There is a risk associated with it and of course there could be benefits, as the Hon. Minister has alluded to, in business being brought to Gibraltar. But how can this benefit be reconciled with the potential reputational and regulatory risks of engaging with a jurisdiction, not just the stable coin itself, but the jurisdiction with which you went to, that has faced international scrutiny regarding its digital asset framework and the potential misuse of stable coins for illicit purposes?

Hon. N Feetham: Madam Speaker, the hon. Member opposite needs to be far more specific in the statements that he makes in this House. He precedes the question by making a statement and therefore one has to assume that he has actually done his research, Madam Speaker. But let me say that El Salvador has a regulatory regime, and I am not here to defend a regulatory regime of a foreign jurisdiction, but they do have a regulatory regime in this area. One of the regimes that actually most other countries that are looking at implementing, for example, tokenisation legislation look at what they have implemented in order to be able to gain some experience and indeed the benefit of the expertise of the local authorities. But he is coming to this House and making an open-ended statement without bringing the facts, Madam Speaker. If he wants to debate it, if he wants to have a debate, what I say is bring a motion in this House, or indeed accept my challenge that he should come with me to GBC and debate this and other matters of financial services. Because every time he brings a question in relation to financial services, Madam Speaker, it is obvious that he is lacking in knowledge, Madam Speaker. It was obvious during the debates that we had in the General Election and it has been obvious ever since, Madam Speaker.

Hon. C Sacarello: Madam Speaker, I shall not rise to the bait the Hon. Minister has thrown our way, but I will comment on the apparent arrogance of the statement of what we have just heard about this supreme knowledge, this idea, this notion that no one knows anything more than the Hon. Minister. Of course, no one knows everything, I do not know everything on anything. How is anyone supposed to know everything on any topic matter? But what does surprise me, and can the Minister confirm, that because he has said that there was no risk assessment offered and no risk assessment gone through, that he, to quote him, knows enough that he is offering a personal guarantee to Gibraltar and Gibraltar's future generations that no jurisdictional harm will be

coming on the back of any ignorance and lack of homework done in attracting this type of business to Gibraltar.

300 **Hon. N Feetham:** Madam Speaker, it doesn't make sense what the hon. Member is saying. Here we have a question that relates to me attending a Digital Asset Conference in El Salvador, in fact one of the leading digital asset conferences in South America, where we had foreign regulators and foreign countries also participating, and therefore he assumes that merely because of my attendance at a conference, that that gives rise to reputational issues of some sort linked to the issuance of stable coins. It just does not make sense. Then he says that I seem to know more than anyone. No, Madam Speaker, I cannot say that I know more than anyone in financial services or other subjects for which I am mistakenly responsible, but I certainly know more than the hon. Member opposite. He knows nothing about the subject. He clearly, he clearly, Madam Speaker, knows nothing about the subject and it is obvious to everybody listening to this debate that he lacks knowledge and he lacks specialisation. Had he been seated on this side of the House, Madam Speaker, I dare to, I dread to think where we would be today. Because whenever the Government presents a Bill to this House, Madam Speaker, in the same way that we have presented previous Bills to this House for example, we brought to this House the Digital Asset Property Bill and in fact the Hon. Leader of the Opposition rightly asked a question, suggesting that the Government ought to be considering implementing a piece of legislation of that nature and I stood up saying yes we were considering and indeed we brought a Bill to this House and indeed we have other Bills before this House. We have got the Tokenisation Bill that I expect to bring to this House sometime after the Budget session, Madam Speaker, and there are other pieces of legislation related to this that we are also discussing. Whenever we do that, Madam Speaker, we actually receive recommendations from the industry. The legislation is thoroughly reviewed by the Gibraltar regulator, Madam Speaker. He should not be so obsessed about regulators in other jurisdictions. He should trust our local regulator, Gibraltar. So, every time we bring legislation to this House, including the Bill that we have in the Order Paper, we engage with the industry. We receive substantive comments and indeed the drafting comes from the industry in consultation with the Financial Services Commission, Madam Speaker, and because we have a good relationship with Members opposite, I will put it on the record, Madam Speaker, the Tokenisation Bill for example, the Hon. Mr Clinton, who I hold in very high esteem and understands the subject matter (*Interjections*) better than the hon. Member opposite, Mr Craig Sacarello, when Mr Clinton came to my office, we had members of the industry and stakeholders and we fully engaged with the hon. Member opposite. So, what I would suggest, Madam Speaker, is this, that before he asks questions of this nature, he is entitled to ask them. In order to avoid any embarrassment, perhaps he can reach out to me and in future I will invite him to come to my office, Madam Speaker, and have a discussion not just with me but with members of the industry which he clearly holds in such low professional esteem.

335 **Madam Speaker:** One more but a different question. I don't want this to get into a....

340 **Hon. D J Bossino:** It is actually a question which directly arises from the question on the Order Paper, but may I say that, you know, the potpourri that we have been treated to in the answers from the hon. Member is quite outstanding, if I may say so. I am trying to understand the politics of it and I think I do. I think I do and what the hon. Member is seeking to do is to character assassinate my colleague and he will not get far doing so. Let me tell him that, let me tell him that, because he is a respected individual and he is here in this House to ask questions and he is asking legitimate questions which arise from legitimate concerns that he has and the Minister ought to be answering that question directly and if I may say so, with the greatest respect, a bit more succinctly.

345 Now, in respect of the answer, the first answer that he gave, the prepared answer, the Hon. Minister referred, bunched up a part of the answer when he is referring to associated network events and other such things. I did not take a full note; I did take a specific note in respect of those specific words. Is he able, given that the question referred to a copy of the programme and minutes of meetings held that he said he could not provide, he would not be providing those
350 minutes because it is not the nature of the meetings that he had, but is he able to be more specific in terms of those network events and the rest of the things he referred to that he attended? The first part was quite specific, he said he had interviews with the press and all the rest of it, but then there is a second limb to his answer in respect of which he bunched up his reference to those meetings. Can he be more specific in relation to those?

355 **Hon. N Feetham:** Madam Speaker, it is the hon. Member opposite, Mr Bossino, stands up in defence, in trying to save the hon. Member opposite, Mr Sacarello, but all he does is he digs a deeper hole for the hon. Member opposite, it is obvious, Madam Speaker, it is obvious that the hon. Member, Mr Bossino, perhaps it is the nature of his legal practice, Madam Speaker, that he has never gone to an international conference of this nature. It is obvious that he has not. In an
360 international conference of this nature, Madam Speaker, what you do is you attend the conference, we were invited by the local authorities, so therefore we engaged obviously with Senior Government officials and I was sitting in the conference venue, I was sitting in a table with senior officials and indeed with Government officials and some Government Ministers at the conference. During the course of the conference there are breakout groups and whoever is
365 interested in having a discussion with any other participant, you have an opportunity and there are venues inside the conference where you can have a one-to-one engagement. We also, Madam Speaker, had lunch and I had lunch that included not just the regulator with responsibility for digital assets but also indeed other regulators within the country in terms of Ministers. We had the Attorney General also involved in some of those conversations and indeed the Minister for
370 Tourism. So that is the nature of a conference of this nature, Madam Speaker.

Madam Speaker: Next question.

Q142/2026
Trip to El Salvador –
Total cost

Clerk: Question 142, the Hon. C Sacarello.

375 **Hon. C Sacarello:** What was the total cost of the Hon. Minister Feetham's trip to El Salvador?

Clerk: Answer, the Hon. Minister for Justice, Trade and Industry.

Minister for Justice, Trade and Industry (Hon. N Feetham): Madam Speaker, the information requested by the hon. Gentleman is already available on the Government website.

Madam Speaker: Next question.

Q143/2026

**Gibraltar Authorisation Regime (GAR) –
Update**

Clerk: Question 143, the Hon. R M Clinton.

Hon. R M Clinton: Can the Government provide an update on the finalisation of the Gibraltar Authorisation Regime (GAR) which was legislated in the UK Financial Services Act 2021?

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Clerk: Answer, the Hon. Minister for Justice, Trade and Industry.

Minister for Justice, Trade and Industry (Hon. N Feetham): Madam Speaker, a very good question indeed. I am grateful to the hon. Member opposite, Mr Clinton, who actually is very well versed in matters of financial services. Madam Speaker, the Government continues to work closely with HM Treasury and the Gibraltar Financial Services Commission towards the implementation of the Gibraltar Authorisation Regime, otherwise known as GAR. I last met with HM Treasury on 6th March 2026 to discuss progress towards implementation and was updated on the proposed legislative programme required to bring the regime into effect. hon. Members will be aware that the UK Financial Services Bill, published on 19th May, now contains amendments which we understand will remove the current statutory requirement for HM Treasury to undertake sector-by-sector assessments prior to the commencement of the regime. This should help address the delays experienced since the enactment of the Financial Services Act 2021. HM Treasury completed its initial assessment of Gibraltar's cross-sector legislative framework last year with a positive outcome. Subject to the passage of the Bill in the UK, these amendments should provide greater certainty and enable the Gibraltar Authorisation Regime to be brought into effect more quickly than would otherwise be the case. The Government of Gibraltar welcomes this as an important milestone in our financial services relationship with the UK. In parallel, we are advised that work continues on the preparation of memoranda of understanding between the respective regulators, together with the secondary legislation required in both jurisdictions, to ensure a smooth transition to the new framework. The UK Government has reiterated its support for Gibraltar and has recognised the importance to Gibraltar's economy of continued access to UK financial services markets. This is particularly so for Gibraltar's insurance sector. We have received confirmation from HM Treasury that officials will continue working closely with Gibraltar officials and with the respective regulators to facilitate implementation of the regime. As the hon. Member would expect, the detailed supervisory arrangements which will underpin the regime are matters for independent regulators. The Gibraltar Financial Services Commission is engaging constructively with its UK counterparts, principally the PRA and the FCA, on the framework for supervisory cooperation necessary to support implementation of the GAR. As Minister with responsibility for financial services, I receive regular updates on progress. The Government remains committed to the successful implementation of the Gibraltar Authorisation Regime and will continue to work closely with all stakeholders with a view to bringing this important initiative to a successful conclusion.

Hon. R M Clinton: Madam Speaker I am grateful to the Hon. Minister for his comprehensive answer to my question and I am particularly pleased to hear from the Hon. Minister that progress appears to be made with HM Treasury in actually arriving at a conclusion to the process. The Minister is obviously aware as I am, he does not need anybody in financial services industry that certainly is a must. My understanding has been that the regime has been rolled over from year to year and until the whole framework is put into place, this is what will continue to happen. I heard what the Minister said about the MOUs with the various regulatory authorities in the UK and here, and also the requirement for potentially secondary legislation in the UK and in Gibraltar. Can the Minister comment? I believe there were representatives in Gibraltar this month from either the

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FCA or the PRA. Has he met with them and had any discussions in respect of the MOU or is this, as he says, a process entirely independent of Government?

430 **Hon. N Feetham:** Madam Speaker, I understand that representatives from the FCA, in other words the Conduct Authority, were here in Gibraltar a couple of weeks ago. I was briefed by the Financial Services Commission post them being in Gibraltar. I also recall having a briefing from the Chairman of the FSC as well. The conversations between, and you have asked me specifically in relation to the MOU and the conversations between independent regulator I have chosen my
435 words carefully, Madam Speaker, by referring to discussions between independent regulators for obvious reasons. Namely, that whilst the Government is actively involved and has been actively involved in conversations with UK Treasury for a timely implementation of the GAR arrangements, and indeed we are encouraged by the fact that the Bill that formed part of the King's Speech in May contains substantive provisions that, when implemented, and the hon. Member is absolutely
440 right in referring to the need for secondary implementation, which may mean, Madam Speaker, that we are 18 months away from having a permanent regime, but of course any discussions that underpin conversations between independent regulators is precisely that. It does not concern the Minister to the extent that the Minister sets the policy and, indeed, in our conversations with UK Treasury, Madam Speaker, the point was rightly made to me in the last meeting that I held with
445 them on 6th March that I referenced in answer to my question, that the discussions between regulators are precisely that and that, therefore, there should not be any ministerial interference in relation to those conversations, Madam Speaker.

If the hon. Member is asking me more specifically around what the issues are, and I think that is what he is asking, the issues, Madam Speaker, concern the perceived risk and the mitigation of
450 risk by UK regulators in terms of the access arrangements that are in place, Madam Speaker, more specifically in relation to insurers generally. Madam Speaker, I have been doing this job, obviously, as the Minister for the last two and a half years. I have been very close to these conversations, Madam Speaker. I have made ample representations to the UK Government. They know exactly what the position of His Majesty's Government of Gibraltar is and the one company that has
455 always come up in conversations either with me or through other officials, Madam Speaker, is Enterprise Insurance. As you know, Madam Speaker, or if you do not know, Madam Speaker, Enterprise Insurance was a company that was licenced and regulated in Gibraltar by the Financial Services Commission. The company went into an insolvent process. I cannot remember whether it was provisional liquidation at the time or administration. I seem to believe that it was provisional
460 liquidation and then into administration. The insolvency petitioner continues to be Mr Freddie White, Madam Speaker, and if the hon. Member wishes to ask a supplementary around what the concerns are, Madam Speaker, then I am more than happy to answer the question, but I am going to limit myself, Madam Speaker, to saying what I have just said now.

465 **Hon. R M Clinton:** I am grateful to the Minister for his additional explanations. If I may ask just one more question, at least from myself, in terms of it would appear that, and I could be wrong in my assessment, that the delays are really about risk mitigation until they access the UK market. Is there any particular type of risk mitigation that HM Treasury has been seeking from the Government in order to facilitate continued access?

470 **Hon. N Feetham:** I have got to be careful how I answer that question, Madam Speaker, and the only reason for that is because the discussions and conversations between independent regulators are ongoing and I would not want to put at risk the sensitivity of some of the conversations. Let me say that HM Government of the UK, through the Treasury, have given me a categorical commitment that they stand behind Gibraltar. Secondly, that they also understand the sensitivities for our economy, Madam Speaker, in terms of anything that is done in the UK that
475 might impact on Gibraltar and indeed our tax revenues.

There is a question on tax revenues which the hon. Member Mr Clinton has rightly asked, Madam Speaker, and we will get to that later on and perhaps he will see from that information that we provide exactly how important some of the areas of financial services are to the Government's tax revenues. HM Government, through the UK Treasury, understand that. We have made very strong representations, Madam Speaker, not least on the back of the representations that we made on the UK gaming tax, and we have made the point emphatically that Gibraltar is not in a position to take a double hit of any nature.

They have reassured me that that is not the intention of the Government of the UK, but to the extent that there are conversations that need to take place between regulators, as independent regulators, with regards to the mitigation of risk, those are discussions which the UK Government cannot interfere in. The nature of the conversations, Madam Speaker, are ones that I think, in my view, my view as a Minister and indeed having the experience that I have had over many years in the financial services sector, I think that what is being put forward by the Gibraltar regulator more than amply mitigates any particular concern. I should also say, Madam Speaker, that this only relates and again I have got to be careful, I have got to be very careful that it only relates to a minority or a very, very specific, narrow area, but the impact financially for the Government of Gibraltar, even though it is very narrow, and I think the hon. Member probably knows where I am coming from, even though it is very, very narrow, the economic impact to the Government could be significant. There are proposals that have been put forward that, in my opinion, Madam Speaker, will meet any concerns that have been raised by independent regulators. The concern is, the concern that I highlighted before, which is some historical failures in Gibraltar, specifically in the insurance sector, and the cost from at least one of them, Madam Speaker, which I have mentioned in this House, to the Financial Services Compensation Scheme in the UK and indeed the Motor Insurance Bureau, Madam Speaker.

Because the cost of just that one failure, Madam Speaker, to the UK has been in excess of £200 million. If you take, Madam Speaker, that the last failure in the UK happened in 2001, which was the independent insurer, a licenced and regulated insurer by the then FCA, as it then was, or perhaps it was the Ministry of Trade and Industry at the time, 2001, the total cost of that failure, over 25 years ago, to the compensation schemes in the UK was around 400. Just one failure in Gibraltar, Madam Speaker, has cost the relevant bodies in the UK in excess of £200 million.

I understand the legitimate concern. I do understand it. But I believe we can address those concerns and therefore reach, in the terms that I have answered the question to the hon. Member, and I preface this deliberately, with a view to bringing this important initiative to a successful conclusion.

So, I believe that we will reach a successful conclusion in this matter. But of course, the impact of not getting to a successful conclusion could potentially be significant.

Madam Speaker: Next question.

Q144/2026
Gambling Act 2025 –
Sections 55 to 77

Clerk: Question 144, the Hon. R M Clinton.

Hon. R M Clinton: Can the Government advise why sections 55 to 77 of the Gambling Act 2025 in respect of regulated functions and regulated individuals were not put into operation on 1 April 2026 with the Gambling Act 2025 as per Legal Notice 64 of 2026?

Clerk: Answer, the Hon. Minister for Justice, Trade and Industry.

Minister for Justice, Trade and Industry (Hon. N Feetham): Madam Speaker, grateful to the hon. Member for a very insightful question. Madam Speaker, Part 5 of the Bill, Regulated Functions and Regulated Individuals, was not put into place immediately for a number of reasons. Firstly, to relieve the burden on key industry personnel at a key time of significant transitional pressure for the industry.

Secondly, to provide the opportunity for the application process to be digitalised, ensuring betting protection of individual data. Thirdly, to relieve pressure on the gambling division that has had to re-licence existing licensees and is now engaged in licencing the marketing cohort and the new B2B and B2C licences. It is proposed that the licencing of key individuals will not take place any earlier than 1st October 2026 or possibly at the start of the next public sector financial year.

Hon. R M Clinton: Madam Speaker we are grateful to the Minister for his answer, my memory may not be what it used to be, but I do not recall at the time we debated the Gambling Act 2025 that there was any indication of phased implementation at the time we had the debate. Given the answers the Minister has given to us today, is this something that was originally envisaged back when we took the Bill and perhaps was not mentioned or discussed, or is this something that has arisen fairly recently?

Hon. N Feetham: I apologise to the hon. Member opposite if indeed in the speaking note and the address before this House when the Bill was debated, if that was not flagged, I do apologise for that. I had not picked it up. If it is not there, I cannot say whether it is there or not.

I just cannot remember. But I do remember that when we sat with stakeholders during the course of the discussion around the Bill, the point was raised by them. How do we alleviate the administrative burden of a full implementation of the Gambling Bill and therefore in those discussions it was proposed to the Government that we should defer implementation of this provision.

So, I ask the hon. Member not to read too much into it. If it was not in the speech and I cannot say it is not, I apologise.

Madam Speaker: Next question.

Q145/2026
Corporate Tax receipts –
Sectorial analysis

Clerk: Question 145, the Hon. R M Clinton.

Hon. R M Clinton: Can the Government provide a sectorial analysis of Corporate Tax receipts for each of the four financial years ended 31st March, 2026, 2025, 2024 and 2023.

Clerk: Answer, the Hon. Minister for Justice, Trade and Industry.

Minister for Justice, Trade and Industry (Hon. N Feetham): Madam Speaker, the information requested is in the schedule and I now hand over. The hon. Member will see that it is broken down between sectors. He may want to look at the significant increase in tax revenues over the last two and a half years.

More specifically, he may want to look at the last page that references the contribution made by the insurance sector, which I think relates to the question that the hon. Member asked previously. I am very happy to answer any supplementary questions that the hon. Member may have.

CONTINUED ANSWER TO QUESTION 145**Corporate Tax All Credits
1 April 2024 to 31 March 2025**

Description	Amount
Ship Repair/Maintenance	£ 1,553,435
Bank	£ 12,084,209
Construction	£ 2,452,189
Chartering Machinery	£ 266,697
Consultancy Services	£ 804,705
Catering	£ 700,959
Digital	£ 242,777
Electricity	£ -
Education	£ 19,783
E-Money	£ 500
Wholesale & Retail Trade	£ 7,652,740
Fishing	£ 300,681
Family Offices	£ 119,878
Funds	£ 383,678
Government	£ 2,001,867
H.M.D.	£ -
Health	£ 97,318
Holding Company	£ 3,385,330
Hotels & Hostels	£ 1,074,853
Internet	£ 9,921
Investment	£ 961,847
Insurance Company	£ 26,010,224
Transport	£ 1,498,418
Water & Sewage	£ 110,723
Gaming & Betting Activity	£ 113,088,821
Telephone Utility	£ -
Other Financial Activity	£ 4,237,077
Oil & Gas	£ 936,317
Petroleum Utility	£ 2,143,607
Property	£ 3,267,382
QROPS	£ -
Legal & Accountancy	£ 1,291,273
Royalties	£ -
Services	£ 9,863,349
Storage	£ -
Support	£ 738,996
Unlimited Companies	£ -
Unclassified	£ 15,088,587

CONTINUED ANSWER TO QUESTION 145**Corporate Tax All Credits
1 April 2025 to 31 March 2026**

Description	Amount
Ship Repair/Maintenance	£ 902,372
Bank	£ 11,294,359
Construction	£ 3,622,525
Chartering Machinery	£ 139,465
Consultancy Services	£ 368,252
Catering	£ 898,096
Digital	£ 223,669
Electricity	£ -
Education	£ 11,004
E-Money	£ 111,402
Wholesale & Retail Trade	£ 9,105,824
Fishing	£ 100,227
Family Offices	£ 88,687
Funds	£ 1,398,998
Government	£ 3,227,811
H.M.D.	£ -
Health	£ 146,394
Holding Company	£ 6,371,650
Hotels & Hostels	£ 996,872
Internet	£ 8,890
Investment	£ 1,048,362
Insurance Company	£ 76,892,652
Transport	£ 967,685
Water & Sewage	£ 125,387
Gaming & Betting Activity	£ 96,681,790
Telephone Utility	£ -
Other Financial Activity	£ 3,136,261
Oil & Gas	£ 180,091
Petroleum Utility	£ 3,482,005
Property	£ 4,403,414
QROPS	£ -
Legal & Accountancy	£ 1,268,955
Royalties	£ 2,250
Services	£ 6,418,390
Storage	£ -
Support	£ 692,475
Unlimited Companies	£ -
Unclassified	£ 18,110,548

Madam Speaker: I cannot give the hon. Member any time to consider this because as far as I understand this is the last question. I do not know if we are moving on to any other questions after this, but we are on Question 145 which is the Hon. Minister's last bundle of questions. Is the

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hon. Chief Minister able to say whether we are leaving it at that or moving on to any other questions today?

If we are leaving it at that today, I will give the Hon. Mr Clinton a few minutes now to look at it and ask any supplementaries, but I do not want this taken over for supplementaries on to the next session. The hon. Member is asking for information over four years. He must have known that

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that was going to be lengthy.

It could have been a written question, or he is free to ask any questions that may arise out of this as questions in their own right at the next session.

Hon. R M Clinton: I am sorry, Madam Speaker, I am not sure you were asking me a question?

Madam Speaker: No, I was not, I was just stating my position.

585 **Chief Minister (Hon. F R Picardo):** You were asking me a question?

Madam Speaker: I wanted to state my position before the Hon. Chief Minister answered.

Hon. Chief Minister: The Government's view at the timetable is that we will adjourn now until tomorrow at 10 a.m. when we will deal with the questions from the Hon. Minister for Health.

590 **Madam Speaker:** The Hon. Mr Clinton, would you like a minute or two?

Hon. R M Clinton: It is all right; I think I can ask something on my feet now. Madam Speaker, looking at the information, the Minister has kindly provided to the House, it is evident that, obviously, one of the main contributors to corporate tax receipts is, obviously, gaming and betting activity. But as the Minister has just been discussing insurance. I can see that certainly in this last
595 financial year the contribution from the insurance sector seems to have grown by as much as £50 million.

Can the Minister perhaps shed any light as to that increase due to changes in the activities of the companies or just a general increase in taxable profits? Is there anything the Minister can usefully say about that increase?

600 **Hon. Chief Minister:** Madam Speaker, it is due to the current Minister for Income Tax that we have and who knows how to manage these things and is ensuring that the proper contribution is made and I pay huge tribute to the way that Nigel Feetham has turned that issue around.

Hon. R M Clinton: Madam Speaker, I do not believe that was actually an answer to my question. I would remind the Chief Minister that he previously was the Minister for Finance, so all
605 he is doing is confirming to the House that he did not do a very good job in collecting tax receipts before Mr Feetham arrived in this House. Again, I ask the question, can the Minister say anything about the £50 million increase in insurance companies' taxation?

Hon. Chief Minister: Actually, Madam Speaker, I think the hon. Gentleman has just disclosed that he does not seem to know what a tax receipt is and that the issue here was about how to
610 change how taxation is collected in Gibraltar from large corporates, something which he may not have noticed we have changed in the last two and a half years since Nigel Feetham became a Member of this House. So, Madam Speaker, I am grateful to the hon. Gentleman for highlighting his inability to, first of all, understand how corporate taxation has changed in the past two and a half years, and second, understand even my answer.

615 **Hon. R M Clinton:** Madam Speaker, you are going to tell me to shut up, but obviously the Chief Minister has just patently made it obvious to anybody who knows anything about tax or finances that he knows nothing on the subject. Because all he can do is talk about how wonderful Mr Feetham is, while effectively proving to the House how incapable he was personally of managing Gibraltar's tax affairs. Again, for the third time, I ask the question, Madam Speaker, can the
620 Minister for taxation explain the £50 million increase in insurance company receipts?

It is a very simple question he will not answer.

Hon. N Feetham: Madam Speaker, the hon. Member opposite knows that I really hold him in high regard, and I like him, I really like him, and I am going to try to be restrained in my reply, but not by not turning on him in the question that he has asked. Because he says, Madam Speaker, he
625 says, he asks, the original question was, can the hon. Member explain the reason behind the increase of taxation and whether it is, I think it was in relation to insurance, whether it is due to a change of activity or indeed increased profitability? Madam Speaker, I do say this to my ministry

staff often enough, Madam Speaker, sometimes I do not know whether to laugh or to cry when people ask questions around how it is that we have increased tax revenues as significantly as we have done.

And just for the record, Madam Speaker, if you take the base tax figure that we inherited, or at least the administration over the last two and a half years, three years, inherited, Madam Speaker, in our first full budget we increased corporate tax revenues by almost 40%. In the second full budget, if you take that baseline figure, we increased it by almost 70%, Madam Speaker, and I have explained it so many times, anybody that sat in this House, as the hon. Chief Minister has rightly pointed out, anybody that has sat in this House over the last two and a half years and have seen the legislation that we brought to this House in relation to taxation, namely, for example, in the area of insurance, we brought very specific legislation that I said in this House would increase tax revenues significantly in coming years because of what we did.

We also introduced legislation in this House, Madam Speaker, to implement the Pillar 2 statutory regime. We introduced legislation in this House, Madam Speaker, in order to implement stricter and tougher anti-tax avoidance provisions. I came to this House, Madam Speaker, within six weeks of being elected, and I gave a ministerial statement setting out what we were proposing to do in the area of tax in order to give the hon. Members an opportunity to challenge or to ask questions.

We came to this House again, Madam Speaker, when I said we were going to be resourcing the Income Tax Office with what I refer to as the external tax professionals. We also recruited two tax accountants. If you take all that into account, as we have articulated and referred to as the national tax strategy, it should not be too surprising to anybody that the results are the results that are set out in the tables that I have given the hon. Members opposite and would show that the administration inherited corporate tax collections of £155 million. In our first full budget, those collections increased to over £212 million. In the last financial year, which ended on 31st March this year, the collections increased significantly, even though the collections of £212 million were a record when they were collected.

Indeed, they were debated during the budget session last year and referred to as exceptional. I actually said we will see whether it is that exceptional because the work of the tax office and the Ministry continue, whilst the collections in the last financial year that ended on 31 March this year, the collections are over £252 million. If you look at the national tax strategy, the way that I have implemented and devised the national tax strategy is how you would run a public listed company and how you would run a company with very strict governance, very strict delivery timelines, and indeed with a team which is now quite exceptional in terms of the work that they do in the Tax Office.

But the way that we have done it is that we have looked at different sectors to see, as the Chief Minister has rightly pointed out, whether or not they are paying their fair share of taxes. From the table it should be apparent to the hon. Member opposite that when I said in our GBC debate, I think the last debate that we had, the hon. Member opposite, Mr Clinton and I, I said that when challenged on diversification, I said that you also need to look at diversified diversification of revenues. It is not just about diversification of sectors, new sectors, it is about diversification of revenues.

The work that we have done, and this work precedes the headline figures that are shown there, you cannot just cook these figures up from one month to the other. It takes a lot of hard work to be able to deliver the outstanding results that we have delivered. If you look at the results, you will see that the insurance sector has contributed significantly more than what they contributed in any other preceding year.

That is why I have explained that it is because of the work that we have done. In other words, the Bill that we introduced in this House, the hon. Member will recall that; the anti....

Madam Speaker: Let us keep the answer as succinct as possible.

680 **Hon. N Feetham:** My last intervention it will be this. This puts into context the question that the hon. Member asked previously around potentially what the impact would be. This is important, Madam Speaker. This is of vital economic importance to Gibraltar, and I am going to leave it there.

685 **Madam Speaker:** Yes, the Hon. Leader of the Opposition.

Leader of the Opposition (The Hon. Dr K Azopardi): I have two distinct supplementary questions, so let me just ask them in order if I may. Can I just ask the Minister to comment on the gaming and betting activity? Obviously, it goes up and down in different years, so £71 million in the tax year 2022-2023 but then it goes down to £15 million and goes up significantly then in 2024-2025.

690 It goes down now this year, which I assume, I am asking the Minister to comment on and to explain those figures in terms of the oscillation of them, because they are quite significant oscillations. Does he have any information as to why those figures in those particular years have gone up and down in that way? Is it responding to specific issues in the sector clearly?

695 Can he comment on that? I assume that the last one might have to do with the external issues with the UK gaming tax and so on, but it might not be the full year effect, but perhaps he has more information to give to us on that. So, I would be grateful if he would give us a better understanding of those particular figures in the sector, especially, for example, the surge between 2023-24 and 2024-25, where the income in that particular when you compare those years, did double.

700 **Hon. N Feetham:** If you want a short answer, I would tell the hon. Member to refer to the answer I gave before. I know that the hon. Member, Mr Bossino, would rather be the Leader of the Opposition than to be standing to the right of the Leader of the Opposition. We all know that, but I think out of respect to the Hon. Leader of the Opposition, when the Hon. Leader of the Opposition asks a question, I do not think he should intervene by actually asking a different question. I find that utterly disrespectful to his leadership (*interjections*). But in answer to the question, I mean, I could say I refer the hon. Member to the reply that I gave before, but I'm going to be more specific. I'm going to be more specific. If you look at the Tax Strategy, an important element of the National Tax Strategy is, if you like, as very gently, very benignly as enforcement and indeed making sure that the companies pay the correct amount of tax for which they are liable. So, if you look at the national tax strategy in that context, it should not surprise the hon. Member that there is a jump of £57 million to £113 million.

705 Then the jump between £113 million and £96 million, there is a dip, but it is not a significant dip. It is not a significant dip, but there is a dip. I think you can put that down to, Madam Speaker, the fact that towards the last six months of the last calendar year, which was already going into the conversations that were going on with UK Treasury, and indeed UK Treasury then made statements around the increase of UK betting duty, that those statements in themselves, because even though the law was not in effect, because the law only came into effect on 1 April this year, you can assume, Madam Speaker, that that had an impact in some of the tax revenues and submissions which companies made in Gibraltar. But the dip is not significant, Madam Speaker. It is not a significant dip between the 113 and the 96, but I would explain that in that context.

715 **Hon. Dr K Azopardi:** He will forgive me because I have not memorised this national tax strategy, so I would ask him to perhaps be a bit more specific with me at least, as I am not running that strategy, so that I understand the difference between the 57 and the 113. Is that because I had understood that the explanation he gave previously about the legislation was more specifically targeted to the insurance industry. I had not understood it to be wider than that, but perhaps he will correct me if I may, if he did.

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Hon. N Feetham: The national tax strategy, Madam Speaker, is quite broad. I think probably my first ministerial statement in tax, maybe it was my second ministerial statement because I came to this House, actually setting out what we were going to do before we did it. We had no obligation to come to this House and do it by way of a ministerial statement, but we thought that we should, given the significance that we thought this would have across the board.

I must say it could have gone badly for the Government. It could have gone badly for any Government. All you have to look at is what other Governments around the world have done in the area of taxation and they have really made a mess of it.

We have made a huge success of it. But if one were to look at the first or second ministerial statement, or perhaps even both, I said, Madam Speaker, that an important part of the national tax strategy was to look at — and the hon. Member Mr Clinton will be familiar with this because we have had conversations around this in the past and maybe even across the floor of this House — I mentioned transfer pricing. Transfer pricing.

The transfer pricing element of it is sometimes where the tax authorities and the taxpayers disagree and then through a process of negotiation, conversation and sometimes ultimately enforcement you get to a position which the tax authorities think is one which reflects the value of the services and substance in Gibraltar. I would not put it any higher than that, Madam Speaker, because then it becomes really, really technical. But I think it is an important part of the rationale when it comes to some gaming operators.

Hon. Dr K Azopardi: Thank you. Can I then ask more distinctly, does he have any information about what is in the bag called unclassified, which accounts to anything between £12 million and about £20 million in each year? Does he have more information on that?

Hon. N Feetham: Madam Speaker, I do not. But if the hon. Member wants to table a question, I will come back with an answer. Thank you.

Madam Speaker: All right. That brings us to the end of the questions before me.

Adjournment

Chief Minister (Hon. F R Picardo): Madam Speaker, I move that the House should now adjourn to tomorrow at 10.00 a.m.

Madam Speaker: I now propose the question which is that this House now adjourn to tomorrow at 10.00 a.m. I now put the question which is that this House adjourn to tomorrow at 10.00 a.m. Those in favour? (**Members:** Aye.) Those against? Passed

This House will now adjourn to tomorrow morning at 10.00 a.m.

The House adjourned at 10.50 a.m.