



# PROCEEDINGS OF THE GIBRALTAR PARLIAMENT

**MORNING SESSION: 10.00 a.m. – 11.38 a.m.**

**Gibraltar, Thursday, 26th February 2026**

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# The Gibraltar Parliament

*The Parliament met at 10.00 a.m.*

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

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

## Order of the Day

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### SUSPENSION OF STANDING ORDERS

**Clerk:** Meeting of Parliament, Thursday 26th of February 2026. Suspension of Standing Orders: the Hon. Chief Minister.

10 **Chief Minister (Hon. F R Picardo):** Madam Speaker, I beg to move on to Standing Order 7(3) to suspend Standing Order 7(1) in order to proceed with the laying of a document on the table followed by a Government Statement.

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

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### PAPERS TO BE LAID

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

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**Chief Minister (Hon. F R Picardo):** Madam Speaker, I have the honour to lay on the Table the draft agreement in respect of Gibraltar between the United Kingdom of Great Britain and Northern Ireland of the one part and the European Union and the European Economic Energy Community of the other part.

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**Madam Speaker:** Ordered to lie.

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### GOVERNMENT STATEMENT

**Chief Minister (Hon. F R Picardo):** Madam Speaker, with your leave I wish to make a Government Statement.

35 A few moments ago, I had the honour to lay in this Parliament the draft agreement in respect of Gibraltar between the United Kingdom of Great Britain and Northern Ireland of the one part and the European Union and the European Atomic Energy Community of the other part. What I have laid in this Parliament is the UK version of the text. The same text has been deposited in the

libraries of the House of Commons and the House of Lords also in the last few moments at 9 o'clock GMT.

40 The European Union has today, also at 10 o'clock CET, published on its website the EU version of this draft agreement. As the House and the public are aware, I have provided a copy of the text to the Hon. Leader of the Opposition on Privy Council terms, which he was free to share with his MPs ahead of publication today. A copy was also shared with the news editors of the National Broadcaster, the Gibraltar Broadcasting Corporation, and the newspaper of record, the Gibraltar Chronicle, on terms of a strict embargo so that they could familiarise themselves with the text and report its contents to our people after today. I thank both of those responsible news organisations for having respected the embargo imposed.

50 The United Kingdom and Gibraltar on the one hand, and the European Union and Spain on the other, are working hand in hand together to ensure that this agreement can be brought into effect as soon as possible and provide certainty for the people and the economy of Gibraltar. In this context, the United Kingdom and we in Gibraltar are publishing the draft agreement alongside the EU while legal teams complete the final legal review and translation of the text. This is to ensure that all the Parliaments with an interest have access to it on the same timeline.

55 In the United Kingdom, the final version of the agreement has, as I said a moment ago, been laid before Parliament for scrutiny before the ratification process commences in accordance with the Constitutional Reform and Governance Act of 2010. That, Madam Speaker, is what is colloquially— not colonially, colloquially — known as the CRAG procedure.

60 The text of the Treaty that we have spent the better part of half a decade negotiating is now public. Our people can see it for themselves. The text will now be on the Government's own website and a dedicated Treaty website, which will be [treaty.gov.gi](http://treaty.gov.gi), and unless the technical gremlins have affected us, that should be live now.

65 Everyone can now read the text, all 1,018 pages of it, in the UK formatting. Everyone can now understand what the new proposed arrangements for immigration and movement of goods will be, and this is what this agreement is about: new arrangements for fluidity of people and a free-flowing Frontier on goods. This will require new arrangements for passport and border checks and new arrangements for customs formalities.

70 A new facility for passport checks will be built at our airport so we can carry out cumulative passport checks on arrivals from third countries. Madam Speaker, a nation that cannot control its own borders ceases to be a nation. That is why in this agreement the first hand on the gate remains our British hand. The first check is a British check. We are removing the physical barriers of a bygone era of friction; however, we are keeping the keys to our own front door firmly in our own pockets. We choose cooperation; but we retain control.

75 This will require the construction of a new addendum to the airport which will be equidistant between Gibraltar and Spain. I have dealt with those issues in some detail since the New Year's Eve Agreement of 2020. A temporary facility will be established ahead of completion of works on the final second line check facility. This is what has slipped into the local lexicon as the Schengen Shack for shorthand for some time now. Those are the things that we announced back then at the time of the New Year's Eve Framework Agreement. This is the technical detail now behind those arrangements.

80 Additionally, the Treaty provides for new arrangements for goods to move in and out of Gibraltar. New rates of indirect taxation. The abolition of import duties. The introduction of a new transactional tax. Gibraltar will remain entirely VAT free. The application will come of EU excise duties. These matters have already been announced. Business has been briefed. We will have a shorter transition than we wished for businesses to adapt to the new criteria. This is not by choice of the Government. It is by dint of the operation of the calendar which requires the application of the EU's entry-exit system from the 10th of April this year.

85 We will be working with businesses and their representatives to ameliorate the effect of this tighter than anticipated timeline for implementation. This agreement, Madam Speaker, is a very positive opportunity to move our country forward from Brexit. It is not perfect. We have to be

90 clear that this is not an agreement that we chose to negotiate. It is an agreement that we have had to negotiate. The UK's departure from the EU has required that we address the alternative to the daily full application of the Schengen Border Code and the European entry-exit system. Brexit left us exposed. It left us, Madam Speaker, as sitting ducks. We needed to avoid a hard border. That is the reality of the situation in which we have found ourselves for the past desolate decade.

95 It is now, Madam Speaker, exactly 10 years and 6 days since David Cameron announced that there would be a referendum on whether the UK should leave the EU on 23rd June 2016. That announcement, which he made on the steps of Downing Street on 20th February 2016, set off the chain reaction that leads us to today.

100 Madam Speaker, in a globalised world, isolation is not independence. It is a dead end. By securing access to a market of 480 million people, we are giving our businesses the platform they need to compete and win. This is not just about trade. It is about a modern, vibrant Gibraltar taking its place at the heart of the European economy. It is about jobs that produce PAYE and social insurance payments that will grow our public finances. It is about investment. It is about the future.

105 Whenever anybody asks whether this is the right agreement for Gibraltar, they should also ask themselves this: what is the alternative? Indeed, what is the viable alternative? Perhaps more relevant: what is the negotiable alternative?

110 Because we can all imagine alternatives to this. We can all wish for different terms. These are the terms which are negotiable and deliverable. I have said before that we have not spent five years dictating to Spain and to the European Union the terms that they have to accept from us. Not even the United Kingdom was able to do that when it sought its own Trade and Cooperation Agreement. In fact, in respect of the United Kingdom's negotiation with the European Union, we saw the opposite play out on our television news screens.

115 This, Madam Speaker, is the agreement that is negotiable whilst each of the sides has been maintaining our separate fundamentals and those of our negotiating counterparts, who also have obligations to maintain and red lines to observe. This agreement, imperfect though it no doubt is, Madam Speaker, therefore presents us with a viable, useful and enviable opportunity to leverage a position of weakness into a position of viability and growth. It is safe, it is secure and it is beneficial for Gibraltar. It provides a springboard to stability, certainty and modern partnership with the European Union. It does so without affecting our fundamental, inalienable right to remain British in every single respect.

120 Indeed, the agreement makes absolutely clear that nothing in the agreement, or any supplementing arrangements, shall affect sovereignty. Let us be clear about how important that is, and not just to us. Article 1 of the Treaty sets out the purpose of it. hon. Members will see that it sets out that the objective of this agreement is to establish a mutually cooperative relationship between the parties which also promotes shared prosperity and close and constructive relations in respect to Gibraltar and the adjacent area in the Kingdom of Spain, in particular the territory of the municipalities that make up the *Mancomunidad de Municipios del Campo de Gibraltar*.

130 Immediately after that, in the second article, is the specific article on sovereignty. It reads as follows:

This agreement, any supplementing agreements as referred to in Article 3, any administrative arrangements or other arrangements related to this agreement and any measures or instruments or conduct taken in application without thereof or pursuant thereto shall be without prejudice to and shall not otherwise affect the respective legal positions of the United Kingdom of Great Britain and Northern Ireland or of the Kingdom of Spain with regard to sovereignty and jurisdiction and shall not constitute the basis for any assertion or denial of sovereignty including in legal proceedings or otherwise.

135 It could not be clearer, Madam Speaker. Note that the clause refers not just to the agreement and any agreements or arrangements flowing from it being without prejudice to the respective legal positions of the United Kingdom and Spain on sovereignty and jurisdiction. It is also any

conduct taken in application or as a result thereof that is excluded from creating prejudice in respect of sovereignty.

This is undoubtedly the tightest “without prejudice” clause which we have seen in the history of EU documentation in relation to Gibraltar. It is not the only reference to sovereignty in the text. That clause is actually repeated specifically and in whole, by way of footnote, in Article 271, which is an article on the airport. Paragraph 6 of Article 301, on the scope of the dispute settlement aspects of the Treaty, also provides another carve-out on sovereignty.

It states specifically that this part does not apply to any disputes with regard to sovereignty and jurisdiction. If the respondent party submits a reasoned statement to the Arbitration Tribunal to the effect that the request may affect the legal position of the United Kingdom or of the Kingdom of Spain with regard to sovereignty and jurisdiction, the Arbitration Tribunal shall not decide on the dispute with regard to sovereignty and jurisdiction or on any matter that requires or implies a decision on sovereignty or jurisdiction, and shall immediately declare its lack of jurisdiction on matters regarding sovereignty and jurisdiction or having an effect thereon. Any decisions adopted in the framework of this part, including decisions and rulings by an Arbitration Tribunal, shall not produce any legal effects, direct or indirect, on the legal position of the United Kingdom or of the Kingdom of Spain with regard to sovereignty and jurisdiction.

Also, Madam Speaker, in Annex 37, in the Protocol on Mutual Administrative Assistance in Customs Matters, in Article 11, there are set out the following exceptions to the obligation to provide assistance. Paragraph 1A of those exceptions says this:

Assistance under this Protocol may be refused or may be subject to the satisfaction of certain conditions or requirements in cases where a party is of the opinion that such assistance would; (A) be likely to prejudice the sovereignty of the United Kingdom in respect of Gibraltar or that of a Member State which has been requested to provide assistance under this Protocol.

So, Madam Speaker, the premise on which we entered this negotiation is secured. British sovereignty is not in any way compromised and we have achieved that, Madam Speaker, working hand-in-glove with successive administrations of His Majesty's Governments of the United Kingdom. We have been one integrated UK–Gibraltar negotiating team and the fruit of that work is now before the House and our people.

Madam Speaker, a high-level overview of this text might be useful to the House and to the people of Gibraltar. I therefore want to share with the House the summary that the United Kingdom is providing alongside the document in the libraries of both the Houses of Parliament in the United Kingdom. Where I deviate from the summary, I shall indicate that I am doing so, Madam Speaker.

Part 1 of the agreement, Madam Speaker, we are told in that summary, defines the overall purpose of establishing a mutually cooperative relationship between Gibraltar and the EU that promotes shared prosperity for Gibraltar and the surrounding region in Spain. It recognises shared values and the principles of democracy, the rule of law and respect for human rights, as well as commitment to fight against climate change and cooperate on counterterrorism.

As I have already explained, Article 2 of the agreement makes clear that nothing in the agreement or any supplementary arrangements shall affect sovereignty. There is no direct application of EU law to Gibraltar through the agreement or any enforcement role for the Court of Justice of the European Union in Gibraltar. Part 1 contains provisions confirming how Gibraltar's domestic legal system will incorporate EU law where alignment is required and confirms it will be enforced by Gibraltar's own authorities and courts.

Madam Speaker, I deviate from the summary now to highlight that this is hugely important. The laws that will give effect to this Treaty will be the laws made in this Parliament.

Madam Speaker, the summary goes on to say that the first part also contains provisions covering the protection of personal data to enable the necessary free flow of personal data between Gibraltar and the EU to make the provisions of this Treaty operationally viable without

185 the need for a data adequacy decision for Gibraltar, in return for Gibraltar's continued alignment with key EU data protection rules.

In addition, the agreement creates the governance structures needed to manage and oversee cooperation. It establishes a cooperation council supported by three specialised committees to supervise implementation, facilitate dialogue and adopt decisions where the agreement provides for them.

190 Part 2 of the agreement establishes a new system for the movement of persons designed to remove all routine immigration checks and physical barriers at the land border, while maintaining stability and security across Gibraltar and the Schengen area. Gibraltar will remain outside both Schengen and the EU, yet Schengen border rules will apply to its external border under a tailored arrangement between the UK and the EU.

195 The agreement provides that all necessary immigration checks will take place at Gibraltar's airport and, if needed, the port, rather than at the land border. Madam Speaker, I should observe that we will ensure those checks are never needed at the port by restricting traffic to the quantities that can be handled properly at the airport facility alone. This will ensure that people cleared at the airport will be able to travel freely between Gibraltar, Spain and the wider Schengen area and, in the end, avoid lengthy queues for businesses, workers and visitors crossing the land border.

200 Separate arrangements in this part ensure that relevant military personnel are exempt from Schengen border checks. The operation of border crossing points, the sequencing of checks by Gibraltar and Spain, the use of automated systems and the arrangements for second-line checks are also further defined in this part.

205 The agreement includes provisions on visa-free travel, residence rights for persons resident in Gibraltar and coordinated procedures for the approval of new or renewed residence permits. These provisions will ensure that residence permits that will allow access to the Schengen area are granted in line with key provisions of EU law designed to protect public safety and security.

210 Madam Speaker, I deviate a little from the United Kingdom's summary now to say a little more about this given some erroneous media reporting on it. First of all, let us be clear: any rules on residence do not apply to Gibraltarians. The issue of ID cards for registered Gibraltarians is a matter exclusively for Gibraltar, without any requirement to check against any European system. If you are born a Gibraltarian, you are registered as a Gibraltarian by Gibraltar. Full stop.

215 The issue of residence permits for foreign nationals seeking to reside in Gibraltar will also remain under Gibraltar law, exclusively a matter for the Gibraltar authorities. We will nonetheless now agree, under this part of the Treaty, to a consultation with the Schengen authorities in respect of foreign nationals seeking to reside in Gibraltar, to ensure that there are no issues of public health, public security or public policy which might lead us to want to revoke or not grant such a permit.

220 The consultation which we will carry out is unsurprisingly standard between Member States of Schengen, who are required to check new applications for residence on the Schengen Information System themselves. We shall do it, Madam Speaker, through Spain as the neighbouring Member State because we do not otherwise have access to the Schengen Information System. It is, in effect, Madam Speaker, a consultation with the SIS database, and all Schengen states are done through our neighbour.

230 The right to seek to prevent the grant of a future residence permit or the renewal of an existing one is not, Madam Speaker, a veto. It is subject to the individual's right of appeal, and it is based on a reproduction of the part of language in Article 27 of Regulation 2018/1861. Member States of Schengen can veto the grant of short-stay visas by another Member State of Schengen, again subject to the right of appeal of the individual in question. That is what will apply here.

235 On public health and public security, the terminology speaks for itself. The person must be known to create a danger to public health or a danger to public security. On public policy grounds, the reasoning may be more complex, yet it cannot be based on fanciful grounds. The reasonings for such objections are at the very highest level of concern for the protection of civil society, and

that is specifically provided for in the Treaty as the relevant footnote sets out by spelling out what the Court of Justice of the European Union has said: namely that measures taken on the grounds of public policy shall be proportionate and shall be based exclusively on the personal conduct of the individual concerned, which must represent a genuine, present and sufficiently serious threat affecting one of the fundamental interests of society.

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There is no higher test in EU law than this one before the public policy exemption can be engaged to seek to prevent the issue of a visa, short stay or, in Gibraltar's case, a residence permit, against an individual subject to that person's right of appeal.

Madam Speaker, I cannot imagine circumstances in which we would want to grant a residence permit to such an individual. If we wanted to, we could of course grant such a permit, although that would breach the Treaty and it would bring consequences if not resolved via the dispute resolution aspects of it. Far from that approach, I hope we will all instead welcome this additional layer of protection for our people, as we will now be able to check against two databases, not one, before granting such permits.

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Returning now, Madam Speaker, to the summary: in the area of security and cooperation, the agreement provides for enhanced law enforcement cooperation to address shared threats, based on arrangements agreed between the UK and the EU in the TCA and expanded where needed. The agreement also creates mechanisms for evaluation, monitoring and, where required, temporary suspension of obligations in cases of serious non-compliance or security threats.

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Part 3 of the agreement establishes a comprehensive framework for economic and trade cooperation that supports open and fair competition, sustainable development and fluid movement of goods across the land border, as well as containing important provisions on transport. The agreement establishes a bespoke customs model between Gibraltar and the European Union, removing tariffs, duties and quotas of goods moving between them. It delivers enhancements to Gibraltar's existing indirect taxation system that brings certain tax rates closer to those in the EU without adopting VAT or any form of sales tax.

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To achieve fluid movement across the border operationally, the majority of goods destined for Gibraltar will be cleared by EU customs officers in Spain, as they are today, so they can return to Gibraltar without further checks. Separate bespoke arrangements for this part ensures the continued movement of military goods to Gibraltar. The agreement also includes provisions on labour standards, taxation and sustainability, environmental protection, climate commitments and state aid control. Under this framework Gibraltar will maintain high standards, for example by establishing an independent state aid regime, while maintaining regulatory flexibility. In addition, the agreement contains an aviation chapter that will provide new economic opportunities for the region by enabling flights between Gibraltar and the EU which have, for the most part, been suspended for decades.

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A joint venture company will be established between Gibraltar and Spain to select, through regular public tender, and supervise the commercial company in charge of day-to-day management of the airport, and Gibraltar will incorporate a small number of EU civil aviation rules into our domestic regime. The RAF base at the airfield is not in the scope of the agreement.

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In addition to aviation there are chapters covering maritime and road transport services between Gibraltar and the EU.

Part 4 of the agreement defines the rights of workers who live in one territory and work in another, ensuring they continue to benefit from clarity, certainty and fair treatment. It provides mechanisms for social security coordination so that contributions, entitlements and benefits can be administered without disruption. These provisions mean that cross-border workers enjoy a secure framework for employment, supporting the integrated labour market between Gibraltar and the surrounding region.

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Importantly Madam Speaker and I now deviate from the Summary, as a result of this Treaty we are now able to move to equalisation of the pensionable age between men and women at the age of 60 in Gibraltar. Equalisation will be given effect to in the next appropriation Bill to be taken in this House.

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Returning now to the summary, Part 5 of the agreement establishes a financial mechanism to promote cohesion between Gibraltar and the surrounding region. The parties to this will contribute to this mechanism by funding initiatives such as education and training.

Part 6 provides a mechanism for resolving disputes, including a process of consultation between the parties and referral to an independent arbitration tribunal. This is the dispute settlement part of the Treaty that includes provisions on compliance and proportionate remedies in case there is non-compliance.

Part 7 sets out the necessary legal and administrative provisions of the agreement's operation, including rules and procedures for review, entry into force and termination. The territorial scope of the agreement makes clear that it applies to the territory of Gibraltar and not the wider United Kingdom. There are a range of annexes, appendices and protocols to the agreement, numbering 43 in total. These supplement the main chapters of the agreement with further detail regarding how they will function in practice.

That is the summary that the UK has laid in the libraries of the House of Lords and the House of Commons this morning. Madam Speaker, it is not up to every citizen to read this text, although everyone is free to do so. Indeed, I imagine, Madam Speaker, that ChatGPT, Gemini, Claude and DeepSeek will soon know it off by heart as it is fed into them by citizens, politicians and journalists around the world. Different prompts will produce different AI answers, no doubt but let us be clear of what our responsibilities are in this House.

We, on this side of the House, were elected into Government to negotiate the Treaty alongside our UK colleagues. We all, on both sides of the House, are elected to scrutinise it. We are elected to make a decision on whether to call on the United Kingdom to ratify this text. We will do that when the time comes to consider the text in the debate on the motion.

I am today, Madam Speaker, giving you written notice of that motion, the text of which will read as follows:

This House calls upon His Majesty's Government of the United Kingdom of Great Britain and Northern Ireland to ratify, for the benefit of Gibraltar and its people, the agreement in respect of Gibraltar between the United Kingdom and the European Union following negotiations conducted by the Government of Gibraltar alongside the United Kingdom for and on behalf of Gibraltar and which His Majesty's Government of Gibraltar has tabled in this House on the 26<sup>th</sup> February 2026.

I have shared the text of the motion with the Leader of the Opposition before I have presented it to the House today. I expect to be moving that motion during the course of next week.

So, Madam Speaker, today is one of a number of seminal moments for this Parliament. It is likely only the first of a number of such moments that we are going to face in coming days and weeks. We are coming to consider the new relationship with Europe that will enable us to operate socio-economically in a way that will deliver opportunities for success for current and future generations of Gibraltarians.

If the motion to seek ratification passes, we will have to deliver new laws to implement that ratification. This is not the first time that this House will have had to consider these types of economy-changing issues.

In October 1972, the House of Assembly considered the Bill for a European Communities Ordinance. It was the first meeting for business of the first AACR Government under the 1969 Constitution. It was the first meeting of the House for business attended by a man, then in his early 30s, now the Father of the House.

In ending his presentation of that Bill, Sir Joshua Hassan said a number of things which are as pertinent today when contemplating this Treaty as they were then in contemplation of our accession to the European Economic Community and the Treaty of Rome. I want to wind down my statement to the House today by quoting exactly the words that Sir Joshua uttered then.

He said this, and this is a quote:

The enlarged United Europe, of which Gibraltar will soon be a small part, is a great enterprise, and one in which we should all be glad and proud to share.

I have dealt in my speech on the second reading of this Bill with a number of technical matters affecting our laws. We are also, of course, considering, as my hon. Friend the Minister for Tourism said in his statement yesterday, the economic aspects of Gibraltar's membership with a view to ensuring new arrangements do not work to our economic detriment. But we must not allow I think our preoccupation with the legal and economic technicalities of entry into the common market. Important though those are for our material welfare and for the orderly progress of our society, to obscure the wider and less tangible possibilities and benefits which can accrue to us all as a result of this amalgamation of economic interests. It may be [he said] many years before a wider appreciation of the brotherhood of man comes about and before physical and other national barriers are removed but at least we are starting on the right road, and I am certain that future generations, while wondering why it took us so long, will thank us for having taken it in the end. Although Gibraltar will only be a minute part of this new enlarged community. We here perhaps have an interest in the long term aims and effects of this gathering together for the common benefit of the peoples of different nationalities but of similar historical backgrounds, civilisations and cultures.

We can therefore, I think, Madam Speaker, only welcome this movement towards a united Europe, express the hope that the development of its political and human aspects will gather speed and momentum and from a local point of view lead to a solution of our difficulties. I am sure that the patience we have exercised in the past and which we will need to continue in the future will at some future date be rewarded.

It is in that spirit that I earnestly commend this bill to the House.

335 That ends the quote from Sir Joshua. Madam Speaker, Joshua Hassan, perhaps exceptionally, was not contradicted by Joe Bossano on that speech. Indeed, I think he spoke 54 years ago from where I am speaking now for what many of us may think now also about this Treaty. The years have passed. The barriers have finally come down between many countries.

340 The alternative to this Treaty is that we allow harder barriers to go up between us and the rest of the European continent. That is not the future, Madam Speaker. That is the past.

Now we have a chance to make the opposite of the reality. After years of political and diplomatic hostilities, physical barriers can come down between us and our neighbour. Just as physical barriers have come down between those who suffered years of war between them in Central and Northern Europe.

345 Today, they live in harmony, respect, and peaceful coexistence. Today, this is our chance also to start to live in harmony, respect, and peaceful coexistence with our neighbours too. That patience Sir Joshua so eloquently talked about as a Jewish man who had lived through the horrors of the Second World War, the human aspects that he referred to, all of those references by him resonate around this house today as powerfully in his memory as they would have done in his voice half a century ago.

350 This is our chance, Madam Speaker, I trust that when we come to debate the motion, the whole House will be up to the task of working not in the partisan interest but ready to take a step in the direction of that road Sir Joshua referred to when he was certain that future generations while wondering why it took us all so long, will thank us for having taken it in the end because it is time now to stop looking at history and start looking up at the future because politics is at its best, Madam Speaker, when it stops looking in the rear view mirror and starts looking straight out through the windshield, seeing through the fog of now to the future beyond, looking straight at this text and not getting stuck like a deer in the headlights of the opportunities it presents us with.

360 Madam Speaker, I said at the beginning of my address that this Treaty is not perfect. No Treaty ever is. Every Treaty is a compromise.

But there is nothing to fear here. There are no hidden traps and the ghosts of the past, though we should stay conscious of the harm they did us, should not be allowed to dampen our ambition for a better future for our children. This is the right viable and negotiable alternative to facing the European entry-exit system and long delays every day at the frontier.

365 This is a better alternative to the full application of the Schengen Border Code every day. This is a better way forward for British Gibraltar than the morass of frontier formalities that will be in our way without it. And I am conscious, Madam Speaker, that Members of the Government have asked me to give way before I finish my address on this statement because there are things that

370 they too feel that I should allow them to say and I therefore give way to the Hon. Deputy Chief Minister.

**Deputy Chief Minister (Hon. Dr J J Garcia):** Madam Speaker, I am grateful to the Chief Minister for giving way and for the opportunity to make some observations following the statement made by my hon. Friend. I do so conscious that the full debate on a motion will follow in due course, so I intend to be brief. And I do so also with a profound sense of pride as one of the team who have devoted many years to ensuring that Gibraltar emerged from Brexit protected, secure, and positioned for the future.

375 The publication this morning of the agreement between the United Kingdom and the European Union concerning Gibraltar is a watershed moment in our modern political history. This process began formally in October 2021, but in reality, it began almost a decade ago with the referendum of June 2016. It then entered a decisive new phase for Gibraltar when we left the European Union together with the United Kingdom on 31 January 2021.

380 It is worth pausing on that date. On the 31st of January 2021, Gibraltar left the European Union. Yet the border did not suddenly harden.

385 There was no immediate rupture, no abrupt dislocation to daily life. And that was not accidental. The bridging measures which cushioned Gibraltar was the product of a sustained negotiation.

390 They were carefully designed to shield us from the most disruptive consequences of Brexit. And as we consider the Treaty text published today, that is one achievement we should always remember. From the outset, the Government's objective was clear.

To safeguard the interests of Gibraltar. That objective was first translated into securing Gibraltar's inclusion into the withdrawal agreement between the UK and the EU. That inclusion mattered enormously.

395 It ensured an orderly exit. It provided a transitional period. It prevented a cliff edge.

That transitional period preserved stability while the future framework was negotiated. It provided breathing space. It protected jobs and livelihoods.

In short, it shielded Gibraltar from the consequences of a hard Brexit. Since then, our task was to avoid a non-negotiated outcome. The text published today represents the successful culmination of that effort.

400 In 2016, Gibraltar voted overwhelmingly to maintain a relationship with the European Union. The Treaty will deliver a structured and legal framework for that continued relationship. But we must be candid about the alternative.

405 Absent agreement, Gibraltar would have faced the full brunt of the European Union's external border regime, permanent immigration checks, enduring custom restrictions and structural delays at the frontier. The EU entry-exit system would have applied automatically at the land border. Biometric registration, electronic processing, systematic controls, not temporarily, but permanently, forever.

410 That was the legal default. So, this Treaty must be judged not against theoretical perfection, not against the ideal, but against the realistic alternative, as my hon. Friend, the Chief Minister, has said. And the only alternative to this text was a hard external Schengen border.

More friction, greater cost, legal uncertainty, operational strain. The agreement replaces uncertainty with structure. It replaces exposure with negotiated rights and obligations in law.

415 It replaces vulnerability with a stable and enforceable framework. That is not a marginal achievement. It is a fundamental one.

Madam Speaker, I also want to briefly address the question of sovereignty directly and without equivocation. This Treaty does not affect British sovereignty over Gibraltar. It contains an explicit and comprehensive safeguarding clause.

420 My hon. Friend has read that out. This makes clear that nothing within it and no measure adopted under it prejudices the respective legal positions on sovereignty. Sovereignty was not and is not on the table and it is not altered by ratification.

Gibraltar will remain a British Overseas Territory. That was the position yesterday, it is the position today and it will be the position tomorrow. The Opposition have had since the 10th of February to read the text, but it has been made public today.

425 I would respectfully suggest to those who wish to read the 1,000 odd pages that they do so through two lenses. First, through the sovereignty protection clause itself. And second, through the practical reality that Spain acts in this framework as the nearest Member State of the European Union and on behalf of the EU.

430 That distinction matters. Moving on, I know that questions have understandably been raised about security. Let me be clear, the disappearance of the physical frontier infrastructure does not mean the disappearance of the border.

The frontier line remains exactly where it is today. What changes is how controls are exercised and the location of those controls. The framework provides for a structured cooperation, enhanced information exchange, strengthened law enforcement coordination and increased surveillance capacity.

435 A permanent multi-agency presence at the border will reinforce that architecture. Immigration controls will not vanish. They will be reorganised to reflect the new regime.

440 Indeed, the sequential operation of Gibraltar controls and Schengen controls will, in many respects, result in a more robust security posture than existed previously. At every stage of these negotiations, security has been paramount, it has not been compromised, it has been reinforced. And so, Madam Speaker, to conclude. On the 31st of January 2021, Gibraltar left the European Union. Yet daily life did not descend into disruption. The border continued to function. Today, we publish the legal framework that will govern Gibraltar's future relationship with the European Union.

445 This is a Treaty tailored to our unique geography, economy, and social fabric. It is bespoke, it is carefully calibrated, and it is legally secure. Many believe such an outcome would not be possible.

Yet, it has been achieved. The House will debate the detail in the days ahead. But today, I too welcome the publication of a Treaty that provides Gibraltar with certainty, stability, and a forward path.

450 It is not perfect, but it represents a safe, secure, and beneficial outcome for our people. And it persuades Gibraltar to move confidently into the next chapter of our history. Thank you.

455 **Hon. Chief Minister:** Thank you to the Deputy Chief Minister for that intervention. Madam Speaker, unsurprisingly, the Father of the House has a view about this, and he has asked me to give way so he can indicate that view.

460 **Minister for Inward Investment and the Gibraltar Savings Bank (Hon. Sir J J Bossano):** Madam Speaker, I think I am the only one in any of the parties that have been involved in this to have been also involved in our entry in 1972, in our exit in 2016, and now in our return in 2026. But it has not meant that Gibraltar, in any of those stages, has been at any risk greater than the risk that was created in 1967 in the United Nations by the support that the United Nations gave to Spain's claim over Gibraltar. The reality is that in 1972, there was unanimity in the terms that were agreed, and indeed the terms that were agreed were unique to Gibraltar.

465 When we went in in 1972, we had a situation where the United Kingdom and several other countries joined, and I think there were seven existing members who basically said to the UK that because of Gibraltar's special conditions and situation, we could actually have a piece of paper and we could write on it what we wanted to be in and what we wanted to be out of. So, you know, it was a slightly easier and shorter negotiation than this one has been. And of course, we all agreed that the case that we could make for not being in the market for goods, which we were the only member of the European Economic Community initially, European Union eventually, that was able to stay was specifically because the practise in the common market in those days at the beginning

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was that they had very high tariff barriers to protect the products, and particularly the agricultural products produced within the Union.

475 So, when the United Kingdom came in, they had to stop buying their inputs in the international market, which could be done much cheaper than buying it internally. We were the only part of the European Community, the only members in the European Community, which could buy outside the European Community at cheaper prices. Of course, there was a system then, this is now much less the case than it was before, and therefore, the fact that we are now part of the market for goods does not carry the differential that it did in those days.

480 In those days, you had, for example, the European Commission buying the product from Member States at a huge price above the market, and there were mountains of stored sugar and stored milk and other products which were then exported with a subsidy. And of course, since we were outside the market, the exports with the subsidy were something that we were able to buy. So, you had penal terms for buying sugar in Spain, which would then be exported to Gibraltar with a subsidy from the European Union, and of course, the guys that lived there and worked here then took the sugar back.

485 Some of those anomalies eventually have disappeared, and the European Union is no longer as uncompetitive as it was in those days, or as protective. It may come back in the future with a tariff system that the United States, you know, introduces one week and removes the next. We do not know exactly how this is going to finish, but what is clear is that in terms of our political future and our economic future, the entry into the European Economic Community in 1972 was seen by all of us as the only choice that we could take.

490 We were given the choice by the United Kingdom of staying out. But we were all in agreement that we had to go in with the UK, but with this special regime for Gibraltar, because in the long run, sooner or later, the Spanish Government, after Franco's death, would want to join the community. That was obvious that it would happen, it was obvious to Sir Joshua, it was obvious to all of us.

500 And we thought when that day came, there would be a situation where Spain would be forced to remove the barriers in order to become a party that joined the European Union. We know that, and I am not as enthusiastic about the European Union as other Members are, because I think they have let us down on many occasions, particularly once Spain became a member. And once Spain became a member, within the first year, the enlargement of the open skies that was intended to apply to all the airports, including ours, Spain was able to use his veto to create an absurd situation where the law that applied to us, which meant that aircraft with 70 seats could arrive in Gibraltar from any part of the European Union, was deleted by being replaced with no limit of size for everybody else.

505 But the change in the law was not applied to Gibraltar. Spain could not stop us continuing to have the benefit of what we had before they came in. But from the day they came in, they worked to stop us having any benefits that were newly created.

510 And they did this in the first year. And of course, at the time, I went to the European Union to complain about this, and what I was told was, look, this is something that we have worked over for a number of years, and if we were to say no and Spain vetoes this, you are talking about a situation that is not that Gibraltar would derive a benefit of that. All that could happen is that nobody would have that benefit in the European Union.

515 So, the smallness of our size and the size and the power of the Spanish membership has worked against us in many of the changes that have happened in the EU. So now, when we come to the situation where we went together, Government and Opposition to ask our people to vote, as far as I am concerned, I was not asking people to vote to stay in the European Union because I thought they were treating us very well. I did it because I had no doubt in my mind that, not in 24 hours, 520 in 24 minutes after the result, if there was a Brexit vote, Spain would say this is the best opportunity in 300 years that we have got for taking Gibraltar.

And that is precisely what Margallo did. And that was a risk that was there and it was obvious. So, entering the European Union helped us to bring down the barriers and helped us to have an

525 economy which before was only able to survive because of the presence of the military establishment in Gibraltar which was 70% of our economy and the development aid that we had for building schools and other infrastructure.

Being in a situation like that is always extremely dangerous because in a situation like that at some point in time you have a Government coming in who will say well look what is Gibraltar costing us? These people cannot survive without money from the UK taxpayers then why should they be able to have things that we do not have paid for by the taxpayers in the UK. So being self sufficient and being able to pay our way is fundamental to being the owners of our Rock.

530 And to do that we have to have a level playing field and we didn't have a level playing field once we were out of the European Union and Spain now not only being hostile to us but clearly having allies on the basis that when the negotiations were taking place the representative of the European Union made no secret when you know we were left originally out of the withdrawal by the United Kingdom. We were left out of being of going out with UK and negotiating to be part of the negotiation for the post Brexit relationship at the request of Spain and with Spain saying if it did not happen, they would use a veto. Why is it that this negotiation has taken so long and why is it that the one that we had to the Brexit limit finished in the last half hour of 2020 at the end of  
540 December?

There is a very simple reason. It is because when you negotiate with Spain and I hope in the future if there are anything that we have to do with Spain it will be with the EU and without Spain exercising the common weapon that they use of trying to force us into situations that we're not going to accept. When Spain was negotiating with us, they put us in the position to have to negotiate with us by saying we could not be part of the UK.

545 And then they thought well we have got them alone and now the UK is settled and they are not; they were in a weaker position. It was the last half hour because it took to the last half hour for them to understand that we said no on the first day and we would say no on the last day and on the last hour and on the last minute. And it was the same with this.

550 This has taken the years that it has taken not because it could not have been done earlier but because we could not get them to understand that the version that they wanted to deliver would not pass us, would not pass me and would not pass us. And this passed me because it ticks the right boxes. And what this has now done is that it has put us in a unique position in the European Union because we are part of the single market, but we are not members.

555 We are the only part of the European Union that can say who lives in Gibraltar. The rights that European citizens have of coming here without having to ask permission from us is only for those who already exercise that right which they retain because that is the way that the exit happens. It has happened with UK so people who had exercised their rights in the UK still contained this right.

560 Unless they go away and they are put away for a certain period of time which is laid down they cannot come back and say well I used to be a resident of Gibraltar and now I want to be again just because I used to be before. That they cannot do. They can continue their residency with all the rights they had in the EU and that is the norm.

565 But from the moment that we left we have allowed the citizens of the European Union to continue to come into Gibraltar because we had a special regime which continued us to go in and out of the European Union through Spain without having to go through the same norms that would have been done if nothing had happened in 2021. So that was a bilateral understanding that we do not press the button that denies movement to them and they do not press the button that denies movement to us and that is why all the time we have had the constant determination of reciprocity and if you want to be nasty with me I am nasty with you. So, you want to have  
570 passports stamped?

Okay. Even though we may be hurting ourselves in making laws we apply to the people coming in what you apply to the people coming into your country and coming out of Gibraltar. The new system that we have introduced has got a potential for economic development, but a potential does not guarantee the results because the results are going to be because we need to understand  
575 just how much more we have in Gibraltar that is not paid for than anybody else in Europe.

In the consumption of electricity, in council housing, in health and in education, the state supplies more that is free than anybody else does anywhere else.

We have to be able to continue to do it and we will only be able to continue to do it by having an economy that continues to produce the level of income and by having businesses that come into Gibraltar to place themselves here.

Now we have opportunities of having the access that is not just important to the people who are here now but to the people who can be attracted to being here because they may be able to do from here levels of business with the European Union in a permanent base in Gibraltar with a competitive rate of tax where we are at the same level as the Irish Republic, which has become the country which has the biggest surplus in the whole of Europe.

From having previously been at the end of the ranking of wealthy countries in Europe, it has now become the wealthiest simply because they have attracted people to put their base in Ireland.

This is an agreement that puts us in a new place for us to have a new kind of future with a level of security that was not there before, with a level of control about our homeland which we have only had when we did not have access to the European Union.

What is clearly visible is that every move that the people in Spain who thought that by isolating us and first of all negotiating the transitional period without the United Kingdom would make it easier for them, the reality is that we have done better when we have been negotiating on our own than if we had been part of the negotiation with the UK.

The big mistake strategically that Spain made was that they thought if we are more engaged in taking the decisions, that is Spain takes the decision rather than the UK taking the decision for us, then we are in a weaker position.

The opposite is true.

I know the Hon. Mr Bossino did not think that was a good deal in the taxation when we did it and I told him then and I tell him now the taxation agreement gave the Gibraltarian resident in Spain preferential treatment over every other nationality and created the first international document that recognised a separate national identity for the Gibraltarian. Spain had been telling the United Nations that they would never allow UK to do it, and they were true they did not allow the UK to do it they did it. So sometimes when people think that we are weaker when we have to do the fighting ourselves and we are in the front line they find that we are better at protecting our own interests than when anybody else is doing it for us.

So, I often used to say to the United (*inaudible*) please do not negotiate for me. So, this has been negotiated by us. The United Kingdom has done the things that we asked them to do.

The United Kingdom has accepted all the times we said no even though they may have been fed up with it, and I think that it is impossible in my judgement to have finished where we are with something that was better than this.

**Hon. Chief Minister:** Madam Speaker, may I thank both those of my colleagues who have intervened for their incredibly powerful contributions, and the Hon. Father of the House for his impressive ability to recollect things from the beginning of our relationship with the European Economic Community to the period when we left the European Union and now our return.

Madam Speaker, I am conscious that this is not the debate on the motion that I have given notice of today, and that is to come. I will, of course, be happy in the normal way in relation to the statement answer any questions or clarify any aspect of my statement that hon. Members may have and you may permit them to put.

For all the reasons I have given, and for the better reasons given by the Deputy Chief Minister and the Father of the House, Madam Speaker, I commend this statement to the House.

**Madam Speaker:** The Hon. Chief Minister has pre-empted a proviso I was going to attach before continuing, which is that it has been a lengthy statement, perhaps in a slightly unconventional format. These are unconventional times, so I am going to give the Opposition,

beginning with the Hon. Leader of the Opposition, as much time as they feel they need within reason. Obviously, we are here at four o'clock in the morning. I may call on you.

630 That said, I wish to remind all Members of the House that this is not the debate. We will have the debate next week, so I would be grateful if we could keep the format to questions on the statement and answers to the question and keep the substance of the detail and the debate to next week.

The Hon. Leader of the Opposition.

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**Hon. Dr K Azopardi:** Madam Speaker, I am grateful for that and indeed I want to ask some questions of clarification. I do not intend to extend myself because, as you say, this is not the debate. First of all, may I say that I am glad that we are here today and that the time has finally come for a deal to be laid on the table so that proper scrutiny can begin in a formalistic sense and especially an opportunity be given to the people of Gibraltar to look through the Treaty should they wish. There will of course be a lot of public interest on this matter. I welcome the publication by the European Commission and indeed the laying of the draft agreement in this House because it will at least conclude the end of the beginning, if I can put it that way, because it has been a long time since the Brexit Referendum, a long time since the withdrawal agreement and a long time since the New Year's Eve agreement.

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As Madam Speaker has observed, this is not the time for the debate. The Hon. Chief Minister has consulted me on the motion that he intends to file today, and I understand that the debate will happen next week. Therefore, there are two good reasons why we will not, and I certainly will not in my comments, go beyond the questions for clarification. First, because this is not the time for debate, and secondly because, as I indicated to the Hon. Chief Minister when he offered a briefing to us and then handed me the text of the draft agreement on the 10th of February, sixteen days ago, this is a seminal moment for Gibraltar. Being a seminal moment, the party that I lead will not take a formal position on this matter until I call a meeting of the Executive so that the Executive can discuss this fully.

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That meeting is not possible until after today because the terms on which we accepted the briefing and the terms on which we accepted the draft text prohibited the dissemination of the draft text beyond the Parliamentary team. That made it impossible for the Executive to meet. As will be understood, on an issue like this it is important for there to be the fullest internal party-political debate before we come to a formal position. That process can now commence, and we will do so shortly and certainly before the debate in this House.

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Madam Speaker, I will say that clearly this is complex. It will be evident to anyone flicking through this agreement, now presumably online. I was listening intently to the Chief Minister and assume that it is being placed online simultaneously with his intervention. It will be evident to anyone looking through this, perhaps with a cold towel, that these are complex arrangements that will have deep and potentially long-lasting effects on Gibraltar, the way we interact with the European Union and for our economy and governance.

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It is an agreement that provides greater personal freedoms of mobility in the EU for residents of Gibraltar in exchange for the cession of powers, information and a number of economic levers to the EU and Spain. That includes powers to Spanish law enforcement authorities in different guises. The potential or actual benefits in the agreement have to be balanced against the risks represented by the things that have been conceded in return, including the social, political and financial implications, and placed alongside the prospect of a no deal scenario.

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Whether it delivers the desired certainty of a stable future almost ten years after the Brexit Referendum is also a central consideration. That will be uppermost in our minds, Madam Speaker, when we come to discuss it within the Party and come to a position that I will then describe in detail on the debate in this House.

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Madam Speaker, may I ask the Hon. Chief Minister a number of clarifications. In the normal way, I will list them so that I hope he takes note and can recollect the issues on which I would be grateful for clarification.

680 First of all, they have tabled a copy of the draft agreement. Will they publish the administrative arrangements that underpin the agreement. People will see when they go through the text that there are sometimes references to administrative arrangements as you go along in the text of the Treaty. It is evident that there will be other documents, logistical ones, but some very important administrative arrangements. Will they publish those administrative arrangements.

685 Secondly, Madam Speaker, this is a very dense document. There is no substitute for reading it if anyone wants to understand it. However, I certainly share the view that this is not a document on which you will necessarily get accurate answers if you put it through ChatGPT. Therefore, may I ask the Chief Minister whether they will produce guidance booklets for people generally on the agreement.

690 There are two types of guidance booklets that I thought might be relevant and I welcome his views. First, one for the business community, because there are very detailed arrangements in the annexes regarding how business has to be done. I know that they have issued technical notices that have been helpful, but there have been complaints by the business community about lack of awareness. Will they produce a guidance booklet for the business community on the workings and processes. Sometimes the agreement will not go to nuts-and-bolts detail, and sometimes that would be helpful to people trying to fill in forms or get goods into Gibraltar, so probably they will want some type of document.

Secondly, will they produce a guidance booklet for the general public.

700 He and I have been in discussions about the parallel arrangements with the UK at the time of the withdrawal agreement. It was public that there was a concordat between the United Kingdom and Gibraltar with parallel arrangements. Will they publish that as well, and when will that happen.

Madam Speaker, there are questions on the Order Paper on security that will be a live issue for people. I will hold back on those issues and explore the important security issues in the context of the questions that are already tabled on the Order Paper later today.

705 Can I ask him to update the House, and no doubt the people who will be interested, on what works will be done at the Frontier in advance of any implementation. Clearly the flows of traffic on arrival at the airport and the consequences of the agreement will require certain works to be done. Can he update the House on progress and timescales.

710 Can he also confirm, sixthly, although this is the fifth question because my observation on security is not really a question. Fifthly then can he confirm what the Government's present view is on implementation dates. There is a provision in the agreement about provisional application and obviously the ratification process will not take place before the 10th of April not at least the complete one. Can he comment on that, which would in effect be a form of provisional application.

715 Can he confirm to me also, sixthly, he has mentioned in his speech, in his statement today, 43 annexes to the agreement. Indeed, we have received 43 annexes ourselves. I did note, however, that in the article in *El País* this morning it referred to what I have discovered a new word in Spanish.

720 I did not know annexes were *anejos*, but there was a reference to 46, 46 annexes to the agreement. So, can he confirm that in fact there are 43 only and there are no other annexes we have not seen? I am sure that the answer is probably yes. Finally, Madam Speaker, he has mentioned that the agreement has been tabled in the UK Parliament and published in Europe. They are subject to different scrutiny and ratification processes. Can he give us an insight when he says it has been tabled for scrutiny. This is still a draft agreement. Does he have an insight into the length of the scrutiny processes until this draft agreement transitions to a formal agreement, and will that happen before ratification or is ratification the moment of formalisation.

725 I think people would prefer some comment or observation by the Chief Minister on that. Members on this side of the House are familiar with the differences in the ratification processes in the European Parliament and the United Kingdom Parliament. Given that this statement is of public interest, I give him the opportunity to make observations on those processes so that people

are aware how that dovetails with the issue of the implementation date and the formal ratification of the agreement. I would be grateful for those answers.

735 **Hon. Chief Minister:** Madam Speaker, I am grateful to the Leader of the Opposition for those questions on the statement I have made a few moments ago. I am going to try to deal with those questions one by one. At one stage the difference in count on the *El País* number of annexes was nothing compared to the difference in the count of questions that I thought he had uttered and he thought he had uttered. I had more than he had set out, although that just means I have made  
740 a good note of the things that he wants me to address.

Madam Speaker, on the first point that he raises, which is the question of the publication of the administrative arrangements, let me say that I am not able to give the House immediately at this stage a clear answer as to whether all can be published. Some of them may have to be published. Some of them may not be publishable because they may contain sensitive security  
745 information or may be between law enforcement agencies.

We have to be clear about what an administrative arrangement is. The administrative arrangements here will be between the United Kingdom in respect of Gibraltar and the Kingdom of Spain. They will not be between the UK and the EU. These will be the instruments that will deal with the application of implementation measures. For the United Kingdom an administrative  
750 arrangement is in the nature of an MOU in international law. For Spain an administrative arrangement is in the nature of a binding international legal document.

It is not uncommon that different legal systems see the international legal value of a particular type of document differently. Each state deposits at the United Nations what it considers to be binding international law. For Spain these arrangements are binding international law. For the  
755 United Kingdom they are more in the nature of MOUs. That may affect what one party to them has to do and what another party has to do. One party may have to publish them and simply provide for editing of parts which are sensitive for scrutiny by committees but not for the public. Another for example the United Kingdom, may take the view that this is in the nature of international correspondence which is not immediately published or is only laid in Parliament.

The UK is considering that and our position on publication will be the United Kingdom's position on publication. It is not impossible, Madam Speaker, that because of this Spain might be required to publish something that the United Kingdom may not be compelled or able to publish. That should not lead people to say that they have to find out from the Spanish press. That is literally an application of international law. It is very unlikely, although not impossible, and we are  
760 having that consideration now with United Kingdom teams on international law.

Our preference, Madam Speaker, is that they should be published and that they should be redacted in respect of anything relating to sensitive security matters. One of the things we will be dealing with are corridors and areas in airside parts of an airport, which is always a sensitive area, and you do not want to be publishing that sort of thing for everyone to have available necessarily.  
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Madam Speaker, the other question that the Hon. Leader of the Opposition asked me was whether we would be preparing guidance booklets. He set out a list of areas where he thought guidance might be helpful. The short answer is yes, and the longer answer is the one I will provide now.

I have already indicated that we will be publishing more technical notices. There have been a number of those published already. We will be publishing something that will be known as a business manual for businesses in Gibraltar. This will affect businesses principally in the retail distributive trade, which will be the ones affected. That will include the relevant forms that will have to be used. The Attorney General has been in Brussels with Customs officials of the European Union and with relevant officers of the United Kingdom and Spanish Governments to finalise those  
775 deeply technical issues which are not even in the Treaty. The treaties do not provide the forms that will be used. The forms are creatures of the legislation created beyond the Treaty.

780 That is being created and we expect to put that together in a business manual.

785 We also anticipate putting together a guide for people to understand what the immigration requirements are in Gibraltar so that Gibraltarians understand the benefits of the Treaty and also understand what they will not be subject to when they arrive at different EU borders and, in particular, when they arrive at the external border of Gibraltar. The Deputy Chief Minister and I anticipate writing to ID card holders to explain all of these issues, in particular that the ID card will not have to change because there has been a lot of concern expressed.

790 We also anticipate writing to holders of the different colours of Civilian Registration Cards, which in shorthand have been called the magenta ID card, the green ID card and the blue ID card. They are not ID cards. They are Civilian Registration Cards. Those will become residence permits. For now, the Civilian Registration Card will suffice as a residence permit, but in future we anticipate that a new residence permit will be issued to all of those individuals and we will write to them explaining the benefits of this agreement and what to expect in coming weeks or months.

795 The concordat, Madam Speaker, between the United Kingdom and Gibraltar will be published when it is entered into. The concordat was published when we entered into it for the withdrawal agreement and it is a public document between the Government of Gibraltar and the Government of the United Kingdom. It is almost the instruction manual between us on who does what in respect of the Treaty itself. I think I have answered all the questions the gentleman asked me about publication.

800 On the security question, Madam Speaker, I know there is a question on the Order Paper which we will reach later. I can tell him now, and will elaborate later, that a lot of work is already being undertaken. A lot of procurement has already been done to ensure that we have the additional security resources necessary to ensure that everybody in Gibraltar can sleep soundly at night after 805 10 April, if that is the date we are able to implement. Especially the parents of little girls and boys, like me and many other Members of this House, who want this Treaty to be successful but also want Gibraltar to be not just as safe as it is today but safer. We want to ensure that we are safer every day, and this Treaty should not lead to any sense of being less safe.

810 When we deal with the security issues later in answer to questions, I think people will understand that we will be much safer in future than we are today.

815 Works at the frontier, Madam Speaker, which he has asked me about, fall into two main categories. First, the temporary works that have to be done to enable immediate application of the Treaty by 10 April if we are able to do that, to avoid any application of the European Entry Exit System. Second, the permanent works that have to be done to accommodate the final iteration of the two second line check facilities on the eastern and western ends of the airport. The western one will house the Customs facility for arrivals from third countries and from Schengen.

820 Madam Speaker, I am pleased to say that the Chief Technical Officer is leading this work and is already in very close contact with Spanish colleagues for the works that have to be done on the Spanish side to interconnect directly with the Gibraltar Airport side.

825 Additionally, there will be works necessary on the pedestrian access to Gibraltar today, which we will finally be able to deal with, providing a modern new facility. Demolition of that can start as soon as we are able to relocate Customs into temporary facilities and not before 10 April.

830 In terms of implementation dates, hon. Members have heard me say 10 April. That is the current date when the EES has to start applying.

835 Hon. Members and members of the community may have read that Member States can extend from the 10<sup>th</sup> April for sixty or ninety days. Members of the business community might think we should use that extension. The answer is that the small print says the extension merely allows Member States to suspend the application of EES at any particular entry point for up to six hours a day. It is not a sixty-to-ninety-day suspension for 60 or 90 days simpliciter. In other words, the EES does not apply at an entry point in any Member State, and that Spain therefore might not choose to seek that extension.

830 That is not the position. It is that at any entry point you can suspend EES for six hours for 60 or 90 days after 10 April.

835 So, what would that mean at our frontier? Spain could suspend EES for three hours in the morning between 7 and 10 and three hours in the afternoon between 4 and 7 for frontier workers. Where would that leave tourists. Therefore, although the headline at first blush might see the sort of thing that we should be jumping at in order not to do this at breakneck speed for the 10<sup>th</sup> April, actually, when you read the fine print, it is not. We are therefore aiming for provisional application by 10 April.

840 The UK has laid the draft today; at the same time the European Commission has sent to the Council its proposal for adoption. The UK will expect to sign the text after the European Council says yes and after the Gibraltar Parliament says yes. That signature solidifies the document but is not ratification. After signature you can have provisional application. So, the signature has to come before 10 April, otherwise you can not take provisional application before 10 April.

845 Immediately after signature, the UK can start its CRAG process which requires twenty-one clear sitting days. Because of Easter we cannot meet that timeline immediately after signature the UK can start its CRAG process which requires it to have 21 clear sitting days. And because of the Easter break we cannot meet that now because we cannot sign it until the Council says go and until we say go and we cannot meet the CRAG procedure. But we have to say go.

850 I imagine we would all want to be the ones saying go or don't go in this Parliament before the UK Parliament even signs. Madam Speaker, therefore, we would anticipate, given what the Parliamentary calendar is like in the United Kingdom, that that signature happens sometime in the second week of March and that's why we would want it to go in the first week of March. And that the provisional application process can then commence in even more earnest, but we are all working towards it. From our point of view the Government will be ready for 10 April if everyone else is ready for 10 April. We will not require our businesses to be ready on the 10<sup>th</sup> April if the other side is not ready on the 10<sup>th</sup> April.

855 We may need to bring legislation to this House in a compressed time period. From the next week is the first week of March, from the second week of March, we expect to be moving urgent legislation. I am happy to show the Hon. Leader of the Opposition the drafts as soon as I receive them. He will not be very surprised, it will be like a new European Communities Act in effect, that he and I were very familiar with in the time that we were members of the European Union, both from practise and from politics. And potentially, because I think the rules require that anything which is raising a tax measure, and the transaction tax may be a tax measure, has to be done on an Act moved by the Minister for Finance, which I think is described as a Finance Act. We will very likely also have to bring a Finance Act before 10 April, although I am taking advice on that, so that we can impose the new transaction tax as from 10 April, if that is the date that we have to hit.

865 Although I may ask the House for a power, quite unlike what we do at Budget time, where we say, as from midnight tonight, so that people cannot anticipate it, this is with a lot of anticipation. 870 The transaction tax shall be 15% from the day that we indicate in the Gazette. It must be, because if on 10 April we do not have the new arrangements in place, why impose the tax on our businesses?

875 If we can give them extra time, we would want to give them that extra time, if the other side are not ready, and if we have had an extension of EES. Otherwise, even the other side will want to be ready. Madam Speaker, the *anjeos*, I am surprised that is a new word for him, but perhaps it is because it is a decade and a half that I have had to be reading *El País* every morning that I am familiar with the word *anejos*, and I have been dealing with the word *anejos* for the past five years, in particular in this negotiation and in earlier years on the withdrawal agreement negotiation.

880 I have just checked, in case I was going slightly mad, with the European Commission version of the Treaty text, which for all intents and purposes we might call the Spanish version, on the other side, and that has got 43 annexes as well as published on their website. Therefore, that may be a typographical error in *El País*. Madam Speaker, the issue of the tabling for scrutiny in the United Kingdom I think I have dealt with already, but it has been tabled now as a draft so that there is no reason why people should not be able to look at it from now in the United Kingdom and in 885 Gibraltar.

890 If it is going to the Council with a Commission decision and that requires publication on the  
European side, we can publish on this side too. We were very eager to publish in Gibraltar and the  
United Kingdom, but we had to respect the EU's position on when publication formally happened  
under the EU legal order, which was today when the Commission sent the text to the Council. I  
think I have dealt with all the questions the hon. Gentleman has asked, and I look forward to  
dealing with any other questions he may have today, or indeed any matters that he may raise  
during the course of the debate once we formally move the motion in this House during the course  
of next week.

895 I am conscious that there are a number of questions on the Order Paper that we will be dealing  
with this afternoon, and I hope that will also enable us to deal with other questions that may arise.

**Madam Speaker:** Any other hon. Member would like to ask any questions of clarification? No?

900

**Recess**

**Chief Minister (Hon. F R Picardo):** Madam Speaker, I would now move that the House should  
now adjourn, or recess rather to 3 p.m. this afternoon.

905 **Madam Speaker:** All right, we will recess to 3 p.m. this afternoon.

*The House recessed at 11.38 a.m.*