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Finding a way to stay

The early feeling of despair at the thought of life without access to the EU after the Brexit referendum is understandable; the EU member countries are where many Gibraltar firms seek to expand their businesses – being the gateway to Europe through 'passporting'.

But the reality is that nearly all the territory's financial services current business is UK-facing and it's a surprise to many that local firms are able to access Britain only by virtue of the EU's requirement for free cross border flows of goods and services. Gibraltar outside of the EU must negotiate a whole raft of bi-lateral agreements with the UK; no wonder Fabian Picardo, Gibraltar's Chief Minister, wanted written confirmation that he would be actively involved in those EU trade discussions, not simply consulted.

Internet gaming companies by contrast that form a top tier world hub in Gibraltar already generally have to negotiate separate licensing and regulatory arrangements to gain access to many individual EU countries – including the UK, (an aspect of which, Gibraltar eGaming firms coincidentally are challenging in the European Court of Justice). So Brexit has little impact there.

Most worrying of course, is the loss of protection under freedom of movement of people that the EU supports. Over 12,000 people now daily cross the Spanish border to work in Gibraltar; they account for half of the total workforce. Spain has long laid claim to The Rock that has been in British hands for more than 350 years having been gifted by a thankful Spanish King Philip V.

In recent years, the conservative Spanish government has repeatedly and unsuccessfully sought joint-Sovereignty through pressure, in part by disrupting the frontier flow. Two years ago, cars and pedestrians queued for hours at the border, but with the intervention of the European Commission, things generally have improved. Even now though, the Chamber of Commerce has complained about high levels of arbitrary customs checks out of all proportion to any risk, resulting in long delays to EU custom-sealed lorries carrying food and goods into Gibraltar.

The vulnerability for Gibraltar is obvious. Added to which, 60% of the ½m people arriving at Gibraltar International Airport are accessing holidays in Spain – many thousands more arrive by foot, car or coach. Making that process difficult, will only serve to discourage tourists generally, to the dis-benefit of visiting business people and locals alike.

The thought of Nicola Sturgeon, Scotland's First Minister, and Fabian Picardo cozying up to plot how they can subvert the will of the UK and remain in the EU rather than leave as the referendum requires, is not easy to digest.

Both jurisdictions voted to stay – in the case of The Rock, overwhelmingly so – and both can see great benefits in remaining attached to the EU, but proposing effectively to split up the UK surely cannot be right. Particularly for Gibraltar, which has steadfastly proclaimed its British heritage and dependence for protecting ownership of The Rock, then to seek separate treatment is like riding with the hounds and running with the hare. Exploring all of the possibilities must be right, of course, but…..

Nevertheless, what is encouraging is the extent of positiveness being displayed by Gibraltar businesses, and frequently by government, confident that a workable solution in a post-Brexit situation will in the end be found. It's just a case of when – and how!

Ray Spencer

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Within the European Union Single Market

Spending cut back and higher "rainy day" funds to guard against Brexit effect

Whatever the outcome of any Brexit negotiations, Gibraltar's business community is "cautiously confident" that the jurisdiction will continue to prosper – provided there is free movement of goods and people at the Spanish border

As Chamber of Commerce (GCC) president Christian Hernandez declared: "I don't necessarily agree with the doom and gloom messages that Brexit [Britain leaving the EU] would be the end of Gibraltar. There are many other territories around the world that operate successful economies outside the EU and there is no reason why Gibraltar could not do so".

In the meantime, it was "business as usual" to market the jurisdiction, Hernandez said, whilst pointing out: "Gibraltar has the advantage of being a small jurisdiction so we can adapt to change much more quickly than larger economies and we have to use that to our advantage."

British Foreign Secretary, Phillip Hammond with Gibraltar's Chief Minister, Fabian Picardo in May

A rush of solidarity statements from key players in Gibraltar's financial services and eGaming sectors emphasising the commitment of those businesses - accounting for near-50% of the jurisdiction's economy - to remain based in the territory and for some, even expand.

The minister responsible for both major business sectors, Albert Isola, described the 'leave' result as "terrifying" presenting a "cocktail of uncertainty", but also "an opportunity".

The territory has 480 regulated financial services entities and intermediaries operating in 12 sectors, including insurance, funds, trust and company service providers, consumer credit and mortgage providers, occupational pension schemes, as well as the Gibraltar Stock Exchange.

A quarter of those firms 'passport' their services into other EU jurisdictions and have a total of 1,048 passporting arrangements in place, of which 39 are for an established branch office elsewhere in the EU. There are also 34 top-flight eGaming licensees, employing 3,500 people.

A massive 96% of Gibraltar's electorate voted overwhelmingly to remain in the European Union in the UK 23 June referendum, but as Fabian Picardo, the jurisdiction's Chief Minister noted, with 72% of the UK's 46.5m people voting "our contribution did not even move the needle".

Capitalise on positives

The resulting vote to leave the EU has caused Gibraltar's government to seek a solution that could ensure continued freedom of movement of people, services and capital throughout the EU, all of which are presently on the back of the UK's EU membership.

Picardo emphasised: "The British Government are deeply aware of that and of the fact that it falls on them to help us mitigate the negative impact of leaving Europe as we also focus on capitalising on the positives that will also emerge." He told Gibraltar's Parliament that written assurances had been received to involve the territory in negotiations with the EU.

Jersey, Guernsey and the Isle of Man did not vote in the referendum, Gibraltar noted, but they have access to the Single Market via the UK, "offering a model of success based on different degrees of access to the EU", prompting Picardo to make contact.

At the same time, he is exploring the possibility with Scotland's First Minister, Nicola Sturgeon, of staying in the single market if the UK leaves, given that both jurisdictions voted to remain in the EU. There will be uncertainty, "but of course, there will be benefits", Picardo pointed out. "That means that we don't have to apply again for access, we simply remain with the access we have today, and those parts that leave are then given a different sort of access, which is negotiated", outside of EU Article 50, which needs to be triggered to start the 2-year exit process.

There is in any event, political and legal uncertainty within the UK on whether and how to enact Article 50, but Picardo believes that means "everything is to play for".

Isola told Parliament in his early July budget contribution that "until we understand the direction of travel, it will not be possible to plan with any degree of certainty", but that did not mean standing still.

The Gibraltar Betting and Gaming Association (GBGA) said: "At the moment and for the foreseeable future there is no change to the existing legal and political framework that our operators work within." European countries already had widely different regulatory regimes and many required eGaming companies to have local licences – "the impact on our members is therefore likely to be minimal".

With supportive government and regulators and "access to a wealth of human talent and experience in online betting and gaming", the GBGA remarked: "The UK and EU political crisis makes us keenly aware why Gibraltar remains a great place to do European and international trade." Significantly, the EU website states that there are no EU-specific gambling laws.

Isola revealed that a major review to update Gibraltar's gaming laws by the year-end is to be widened to also embrace taxes, duty and fee levels. "The international multiplicity of licensing, regulation and taxation of operators is an escalating burden for them", Isola said, and whilst remaining committed to the highest standards of consumer protection, "the industry cannot compete and thrive if every jurisdiction it touches treats it as some form of cash cow".

Building more and higher

Picardo, making his 5th budget speech in July, declared that a number of projects "to allow for gaming and financial services workers to be housed in Gibraltar on new 'key worker housing' terms have been proposed to the Government and are under active consideration". But he warned: "Our community needs to understand that we need to build more and build higher in order to house those that we need to have in Gibraltar if we are going to maintain our standard of living for future generations."

In part, the Chief Minister had in mind Gibraltar's vulnerability to the potential for

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Spanish closure or disruption of the border affecting some 12,000 people – half the jurisdiction's workforce – commuting from Spain each day. Some of those people may instead relocate to The Rock, rather than face hours-long frontier queues as in 2014 when Spain decided to make life 'difficult' for Gibraltar. But outside of the EU, Britain would be less well able to protect Gibraltar's interests, British Foreign Secretary, Phillip Hammond – who visited Gibraltar in May – emphasised.

"If the price of continued access to the EU or the Single Market or the price of free movement is Joint Sovereignty with Spain or indeed any other Spanish Sovereignty price, then the people of Gibraltar will not pay it", Picardo maintained.

According to recent research for GCC, almost £350m of goods and services are imported annually from the Campo [the area from Algeciras to Sotogrande in Spain], securing thousands of additional jobs in the region, and Gibraltar accounted for 25% of the Campo's GDP, amounting to almost £847m, he added.

Working groups are helping to "chart the way ahead in a new world outside the EU" and would unroll "a series of measures and strategies designed to guide Gibraltar through the new reality before us".

Michael Castiel, a senior partner at Hassans international law firm, specialising in International corporate tax and cross-border work, told *Gibraltar International*: "Once the emotional reactions and rhetoric is put to one side, hopefully access to the Single Market will be maintained – after all it is in EU Member States' and UK interest to maintain strong trading relations".

Likely continuing political uncertainty in Spain [following second inconclusive elections] whilst having UK/EU negotiations, "would certainly not be unhelpful – in any event, it is clear that Gibraltar needs the UK's support now more than ever to counter any pressures from Spain especially during the delicate process of the exit negotiations".

Gibraltar has been able to rely on numerous EU Directives, including the Parent and Subsidiary Directive – which facilitates the use of Gibraltar companies in cross border corporate structures involving major multinational groups – but Castiel questioned what would happen to those harmonised tax rules and how would other EU jurisdictions treat Gibraltar companies for tax purposes .

"This is a significant uncertainty and one made worse by the fact that Gibraltar does not have any bilateral tax treaties with other jurisdictions within or outside the EU, unlike the UK", he pointed out, "and I think it vital for Gibraltar, with the active support and help of the UK, to negotiate a series of bilateral tax treaties with at least some EU Member States."

Suggesting this should be one of Gibraltar's priorities, Castiel warned: "From personal experience in dealing with multinational clients, a lack of bilateral tax treaties with some of the key jurisdictions is likely to make Gibraltar less competitive and attractive to global groups."

Bilateral tax treaties a priority: Michael Castiel, Hassans lawyer

Yet, Gibraltar's Financial Services Commission has not experienced a reduced interest or fewer license applications, post referendum – "in fact, quite surprisingly, it has been the reverse."

In business terms, a saving factor is that 95% of insurance premiums written and most of other financial services involve dealing with Britain, but at present largely by virtue of EU membership. Outside of the EU, Gibraltar needs a raft of new bi-lateral trading agreements.

Gibraltar's Quest Insurance Management Group is just completing a merger with a smaller local competitor, Artex Risk Management (previously Heritage Insurance), adding five staff to its 20, in a move that reflects confidence in the territory by the parent Bermudian re-insurance firm that is also part of A J Gallagher, a US$7bn corporation with eyes on establishing a central European presence for EU access.

Chief Minister Picardo referred to UK Chancellor George Osborne's idea to cut company tax below previously planned levels to become 15% or less by 2020 as being "interesting in being so close to our own current economic model [of 10% corporation tax] and we must watch to ensure we remain competitive".

In the meantime, his "prudent" budget measures aim to "ensure that Gibraltar is now seen as more efficient than other places, an easy jurisdiction in which to do business" and was working "to attract businesses to Gibraltar that are not dependent on access to the EU". The GDP forecast for 2015-16 is estimated to be £1.8bn, up 7.5% in real terms. And Picardo expects GDP to reach at least £2.4bn by 2019-20 and is "confident that this rate of growth continues to be entirely achievable".

Uncertainty over Brexit meant "we must be more cautious in spending, more prudent in saving and more astute in achieving this reduced ratio [of 12.5% GDP to public debt] and are looking to reduce debt servicing costs, and restructuring borrowing, to take advantage of historically low interest rates".

While spending £99m on capital projects in 2015-16, Picardo reported a budget surplus of nearly £39m – twice that anticipated – through revenue rising £22m above forecast, aided by £5m more income tax than expected and company tax £20m higher at £109m, which was 23% higher than the previous year.

More modest spending

In the current year, he is cutting expenditure by a third "to a more modest £61m", and Picardo emphasised: "It is not a time to stop all government spending or stop all government investment, as to do so would undoubtedly just halt all growth and plunge us into recession, but we must also be alive to the need to cut spending further if the effects of the Brexit vote become markedly more negative in months to come."

Nevertheless, Gibraltar has a growing "rainy day" fund "which we can pay ourselves as a dividend should we require it": reserves of Gibraltar Savings Bank, with a deposit base of over £1bn, are £26m and estimated to reach £30m+ by end-March 2017 and £70m by 2019-20.

In all, what Picardo called "rainy day or sovereign wealth funds" were expected to reach £300m by 2019-20. "We have the liquidity necessary to deal with the issues that do confront us, and we have the liquidity necessary to deal with the issues that could confront us."

Electricity, water and rates remain unchanged, and a new incentive business start-up scheme for companies and limited partnerships established before 30 June 2017 offers up to £50,000 in tax credit for each of three years, provided at least five people are employed within the first 12 months.

Ray Spencer

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Just a week, but what a week

By Marcus Killick, CEO, Isolas

I write this on Brexit +7 (or Boris +1 or Jeremy -5, who knows what history will call it). It is exactly one week since we woke to the news that the referendum had resulted in a majority for those who wished to leave the EU. I say woke, for others it is a week since the day, and reality, dawned to bring closure to a restless night and its growing sense of inevitability.

The markets crashed then rose, the pound disappeared then resurfaced, British politicians proved that the USA were not the only ones with problems in that area.

Given that this article will be published some time hence, any form of speculation is more likely to prove comical than prescient. I will therefore restrict myself to "what if" something happens, rather than whether it will.

Therefore let us assume that the discussions on the "Greenland-style" option under which Scotland, Northern Ireland and Gibraltar stay within the EU, but England & Wales leave, is not viable. Similarly, there is no second referendum, no legalistic block and no second coming. The UK Government serves its Article 50 notice and the countdown clock commences.

Single Market

If the UK, and therefore Gibraltar, remains part of the Single Market, the directives and regulations to which we are currently subject remain in place. Freedom of service and freedom of establishment (Passporting) for financial services with the Member States continues, and it is business as usual.

However, if the UK enters into a different relationship with its European neighbours, things will change and choices will need to be made. A free trade agreement (in whatever form) such as the much quoted, but seldom read, one between the EU and Canada, will not require full implementation of EU legislation, it is more likely to require "equivalence" with it. To understand what equivalence means, remember the last time you hired a car. The picture on the website shows a brand new Ford Focus, the small print below it says "or equivalent". The Kia that you are subsequently given the keys for is the "or equivalent". Similar, but somehow just not the same.

This ability to be equivalent rather than the same provides an opportunity for the UK to be somewhat more flexible and have greater autonomy in the precise content of its legislation. The UK could also choose to adopt different rules for dealings with the EU to those it has for dealing with its other trading partners.

UK Financial Services & Markets Act

Unfortunately there is a problem. Virtually all UK financial service legislation has an EU origin, over forty years of membership has seen to that. EU compliance has not simply been grafted onto UK legislation; it is the very fabric of it. The same is true of Gibraltar. The task of deciding which bits to keep and which to discard will be a monumental one. At the same time, if the equivalence requirement is in place, will there be a constant dialogue with the EU determining what is or is not essential for the equivalence test to be met? This would be a painful and long process for one EU directive, imagine doing it for all of them, at the same time. Any benefits from this flexibility will mainly arise at a glacial pace.

For Gibraltar there is an extra issue. Our rights of access into the UK financial services market derive not from the EU but from the UK Financial Services & Markets Act. This currently permits access where we have transposed the applicable EU directive. What will replace this? Will we be subject to a similar equivalence test by the UK as the UK will with the EU?

Of course, we could have transitional provisions, but what about when the UK changes their legislation? Will we have to follow suit? To what extent will we simply replace a requirement to comply with EU Directives with one to replicate UK legislation? If we wish to differentiate ourselves from the UK regulatory environment, will we have to go through a painstaking equivalence assessment each time?

It will also be necessary to ensure that the playing field is level and the process is not used for protectionist reasons, namely to keep Gibraltar firms from competing with their UK counterparts. For instance, Gibraltar has a highly competitive and successful motor insurance business. It would be against the interests of UK consumers if they were denied access to Gibraltar insurers due to bureaucratic delay or feet dragging.

Similarly, whilst I have no doubt that Gibraltar will be included in any bilateral agreement the UK reaches with other countries, will we be allowed to do so with different legislation and regulations from that of the UK?

Need this concern us? I do not believe so; however it does mean that our exit from the EU will not result in the legislative freedoms some believe we will get. The much bemoaned red tape will stay or its equivalent will replace it, perhaps we should call it blue tape.

96% of the people of Gibraltar, who voted in the referendum, did not want us to be in this position. However, we are where we are. I see this less as a damaging event for the finance sector here, more as a pointless one, leading to uncertainty, worry and cost simply to end up in the same place where we began. Cause to be irritated rather than fearful

The globalisation of financial services is an irreversible trend. With it come rules and regulations. These are rules we in Gibraltar do not set, but we must follow. It is a shame that the UK, who had the most influential role in the setting of these rules within the EU has simply walked away from the table. They have chosen "regulation without representation". May be as a result they will soon understand what it is like to be us.

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Budget 2016 – tax measures

By Neil Rumford, Tax Partner, EY Limited

Gibraltar's Chief Minister, the Hon Fabian Picardo QC MP presented his 2016 Budget address on 5 July.

Compared to recent years, there were relatively few tax measures announced. There were no changes to tax rates or tax bands and only very modest changes to some tax allowances. The Chief Minister announced a new scheme for business start-ups, an extension of last year's tax amnesty and some adjustments to import duties.

Corporate tax

The standard rate of tax remains set at 10%.

A "Start-up Incentive Scheme" was announced for companies or limited partnerships starting up between the date of the budget and 30 June 2017. Over the first three years' trading the business will be eligible for a tax credit equal to the tax otherwise due, up to a maximum of £50,000. This is subject to conditions, including employing at least five employees in the first year, as well as anti-avoidance measures to ensure it only applies to genuinely new businesses in Gibraltar.

Personal tax

The alternative systems, the Gross Income Based System and the more traditional Allowance Based System, remain. Whichever results in less tax is the system that applies to a taxpayer.

Gross Income Based System (GIBS)

There was no change announced in respect of this system, which combines lower rates of tax with fewer deductions, and which applies to most taxpayers. The maximum effective (overall) rate never exceeds 25%, and starts to decrease once taxable income exceeds £500,000. Some examples of the effective tax rate at different income levels are:

Total taxable income	Effective tax rate
£25,000	17%
£50,000	22%
From £105,000 to £500,000	25%
£1,000,000	18%

Allowance Based System (ABS)

The tax rates and bands for this system remain as before:

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

Minimal changes are to be made to some allowances; the more common allowances include:

Personal allowance	£3,215 (was £3,200)
Spouse allowance	£3,215 (was £3,200)
House purchase allowance	£12,000 (no change)
Nursery school (per child)	£5,025 (was £5,000)
Medical insurance	Up to £5,020
Child allowance	£1,105 (was £1,100)
Child studying abroad	£1,255 (was £1,250)

A major factor in deciding if the ABS applies to a taxpayer is whether they own their home in Gibraltar. As well as the house purchase allowance above, there is an additional £4,000 purchase allowance (to be spread over four years). Mortgage interest deductions are given for mortgages of up to £350,000 (and even higher for pre 1 July 2008 loans).

HEPPS & HNWIs

No changes were announced to the tax status available for "high executives possessing specialist skills" or to high net worth individuals (Category 2 Individuals). However, a working group set up to review this area is to be reconvened shortly, and their proposals are to be considered by government. These tax schemes cap the tax payable by such individuals to fixed amounts, subject to conditions, of £29,940 (HEPPS) and to between £22,000 and £27,560 (Category 2).

Social insurance

Gibraltar has a cap on social security contributions by employers and employees of £32.97 and £25.16 per week, respectively. No changes to these were made, however the Chief Minister stated that an announcement will be made in due course and any increase, if necessary, will be made from the beginning of the 2017 calendar year.

Import and excise duties

Changes announced to import duty included:

Changes	From	To
↑ Fizzy and other soft drinks (other than fruit juices or milk-based drinks) with sugar content of more than 5 grams per 100 ml	0%	10%
↓Spectacles, spectacle lenses and contact lenses	6%/12%	0%
↓ School satchels	6%	0%
↓ Nappies & nappy liners for babies, sanitary towels & tampons	12%	0%
↓Pre-shaving, shaving and aftershaves, personal deodorants, perfumed bath salts and other bath preparations	3%	0%
↓Electronic equipment, propellers and related spare parts for use on boats	12%	0%
↓Sails	3%	0%

Property-related measures

There were no changes announced to stamp duty, or to property rates.

Tax amnesty

Gibraltar's first tax amnesty was introduced in the 2015 budget in respect of funds held abroad on which tax should have been paid in Gibraltar. Individuals were able to "wipe the slate clean" by paying 5% of the funds involved.

This initial amnesty, which had run until December 2015, has now been extended for a further six months from the date of the budget. The tax rate applying has been raised to 7.5% of the funds involved, and the amnesty now also applies to the value of assets purchased abroad (previously the amnesty only applied to funds brought back to, and deposited in, Gibraltar).

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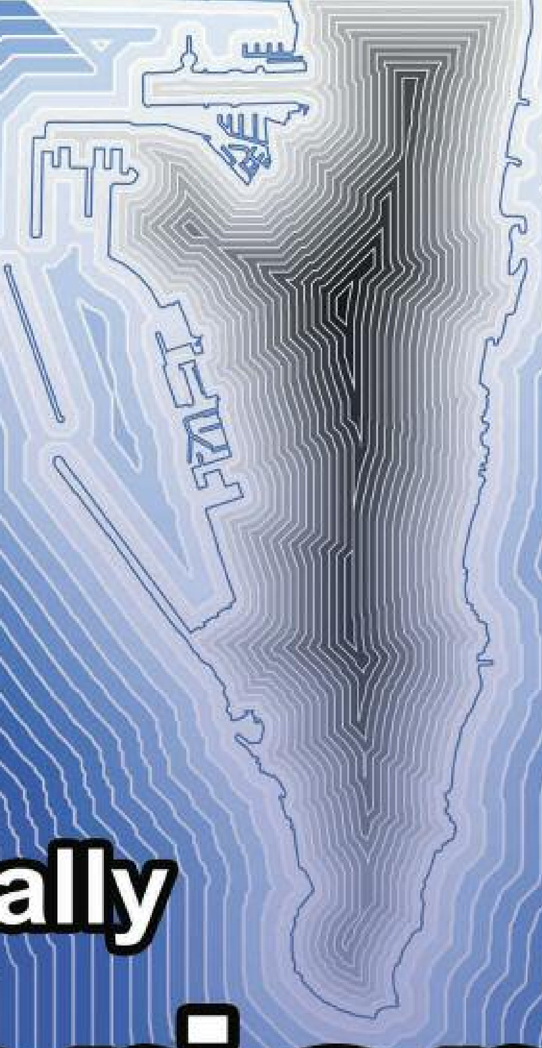

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Bidding for a better opportunity and equality

A greater determination by women to break the traditional employment 'glass ceiling' is showing through strongly in Gibraltar, as groups form to consider what in practice can be done to ensure equal opportunity for females – and sometimes, also for men, as *Ray Spencer* finds out

Against a background of growing pressure for improved maternity pay, help with nursery provision and shared paternity leave, initiatives by government and amongst financial services firms and other businesses in the jurisdiction, generally lag behind those in the UK.

At October 2014 (the latest figures available) 42% of the 24,422 Gibraltar employed were women. The total of employed women grew that year by 3.8%, but there were 8.7% more working men.

Edward Macquisten, chief executive of Gibraltar Chamber of Commerce, observes: "One of the most interesting developments has been the significant increase in women in employment in the last 20 years.

"This has been for a whole variety of reasons: more women going to university and gaining professional qualifications and a greater number of white collar jobs available.

Regulator Samantha Barrass (centre) is to review diversity with her female dominated top team

Gibraltar has developed as a service-based economy. This has given more opportunities for women to do a wider range of jobs."

Larger companies moving to Gibraltar often had more sophisticated employment needs, he says, not just recruiting for a job, but providing ongoing training and development.

But of the 2,761 people in the jurisdiction who had average annual full or part time earnings of more than £50,000, just 551 were female.

Emma Perez, chief executive officer of S G Hambros Bank (Gibraltar), describes herself as "one of the lucky few" not to have experienced sexism in her career, "but you do hear of people who have had problems, not getting roles because they were women. There is still a question on salary parity, depending on the organisation and its size, even in the financial services sector."

As the only female head of banking locally since 2006, she sees more of her gender today in senior financial services sector roles. "There is still improvement to be made, and it's still quite a male-oriented society," she points out.

Samantha Barrass, chief executive of the Financial Services Commission (FSC), where its 72 staff are equally divided between the sexes, notes: "If I find an all-male Board - and there are quite a lot in Gibraltar - I'll think you haven't got a single woman; it's really striking, but it doesn't appear to strike a lot of other people." It's not a regulatory issue, but she says if the issue is raised, the response typically is that it has nothing to do with sexism, appointments being made on merit.

"I know this jurisdiction has a lot of very good women and more needs to be done to understand that when we as employers are looking to recruit, it's quite natural to want to appoint people who are most like us, and there can be a natural drive that works against diversity in the workplace", says the 52 year old mother of three, who has worked mostly in male-dominated financial services entities.

Preventing indirect bias

Yet the FSC's top team of five has only one male, newest recruit Peter Taylor, Director of Legal, Enforcement and Policy. Barrass maintains that having worked in large organisations "with a considerable focus around equality and diversity and around understanding bias and how indirect bias can creep into all sorts of decisions, it's quite a change for me to be in a jurisdiction where there is much less of a formal equality and diversity agenda running through. There should be".

The FSC is to "review its HR policies through an equality and diversity lens that will extend beyond the role of women in the workplace", Barrass promises.

As Marcus Killick, chief executive officer at ISOLAS law firm, affirms: "Whilst the reality is that all lawyers are employed on their merits rather than by gender, we have to be careful that we do not have accidental discrimination, which restricts an individual's progression, for example by not having an adequate maternity policy, opportunities for career gaps and flexibility on hours, all of which tend to disproportionately affect how women rise to the top in their legal careers – at ISOLAS we are moving on these aspects."

Pay parity question: Emma Perez, CEO, S G Hambros Bank

He agrees that women "probably are under represented in Gibraltar law firms" saying: "At ISOLAS, whilst women make up over half of the total number of non-partner fee earners, only one of our eight partners is female. There are 17 other fee earners, eight of whom are female."

Will Morgan has been house husband for 14 years since his wife Kathryn, a qualified actuary, gave birth to their daughter Liz, and in 2014, she became the FSC's director of regulatory operations, previously having had a role at the Bank of England.

"My husband gave up work as a driver, because after discussion, he considered that it would be economically better for him to stay at home and be primary carer to our daughter," 53 year old Morgan explains.

"In Gibraltar, when I go into a room - and often I am the only woman - I have had the impression it's the men who go out to work and the women have responsibility for children. Most of the discussions I have had with women in the workplace, all relate to childcare. And I don't agree; it's not my sole responsibility."

Her good friend in the UK, Jayne-Anne Gadhia, chief executive of Virgin Money,

Continued overleaf


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produced a report recently for Chancellor George Osborne, that found while more women than men start out in the City's financial services sector, "as they progress, the majority fall out, especially at middle management level. This leaves almost all of the top jobs in the hands of men".

The Empowering Productivity – Harnessing the talents of women in financial services report made recommendations about fairness, equality and inclusion for men and women, noting that "achieving a balanced workforce at all levels in financial services will undoubtedly improve culture, behaviour, outcomes, profitability and productivity".

Childcare top topic

Morgan shared that report earlier this year with a few local female contacts, all in senior positions. "All the conversation went back to childcare – the availability – and flexible working", she says. Now some 20 women have asked to take part in further discussions and having more meaningful data in Gibraltar has been identified as a necessity.

Gibraltar's Minister for Equality, 39 year old Samantha Sacramento recognises the information shortfall, proclaiming: "We are looking statistically in government to see where the gaps are in the workplace – gender pay gaps and pay differentials – on a sector by sector basis, and at new ways to collect data, so that it is more obvious.

"At the moment the focus is on the gender pay gap… and about women in leadership, because they are in a minority when compared with men", she maintains.

Sacramento enthuses: "We need to engage the private sector and hope to have tangible information by the Employment survey in 2018" and possibly, some details earlier."

Prove you are worth it: Kathleen Victory, Beta Service Recruitment

Deborah Kinlay has worked in recruitment for 20 years, almost half that time as a director for Quad Consultancy in Gibraltar. She reports: "The attitude towards women, particularly in the gaming sector where we specialise, is positive and most of our applicants are international from all over Europe – men and women – and it's a case of whoever is best qualified gets the job."

However, there are more male applicants, particularly at senior levels, because she believes, they come from an already male-dominated pool, or where women are having families.

Don't single out women, argues chief scientist Dr Liesl Mesillo Torres

When those women return to work "they want part time or flexi working hours and our clients generally are very reluctant to offer that.

"I believe employers should offer more flexibility of working times, because it is becoming the norm the world over, and potentially women bring more skills into the workplace," Kinlay notes.

Beta Service Recruitment was founded five years ago by 32 year old Kathleen Victory when her son was a year old. She previously worked for another recruitment firm, in company management and as a Royal Gibraltar Police Force constable (where she passed the Sergeants exam with the 2nd highest grade from six mostly male successful candidates).

No special treatment

She points out that "some smaller firms do offer flexibility of hours to help with childcare, because they don't want to lose a good employee, but when [applicants] come from abroad, that's the thing, they struggle, because they must put their children in a nursery, which can be quite costly, so they need to get a job that pays enough."

However, Victory believes women should not expect special treatment and achieve their goals regardless of their sex by working hard. "You don't ask for equality, it is already there if you prove you are worth it," Victory declares.

Dr Liesl Mesilio Torres has three daughters aged 5 to 11 years, and was surprised after interest focused on her gender rather than as a chief scientist when three years ago she became the first female to fill in as acting chief secretary in the Civil Service.

The 38 year old Environment Department chief executive is adamant: "We should focus on a Network of Professionals and not have either gender single themselves out. Singling out women means you are almost being positively discriminating of the male sex", she maintains.

Minister Sacramento, having worked in Cardiff for two years as a barrister and advisor on policy at what is now the Equality and Human Rights Commission, attended a Gibraltar law firm interview that "ended up with asking me if I had a boyfriend and I said 'what does that matter'. And then I went off on one: I couldn't see how it was relevant to the job… questions like that are a no-no in an interview".

Raising awareness first

Sacramento, who is unmarried, sees the next generation as being key to changing attitudes towards women in employment. Her message to school 6th formers: "You need to work hard to achieve what you want and it's about not letting anybody get in the way, because you are a woman – you don't want family saying 'you don't want to do this or that', because you are a woman."

The Minister's empowerment strategy hopes to raise awareness of people's rights under the employment and equal opportunities laws. "The legislation is there, the protection is there, against discrimination on grounds of your gender; the only part of the legislation that protects a woman is [in respect of] maternity and specifically relates to entitlements," she affirms.

Women statutorily receive £87.64 per week whilst on maternity leave for 14 weeks (plus a one off grant of £600) with up to 18 weeks leave, the balance of 29 weeks being unpaid, unless employers make up the difference: in the UK, it's £139.58 for 39 weeks.

Female civil servants are entitled to six months maternity leave on full pay and another six months without pay, a practice that some private sector firms replicate.

Last year Desiree McHard, managing partner at BDO Gibraltar accountancy network, became the first female president of the Gibraltar Society of Accountants where more than a third of the 350 members are women.

BDO has introduced "more flexible working hours [for women] and in respect of maternity pay, basically top-up the statutory government minimum payment", she states.

Married with three school age children McHard has achieved a work-life balance, but adds: "I suspect that there are others in the

Continued on page 26

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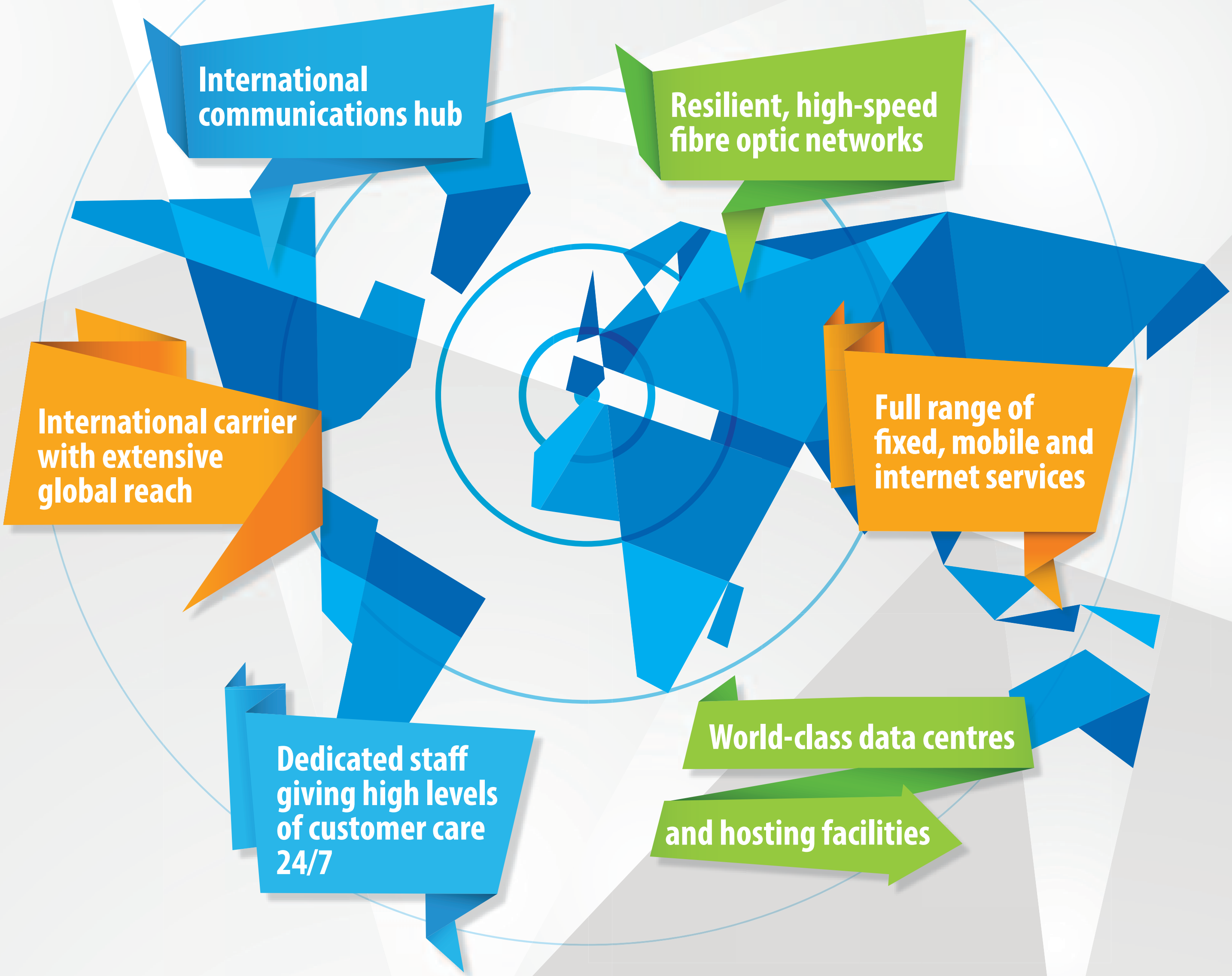

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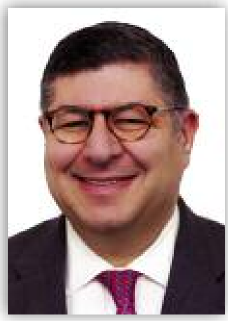
Brexit and Gibraltar's Funds and Investments Industries



By James Lasry Deputy Chairman Gibraltar Funds and Investments Association and Head of Funds at Hassans International Law Firm

Most Gibraltarians were quite certain that the United Kingdom would vote to remain within the European Union. It came as quite a shock to many that the results of the referendum were for Brexit. Gibraltarians for their part, felt let down as they voted to remain in with a margin of 96%. What will Brexit mean for Gibraltar and for its funds and investments industries?

Probably the greatest difficulty that Gibraltar will face over the next few years is the simple uncertainty. Will the UK retain access to the single market? And if so, what scope and form will this take?

One thing is clear. Nothing precipitous will happen at least for the next two years and three months. It may take longer than this. The decision to exit the European Union is only the first in a long series of steps that have to occur for the separation to be given effect.

Under a recent amendment to the Treaty of Lisbon Article 50 provisions were put in place to allow for the secession of a member state from the European Union. Under these provisions, the famous 'Article 50', there will be an interim period of at least two years from the time that the article is invoked.

There are a number of results that are possible, ranging from the UK and therefore Gibraltar, remaining within the single market in a Norway type format, to the unlikely result of the UK having to rely on World Trade Organisation provisions. It is important to remember that the UK traded with the rest of Europe long before it joined the Common Market. There are a number of bilateral treaties that provide for this.

The upshot of this is that for at least the next two and a quarter years or so, financial services firms such as MIFID and AIFMD firms will be able to continue to passport throughout the EU.

As with everything, it is important to distinguish between the hype and the reality of the situation. The reality is that the majority of funds and investment managers in Gibraltar do not avail themselves of the European passport. This is either because they fall below the threshold under which they are obliged to comply or because they fall within certain other exemptions such as being family offices which do not market to the general public.

For funds that did not rely on the European passport, the change will make little to no difference to them at all. They will be in the same position as that of funds in the Channel Islands, the Cayman Islands, and the British Virgin Islands. Although there is a great deal of uncertainty as to what the final results of the negotiation between the United Kingdom and the EU will look like, most business between now and then will be able to proceed as usual.

There are so many possibilities that it does not seem neither reasonable nor necessary to incur the cost and upheaval of setting up elsewhere. We will have much more of a flavour of what the final results will look like 6-12 months from now.

It is still possible that the UK and Gibraltar will retain some access to the single market. However, if this is not the case, it is still possible it will obtain 3rd jurisdiction equivalence under AFIM and MiFID II so that funds and managers who are regulated under it can continue to passport.

The Government of Gibraltar is working very hard to try to ensure that Gibraltar be included in any arrangements between the UK and the EU. Because the UK is Gibraltar's largest trading partner, bilateral agreements both for the provision of regulated services i.e. a bilateral financial services passport to and from the UK and, possibly a tax treaty between Gibraltar and the UK will be crucial. Efforts are being made to obtain what assurances are possible in this regard.

At present, one proposal that should be considered is that from now until the actual secession occurs, all new financial services legislation that is directive driven, such as MiFID II, should be enacted with dual channels; one that complies with European law which will be binding as long as we are in the European Union (or even thereafter for those who wish to passport on the basis of an equivalent regime) and the other, a local regime that is more purpose-built to the needs of local managers.

This latter regime must of course maintain current high regulatory standards, but it should also be entirely relevant to the industry that it seeks to regulate. Other jurisdictions such as the Channel Islands and even the UK have dual regimes for both the EU and non EU business.

Gibraltar should also review its products to ensure that they are up to date with the latest developments in both EU and non-EU legislations. The Experienced Investor Fund, Gibraltar's flagship funds vehicle, should be improved and an equivalent of the RAIF and ICAV in Luxemburg and Ireland should be considered.

Gibraltar has managed to weather many storms and it is heartening to see how many Gibraltarians feel that although this is somewhat of a hurricane, Gibraltar will emerge from it intact, if not stronger. The opportunity to re-evaluate and redefine ones position can be truly frightening, but it can be an opportunity to improve on what was before.

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> **Gibraltar has managed to weather many storms and it is heartening to see how many Gibraltarians feel that although this is somewhat of a hurricane, Gibraltar will emerge from it intact, if not stronger**

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Sea, sun and wind to meet most power needs within five years

Gibraltar is poised to sign contracts that will lead to electricity supplies coming from the sea, sun and wind, which will be 2½ times more than the EU requirement of 15% of energy needs coming from renewables by 2020

The upshot of numerous public-private eco-friendly investments will be a substantial cut in fossil fuel generating bills and potential for ending the government's present 50% public subsidy of electricity bills after an eight-year price standstill – and even the possibility of a small consumer price reduction!

Gibraltar requires at least 40MW of electricity supply at peak, a figure that is expected to rise as a result of current and planned developments on The Rock. A new £77m dual fuel power station being built with six turbines fired by diesel oil and Liquefied Natural Gas (LNG) has the capacity to produce double today's electricity needs.

Electrifying: Chief Minister Fabian Picardo with Inna Braverman and Dr John Cortez at Eco Wave Power launch

But Environment Minister Dr John Cortez revealed in our exclusive interview that around 20MW of electricity power – half of the jurisdiction's requirement - is expected to come within four years from:

- marine currents;
- on and off-shore wind turbines;
- solar panels; and
- wave power.

His confidence is despite a later-than-expected introduction of the territory's first renewables project – the 0.5MW Eco Wave Power (EWP) pilot plant that was launched in May propelling Gibraltar into world pole position on continuous use of renewable energy feeding the main grid.

Inna Braverman, EWP co-founder, told *Gibraltar International*: "This first phase cost US$½m, with 30% coming in November from the EU Regional Development Fund and we were operational five months later."

A second EWP phase of 5MW is planned to launch in two years' time with three or four sites being investigated, and "that will cost US$5m, plus extras – possibly up to US$7m – of which we would expect to receive up to 80% from the EU and from other international funding", Braverman said. Financial returns were expected within three to six years.

Dr Cortez now wants EWP to extend its power generating capacity to 10MW! The Israeli EWP projects have zero impact on the environment and use floaters to convert Gibraltar's widely variable waves into electricity.

"We are looking also at marine currents and working with a French company, Blue Shark, which has been monitoring the strength of marine currents in the south west of Gibraltar with a view to us having a similar arrangement to that with Eco Wave, but from the movement of the current, rather than the height of the wave", Dr Cortez divulged.

Airport solar plan

Impacting more quickly, at least 20 mostly publicly owned sites have been identified for installation of solar panels and the government is planning to invite expressions of interest this autumn with a view to having the solar farms operational a year later.

One location is likely to be the Gibraltar International Airport terminal building, but clearance will be needed from the RAF, which operates the airport, to prevent any hazard to flights from sun reflection. There are solar panels installed near to many other airports worldwide.

"We have assessed spaces in Gibraltar – rooftops of public buildings, car parks that can be covered by a canopy and other areas that at the moment are relatively flat or gently sloping areas - that to all intents and purposes are fallow," the Minister said. "They do not impact on any of the natural environment – it is clearly precious, because of our small space – and we have identified enough space to be able to [generate], we believe, between 10-15MW."

Similarly, the government is also "looking at the possibility of either small on-shore wind generators, or offshore wind generators on the East side, that don't have a negative impact visually, or on migrating birds". Various environmental impact studies would be needed for the marine wind farm "and that is years away", Dr Cortez conceded, but more easily achieved would be "a small amount of wind from local housing estates using wind generators to power their communal areas – that sort of scale, but every little bit helps".

Grid upgrading

One hindrance to use of renewable energy sources has been the ability to connect to Gibraltar's electricity grid, but the distribution network is now being upgraded with priority going to locations considered likely for the new connections. Small extra loads from the EWP first phase, and the over-supply from a solar plant at the public swimming pool, can be accommodated already.

The upgrade work is necessary anyway to make electricity supplies more secure for business and domestic customers, as well as for the load from the new power station on part-reclaimed land in the Port's North Mole by French firm, Bouygues Energies & Services, which also will operate the plant for a year after it "hopefully opens in summer or autumn next year".

Dr Cortez maintained it was necessary to have an 80MW output power station even when renewable sources were expected to provide at least half of present Gibraltar requirements. "As far as I'm concerned we need to have a fossil fuel power station at this point in the earth's history, because renewables of the type we are working on are reliable, but they are not predictable.

"You cannot be sure it's going to be sunny everyday and it doesn't shine at night, and the motion of the sea will vary according to different factors." Gibraltar is presently said to be able to convert waves into energy only about 20% of the time - solar panels produce even less - but EWP expects higher production levels from its second stage project.

Until storage batteries are developed that can take and keep a mains electricity load

Continued page 28

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Steady demand keeps Gibraltar property market buoyant after referendum result

By Douglas Villalta, CEO, Century 21 & Co-Founder of Buena Vista Park Villas

It is obvious that the recent referendum result has created economic uncertainty for many and securing the best possible investment will be their priority, with some opting to invest substantially in silver & gold, whilst others will try to benefit from the investment opportunities created from sharp sell offs in the stock market. Even though the Bank of England may be considering cutting interest rates within the coming months, the uncertainty about the UK's future will send international investors to look at other potential property markets and Gibraltar will be one of them.

Ultra-luxury at the Blue Water marina development

The result could well be that, although many predicted a slowdown in Gibraltar property investments, global capital will continue to grow into the local real estate market during 2016 and beyond.

Although it is still early days after the UK Referendum results, there are still signs of relative resilience of prices in most of Gibraltar’s prime areas, with sales of properties in new off-plan developments and the resale market taking place after the UK’s unexpected ‘Leave’ result sprinkling some uncertainty over the local housing market.

Even though many may ask themselves is buying a home a bad investment at this moment in time or alternatively, is renting a home a waste of money, the fact is that there has been significant number of rental enquiries since the day after the referendum took place, perhaps induced by the uncertainty of Spain applying additional pressure at the border, which in itself, is encouraging news for investor clients.

Whilst a number of European buyers may be tentatively dragging their feet into post EU property investment in London and other sterling driven territories, there is still a high number of potential investors from abroad who are looking to take advantage of the current indecision in various property markets, as a result of the weaker pound and Gibraltar is becoming an attractive proposition to many.

Property acquisitions in Gibraltar

Even though there have been buyers who have decided not to proceed with their intended acquisitions after the UK referendum, which in any event, was to be expected in certain cases, the general consensus amongst many in Gibraltar at this early stage, is that the local residential market will benefit as a result of the limited availability within open market developments, especially if we take into account the number of wealthy families and individuals who are still interested in property acquisitions in Gibraltar, thereby totally over riding the negative result of the recent referendum.

Even more encouraging is the number of ex-pats residing on the coast in nearby Spain, many of whom are already enquiring on the possibility of acquiring a property in Gibraltar, in view of Spain's threat to become more difficult at the border with Gibraltar, in the event of the UK triggering Article 50 and eventually leaving the EU.

This demand will surely give rise to a number of new residential projects coming to the open market, driven by the 'affordable housing' theme within the very foreseeable future, with attractive yields appealing to investors and especially to real estate funds looking to diversify their real estate portfolio, whilst buyers benefit from attractive sales prices and affordable payment plans over the construction period.

Although some had predicted a slowdown in Gibraltar property investments, global capital will continue to grow into the local market during 2016, but it is inevitable that some lenders and investors may become more cautious. However, land shortage and continued demand, will continuously assist to strengthen the confidence factor in the local property market over the passage of time.

Furthermore, Gibraltar is still an attractive jurisdiction to many ultra high net worth individuals (UHNWIs) investors whose continued demand lies in other segments of the market, many wanting to own ultra-prime residences in Gibraltar within premium locations and this is where projects like the new Blue Water luxury marina development, which will be situated on the east side of Gibraltar will gracefully step in.

Super Yacht Marina

Gibraltar as a whole will benefit greatly from the interest that this ultra-luxury Blue Water marina development will generate on an international level, in view that it will incorporate the most highly specialized Super Yacht Marina in Europe, alongside magnificent waterfront residences offering exceptional specifications and level of finish. Furthermore, Blue Water will attract status discerning individuals who invest in exceptional properties worldwide, in addition to wealthy super yacht owners who may decide to acquire a berth alongside an exceptional luxury residential property, giving rise to long-term investment propositions.

This exclusive landmark development which will also incorporate a five-star hotel and serviced apartments, is being carefully planned to create a new dimension to Gibraltar's residential market and will assist Gibraltar in becoming a leading destination, lifestyle hub and business center, together with entertainment facilities and onshore amenities, which will undoubtedly place the limelight on Gibraltar on a global level.

Whilst UK developers are reassessing

projects following the UK vote to leave the EU, we nevertheless find that the confidence factor of a good number of developers in Gibraltar is extremely high and will surely give rise to new off-plan developments streaming on to the local market shortly, with a view of being able to cater for the existing and ever increasing interest in the Gibraltar property market.

Together with other avenues that HMGoG may pursue in order to ensure that Gibraltar remains linked to the EU, essential to foster economic growth and stability, Blue Water will definitely add a totally new dimension to Gibraltar's real estate, ensuring that Gibraltar's prime residential market remains buoyant for years to come.

Office and commercial

Although we may find that a reduced number of corporate entities may have taken the decision to consider relocating their operation to other jurisdictions, we nevertheless find that there are already numerous new overseas companies interested in acquiring suitable premises in order to set up their new operations in Gibraltar.

Following the Brexit result announcement, many of the major gaming companies have expressed their commitment to maintain their presence on the Rock, with many extending their leases for a further six years.

Furthermore, as a result of the limited office space currently available in Gibraltar, it is highly probable that new purpose built office developments will spring up within the foreseeable future, as a result of the market showing considerable stability after the unexpected UK leave results, highlighting the confidence in the local real estate market which will enable developers to be more active providing scope for further growth in the sector.

In summary, we are all working towards a common goal; the Government of Gibraltar has reassured the finance centre, gaming industry and business community at large, that they will explore every available option, whilst the Gibraltar property market brims with confidence especially when the message filters through to property owners that the local property market is beginning to gain pace after the recent referendum.

The eagerly awaited Midtown development

It is interesting to note that almost every successful outcome begins with two beliefs; the future can be better than the present and we have the ability and determination in Gibraltar to make it so!

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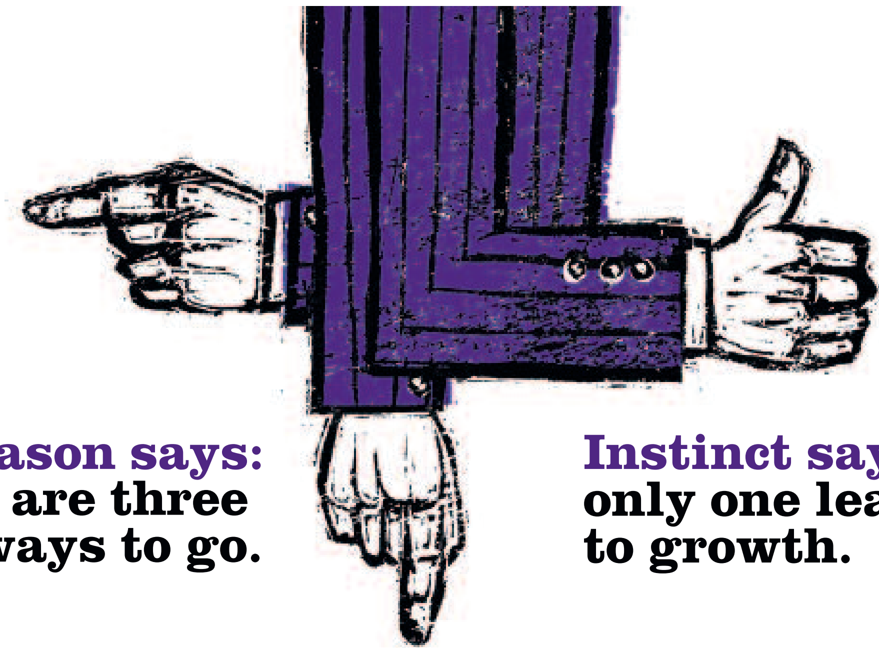

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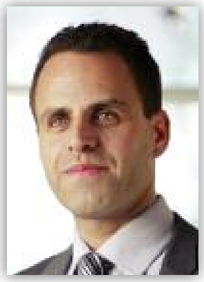
Don't Just Build It, BOT It!



By Eran Shay, Managing Director, Benefit Business Solutions Ltd

Recent years have seen a dramatic increase worldwide in the involvement of the private sector in the development and funding of public facilities and services. Techniques are continuously being developed to draw the public and private sectors together with a view to sharing the risks and rewards associated with such activities. These various techniques are often referred to as "public private partnerships" (PPPs) and range from the simple contracting out of services to the involvement of the private sector in the financing, design, construction, operation, maintenance and, in some cases, ownership of major infrastructure facilities.

Perhaps the most widely used PPP financing technique is the Build Operate Transfer (BOT) method under which the private sector finances, constructs, operates and maintains the facilities for a given period, with the public sector acquiring operational control at the end of that period.

The Government of Gibraltar continuously faces the dilemma of maintaining a manageable level of public debt, while at the same time investing in capital intensive infrastructure projects to promote development and economic growth in the shortest possible timescale. In fact, in his July 2016 Budget, the Chief Minister announced that capital expenditure projects will be cut by a third in the financial year 2016-2017. There are many factors contributing to the attractiveness of BOT projects. Through BOT, Government may be able to secure the necessary level of investment in Gibraltar while not burdening public finances. BOT projects also allow the public sector to transfer onto the private sector many of the risks associated with the implementation of capital intensive projects.

For private sector investors and financiers, BOT projects have opened up a whole new area of opportunities for new business and relatively high returns. The sharing of risks with other parties to the project and with the public sector entity concerned enhances the appeal of BOT. One aspect of many BOT projects which is attractive to investors and financiers is that they incorporate sovereign credit risk, and this renders them more suitable for financing in the bond markets.

BOT is a type of project financing, with its key attributes being:

(i) The lenders to the project look primarily at the earnings of the project as the source from which loan repayments will be made. Their credit assessment is based on the project, not on the credit worthiness of the borrowing entity.

(ii) The security taken by the lenders is largely confined to the project assets. As such, project financing is often referred to as "limited recourse" financing because lenders

are given only a limited recourse against the borrower.

Most project finance structures are complex. The risks in the project are spread between the various parties; each risk is usually assumed by the party which can most efficiently and cost-effectively control or handle it. The major parties to a BOT project will usually include:

The Host Country - a Government department or statutory authority is normally the primary party. The Government's co-operation is critical in large projects. It may be required to assist in obtaining the necessary approvals, authorisations and consents for the construction and operation of the project. It may also be required to provide comfort that the agency acquiring services from the facility will be in a position to honour its financial obligations.

The Sponsor - The sponsor is usually a consortium of interested groups (typically including a construction group, an operator, a financing institution, and other various groups) which, in response to the invitation by the Government Department, prepares the proposal to construct, operate, and finance, the particular project.

The construction contractor - the construction company may also be one of the sponsors. It will take construction and completion risks, that is, the risk of completing the project on time, within budget and to specifications.

Operation and Maintenance Contractor: The operator will be expected to sign a long term contract with the sponsor for the operation and maintenance of the facility. The operator may also inject equity into the project.

Financiers: In a large project there is likely to be a syndicate of banks providing the debt funds to the sponsor. The banks will require a first security over the infrastructure created. The same or different banks will often provide a stand-by loan facility for any cost overruns not covered by the construction contract.

Equity Investors: It is always necessary to ensure that proposed investors in an infrastructure project have sufficient powers to enter into the relevant contracts and perform their obligations under those contracts.

Other parties: such as insurers, equipment suppliers and engineering and design consultants will also be involved. Most of the parties too will involve their lawyers and financial and tax advisers.

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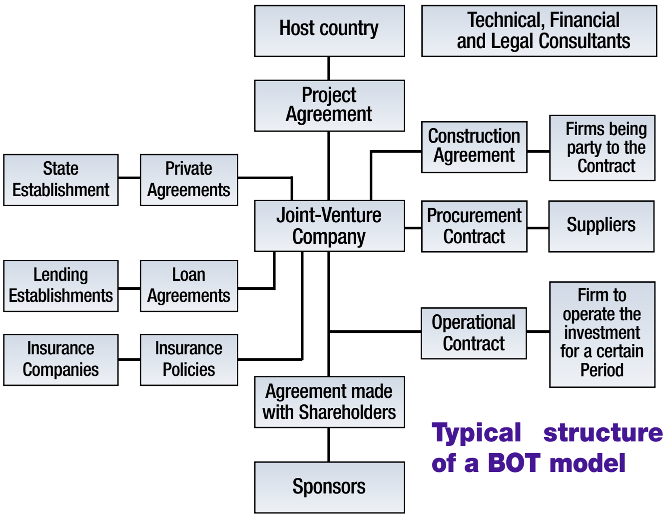
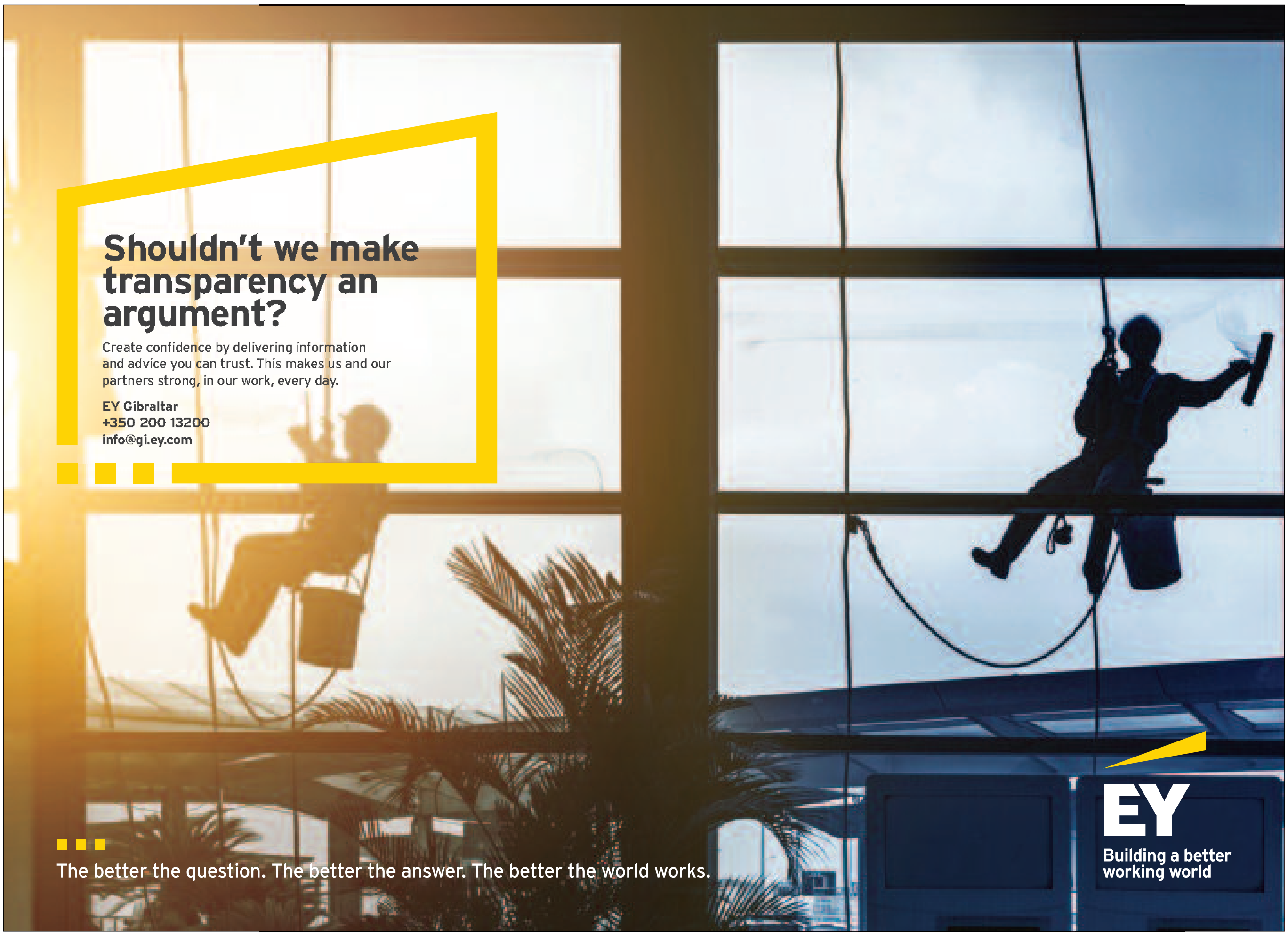


Typical structure of a BOT model



Bidding for a better opportunity and equality
Continued from page 16

business community who may have found it more of a challenge. Assisted childcare and state-sponsored nurseries for the under 4's would afford support as would private sector endeavours such as work place crèches; however both run on economies of scale and the latter are usually witnessed in countries with firms of significantly larger workforces than the local arena."

Workplace crèche

No local firms are reportedly offering at-work childcare, although one accountancy practice is said to be considering training staff to look after employee's young children so they can stay in post at a time when it has become difficult to recruit staff.

Every February parents of children can apply for one of 366 free morning or afternoon placements for three year olds at government nurseries. Private nurseries cost £300-400+ per month, but Gibraltar's close-knit residential community means that grandparents often become carers for children of working mums. For those arriving to work in Gibraltar from elsewhere, no such support is available.

"I believe everyone should be able to choose, if they wish to work part time," says 34 years old Gemma Vazquez, Gibraltar Federation of Small Businesses (GFSB) chairperson, and one of seven female partners out of 40 at Hassans.

Although GFSB Board has not discussed maternity leave, she concedes: "I fully realise the constraints and difficulties that it causes for employers, particularly for a small shop or firm. It's very difficult to have someone on maternity leave for 6 months to a year, particularly after money has been spent training that individual."

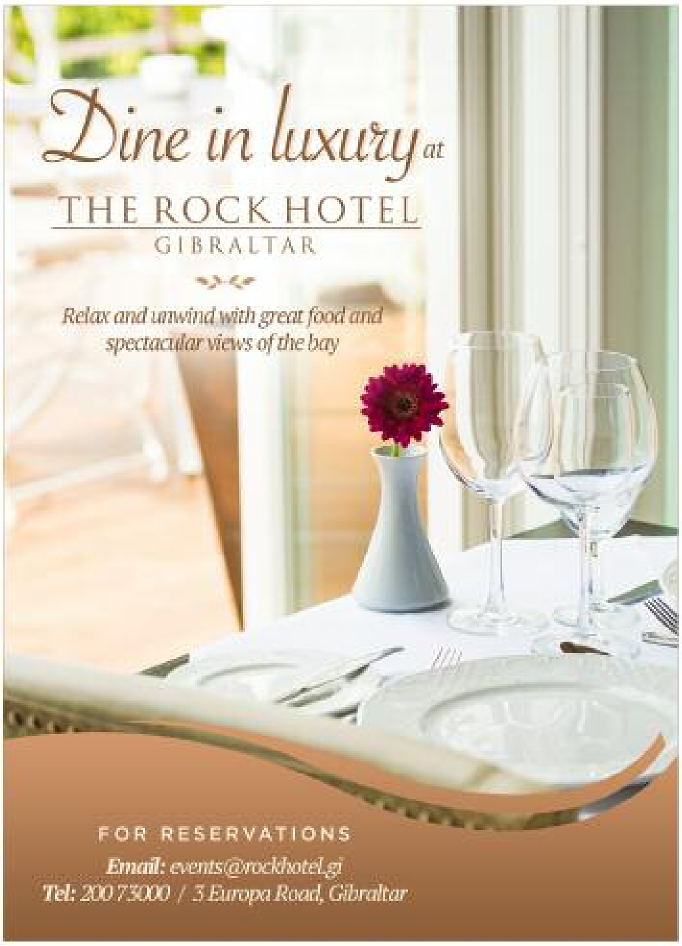
Determined mothers

Amanda Eccleston is RBS International (RBSI) Director of Conduct and Regulatory Affairs in Gibraltar, responsible for bank-wide compliance and risk management at NatWest, having joined RBSI 28 years ago. A mother of three teenagers, she is a passionate advocate of achieving a work – life balance and believes her employer's approach to flexible working has helped her with family and career.

Desiree McHard, Managing Partner, BDO (Gibraltar), became the first female president of the Gibraltar Society of Accounts (GSA) in 2015

After having a full year off for each of her first two children and returning to work more quickly after her third child, Eccleston reflects: "I am an ambitious person, so was keen when offered promotions to progress my career."

For determined mothers like Amanda, RBSI support enabled her and colleagues to succeed while fitting around a busy life outside work. RBSI has "a big push at the moment in terms of placing more senior



women" to increase the 32% in its top three layers to reach a 50% gender split through support in leadership development and offering working flexibility. Currently, 84% of the 117-strong local workforce is female, but Eccleston says gender is not considered an issue for employment.

Paternity time lagging

One factor – equal opportunity for men to have paternity leave – is considered by all women to be desirable. At present, males can have two weeks leave and one is paid, but no right to shared leave.

Heidi Bocarisa, the FSC's director of strategy & planning, joined aged 23 some 18 years ago when "the bulk of women were in administrative or secretarial roles." The mother of three young girls, Bocarisa says: "Women go off on maternity leave, but most fathers are involved in family life as well.

"I think Gibraltar is fairly behind the times when it comes to that approach, in terms of flexible hours, working from home, friendly hours, even things like paternity leave arrangements."

Thirty years old Hannah Strain, FSC Head of Operations, is on maternity leave with her five month old daughter, Elise, and believes that "until [shared parental leave] happens women are always going to be at a disadvantage at work, because they are the ones who have to take time off, and there is this mentality, 'well women can always go back after having children'. If the man had the same opportunity, it might be different."

Young are more knowing

The younger generation, "believe in their qualities and have grown up in a society where there is more equality even in their own relationships", perceives Tonia Brooks, chairwoman of the 30 year old Women in Business Gibraltar networking group. "The Internet and communications generally have created a better awareness of the world and of the potential", she says.

A passionate advocate of women in business, Brooks retired two years ago as Gibraltar's first female principal of the Further Education College. "I know women who are constantly trying to prove themselves - that they are worthy in their post - and that they work harder than men; they feel they cannot let their guard down - and that shouldn't be the case," she asserts.

The Gadhia report found younger people, especially women, do not want positive discrimination. However, as women get older views alter. "They realise that if they want to see meaningful change in gender equality, businesses need to measure it; because what gets measured gets done", emphasises Gadhia.

As Vazquez notes: "What has to change is understanding – there has to be better understanding of the position on both sides. [Only] women will have children – that has to be the case - and they cannot be prejudiced in their workplace for doing so. But at the same time, we have to understand the costs (and not just financial costs) which maternity leave brings to small employers in particular."

But other aspects of increased maternity benefits and shared paternity leave are not early candidates for action, with Sacramento admitting: "Those are discussions I have to have. They are not in the [government's] Manifesto, which means it obviously is not a priority over other things. There is nothing certainly that will take place soon."

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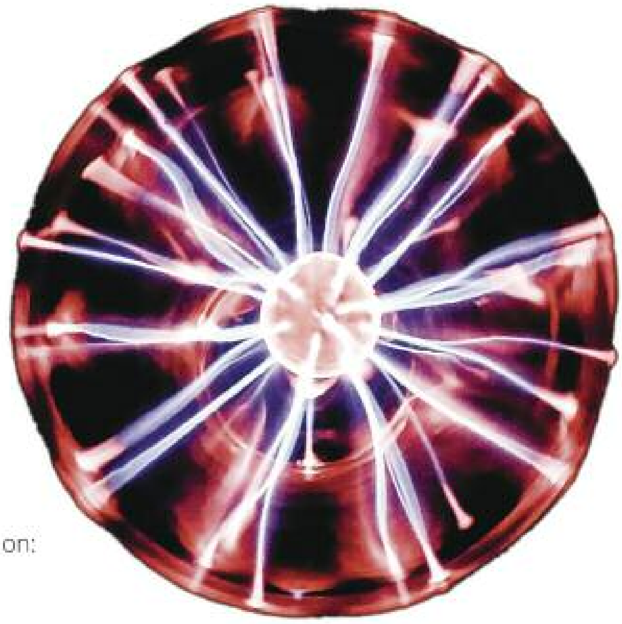

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Sea, sun and wind to meet most power needs within five years *Continued from page 20*

– "and that seems to be a while away" – GibElec, the power company, requires traditional generating methods as a backstop.

Floaters produce power from waves at EWP pilot installation

Given that Gibraltar plans new developments, power demand is likely to increase, Dr Cortez reasoned, and "it makes economic sense when building a power station to future proof it by having more capacity than you expect to see in [its] lifespan."

He emphasised: "The government doesn't have a problem in having that power station running at a reduced capacity if what we are doing is using renewables, so the priority would go to renewables, and instead of firing up six engines, we maybe only fire two or three."

With the generating cost of electricity subsidised by at least 50%, the government is looking to save money by setting up power purchase agreements with providers at undisclosed – but much lower – cost "with people who invest their own money, or we could actually build the solar power plant and then [the energy] is free for us."

EU funds are available to part-finance strategic investment in public sector and private business renewable energy schemes until 2020 - unaffected by Brexit issues.

Price cuts expected

Dr Cortez said: "I am confident renewables will kick in in a big way and that the price of energy production using gas rather than diesel, is going to be considerably less than solely diesel - about 60% less" – but, he added: "Certainly I don't predict anything happening [on prices] before we have the gas power station running for at least a year – so about 2019-20; it might be achievable before then, but I don't know."

Bravermann told international guests at the EWP launch: "We have projects with a total of 111MW capacity in the pipeline around the world – a lot of deals are maturing as a result of this [Gibraltar] successful development programme."

Now a Chinese firm that made contact through the Gibraltar office in Hong Kong, has said it is interested in providing lighting consumables in all of public buildings and public areas. "We have sent them information and they are looking at what it would cost them. They would supply fittings and LED bulbs and then take a proportion of the savings we would make in reduced costs of power usage", the Minister revealed.

A Climate Change Action Plan that will set formal targets and seek to get the private sector actively involved in energy efficiency has been prepared for submission to the government cabinet over the summer, with the expectation that it will be published by year-end.

Ray Spencer

Gaming Community – business as usual

HM Government of Gibraltar has been working closely with the remote gambling industry in Gibraltar following the referendum result and is pleased to confirm that the sector remains strongly committed to its Gibraltar operations.

Government has engaged with every operator, as well as with the Gibraltar Gaming and Betting Association (GBGA) to assure them of the government's support and vision for this sector in the short, medium and long term. This has been universally welcomed and operators have made it clear that they remain fully committed to Gibraltar and business continues as usual.

Various operators have confirmed their intention to continue with their expansion plans, including leasing new office space, relocating sections of their businesses from other jurisdictions, and ensuring that recruitment continues.

easyJet launches Manchester to Gibraltar route

In early July, easyJet launched its new year round service, flying twice weekly on Wednesdays and Sundays between Manchester and Gibraltar.

easyJet

The 180 seats Airbus 320 joins the Bristol and Gatwick easyJet routes and the airline will now operate sixteen weekly services to Gibraltar in the peak summer months.

Ali Gayward, easyJet's UK Commercial Manager commented: "We're delighted that we have now added this new route to our network from Gibraltar and have operated the inaugural flight from Manchester. We continue to see an increased number of travellers looking to fly with easyJet on our Gibraltar routes and with affordable fares and flight time of just over two and a half hours, we're confident that this new service will prove popular with both business and leisure travellers."

Chief Minister holds meeting with the Mayor of La Linea

At the beginning of July, the Chief Minister, Fabian Picardo and Deputy Chief Minister, Dr Joseph Garcia, met with the Mayor of La Linea, Juan Franco, at No. 6 Convent Place to discuss a joint strategy to avoid potential negative consequences of Brexit.

Mr Picardo said later that Gibraltar and its neighbouring Spanish town, La Linea shared common objectives: "We must ensure we can guarantee free movement across the frontier and the continuation of Gibraltar as the economic engine for the whole area to uphold the jobs and prosperity of Gibraltarians, other residents of Gibraltar and of the Campo Area citizens who work on the Rock."

Sr Franco expressed his satisfaction over the meeting and asked the Campo Area to remain calm and commented: "The Chief Minister had expressed the commitment to maintain jobs for frontier workers which were of total priority."

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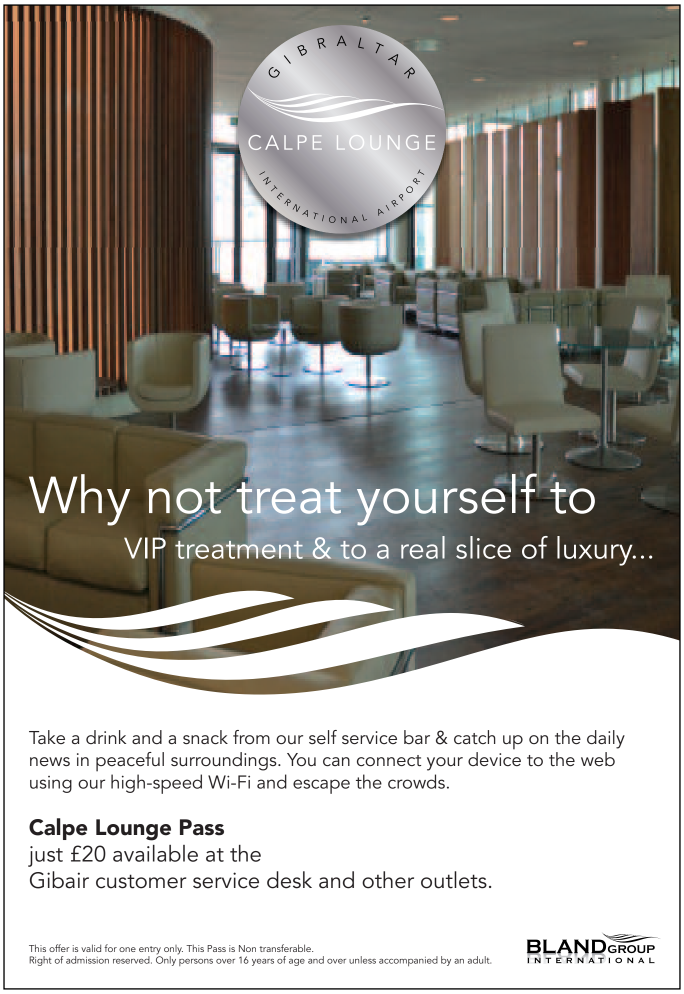

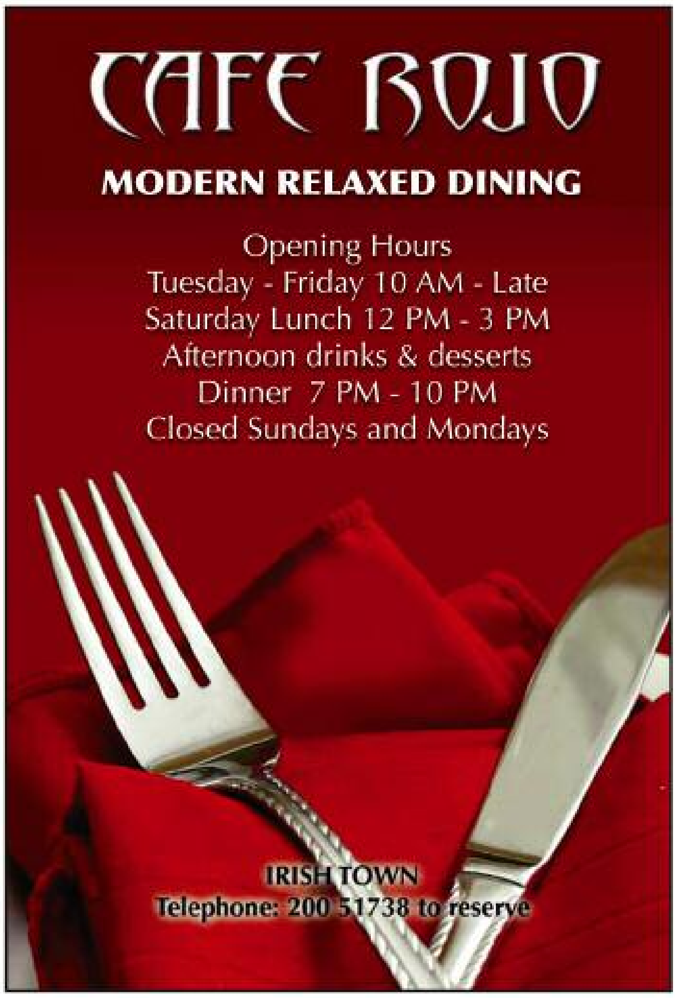

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