



PRESS RELEASE

No: 164/2018

Date: 16th March 2018

Chief Minister Statement on Joint Ministerial Council

Mr Speaker,

Last Thursday the 8th March the Deputy Chief Minister and I attended the sixth session of the UK-Gibraltar Joint Ministerial Council (Gibraltar EU Negotiations) between Her Majesty's Governments of the United Kingdom and Gibraltar on our exit from the European Union.

The JMC is the process which the United Kingdom has established to liaise with different relevant administrations in respect of the implementation of the decision to leave the European Union.

This sixth meeting was the final meeting ahead of the March European Council meeting.

The meeting was Chaired by the Parliamentary Under Secretary of State for Exiting the European Union, the Hon Robin Walker.

During the course of the JMC meeting, and in culmination of work leading up to it, we agreed a series of measures that will ensure that the valued and historic links between the UK and Gibraltar grow, deepen and endure.

As a result, Mr Speaker, the UK has now guaranteed Gibraltar financial services firms' access to UK markets as now until 2020.

This date is important because it is the date being presently set by the EU Commission as the date on which the implementation or transition period being sought by the United Kingdom will end.

As a result of the invidious inclusion by Spain of Clause 24 of the European Negotiating Guidelines, some uncertainty has arisen as to the position of the UK and Gibraltar in respect of the application of the Withdrawal, Transition and Future arrangements to Gibraltar.

The Government has already stated that we consider that clause is contrary to EU law.

The UK has been clear and insistent in stating that it is negotiating for the whole of the Member State United Kingdom, including Gibraltar.



Nonetheless, in order to deprive from benefit those who might relish the existence of such uncertainty as might arise from the potential exercise of the illegal Spanish veto, Her Majesty's Governments of the United Kingdom and of Gibraltar have now made a statement that clarifies and puts beyond doubt that the existing market access arrangements between us would not be affected by the exclusion of Gibraltar from any such transitional period.

Of course, that is not the end of the access.

The United Kingdom has ALREADY – and I repeat, ALREADY – committed itself to the maintenance and where possible the enhancement of market access for services from Gibraltar.

That obviously includes Financial Services.

Indeed, in January of this year, the Secretary of State himself, the Rt Hon David Davis, made the position of the United Kingdom abundantly clear in terms which cannot be misinterpreted.

In his letter to the House of Lords European Union Committee, he said the following:

“HMG and GoG intend to pursue a close economic partnership underpinned by shared, high standards of regulation. It is the UNSHAKEABLE OBJECTIVE of the UK Government to ensure the seamless continuation of existing market access into the UK and enhance it where possible...”

Mr Speaker that is not a date limited commitment.

And it is just the latest iteration of that commitment to continue to allow market access to the UK after we have left the EU Single market.

I am not going to repeat each of the times that this wording has been employed by UK Ministers, starting with Secretary of State for International Trade, the Rt Hon Liam Fox during the events of Gibraltar Day in London in October 2016.

So I am able to confirm in this House, as I have already before, that the United Kingdom market will remain OPEN to Gibraltar in financial services even after 2020.

No one should be in any legitimate doubt about that.

What we are seeking to do – and this goes to mechanism not to principle – is to ensure that we create mutual confidence in, and cooperation on, regulatory and supervisory structures for the period beyond 2020.

But the statement last week is about 2020, insofar as it creates that immediate cushion to ensure that our potential illegal and nonsensical exclusion of the Transitional Period would have no effect.

It does NOT operate as a limit in any way on the very clear and unequivocal OPEN ENDED commitments given by Her Majesty's Government of the United Kingdom to MAINTAIN – that is to say KEEP – and ENHANCE – that is to say IMPROVE – market access where possible.



It is as a result of this that the UK Government will work closely with the Government of Gibraltar to design a replacement framework to endure beyond 2020 based on these shared, high standards of regulation, and enforcement of this regulation, and underpinned by modern arrangements for information-sharing, transparency and regulatory co-operation.

Mr Speaker, how will we do that?

- We intend to carry out an Outcomes Review to ensure that regulatory outcomes in Gibraltar and the United Kingdom are aligned and designed to ensure consumer protection above all else.
- The Gibraltar Order made under the Financial Services and Markets Act will be recast and redesigned to ensure it is modernised and adapted into a bespoke piece of UK legislation that will create the gateway for access into the UK under the new bilateral arrangements. A Gibraltar team has already drafted this in Gibraltar and consideration of this is in train, and is part of the UK general legislation being prepared by the HM Treasury's legal team.

This is better than excellent progress at this stage in the game, Mr Speaker, when operators in other jurisdictions do not have any certainty of clarity of what access they may have into the UK market in services

This is particularly relevant in respect also of services in the online gaming industry.

Mr Speaker Gibraltar is the only jurisdiction to have the benefit of a firm UK commitment on continued market access after we leave the European Union.

Specifically, the UK has provided assurance that gambling operators based in Gibraltar will continue to access the UK market after we leave the EU in the same way they do now.

This is an important advantage for Gibraltar as no other EU jurisdiction at all can boast such a clear and unequivocal statement of continued market access post BREXIT.

Additionally we are working towards agreement of a MOU which will enable closer working and collaboration between gambling regulators in Gibraltar and the UK.

Further, Mr Speaker and moving on to other areas, the UK has provided assurance to the Government of Gibraltar that, following EU Exit, British Citizens resident in Gibraltar will continue to be eligible for higher education home fee status at English Institutions (both during the Implementation Period and afterwards) subject to concluding a reciprocal agreement for UK students studying at Higher Education Institutions in Gibraltar.

Mr Speaker, Honourable Members should note that Higher Education is an area of Devolution and that therefore the UK Government is not able to enter into arrangements for the Devolved Administrations.

That is why this commitment is expressed as being for England only.



We are already pursuing the matter also with the other Devolved Administrations.

There are 867 undergraduate and post-graduate students from Gibraltar in England.

To help the House to understand the value of what was agreed in the JMC last week, the average yearly tuition fees for Home and EU undergraduate students undertaking standard courses at English universities is £9,250.

The average yearly tuition fees for Overseas Students undertaking standard undergraduate courses at English universities is £14,463.

The average yearly tuition fees for Home Students undertaking postgraduate courses at English universities is £9,974.

The average yearly tuition fees for Overseas Students undertaking postgraduate courses at English universities is £16,100.

The difference between the Overseas Undergraduate Fees and the Home Undergraduate Fees is £5,213 whereas the difference between the Overseas Postgraduate Fees and the Home Postgraduate Fees is £6,126.

In order to calculate the difference in value between our students being charged Overseas Fees or a Home Fees, we have relied on the undergraduate calculations, which amounts to a total of £4,519,671.

Mr Speaker, for the information of Honourable Members, there at the moment 108 Gibraltar scholarship students in Welsh Universities and 15 in Scottish Universities. There is 1 student studying in Northern Ireland.

Mr Speaker we have also agreed that the UK is committed to work closely with the Government of Gibraltar towards transport arrangements post EU Exit that support Gibraltar's prosperity.

The UK will also maintain the current reciprocal healthcare arrangement between the UK and Gibraltar. This means that Gibraltar can continue to refer an unlimited number of their patients to the UK for free elective treatment.

The UK has also repeated that it remains committed to fully involving Gibraltar as we leave the EU.

We are committed to that also and we will continue to work together through the JMC process to ensure we take account of Gibraltar's priorities in our negotiations with the EU.

Additionally, the UK and Gibraltar have agreed to recognise the importance of enhancing our liaison on all of the environmental and fisheries implications of EU exit that are relevant to Gibraltar, whether by sharing information as openly as possible, by providing specialist expertise across a range of policy areas to support us with our own preparations, or by considering with us where our interests might be promoted in future through regional or international agreements.



Mr Speaker, this announcement and the benefit it brings is the fruit of hard work.

The Brexit team I lead has worked flat out these past eighteen months. There is a lot still to do.

The Deputy Chief Minister has been fully engaged on these matters together with the Minister for Financial Services and Gaming. All other ministers are providing detailed input in respect of the areas of responsibility on which their input is required.

The Attorney General is a part of that team and is leading on the European aspects of the legal work. The Financial Secretary is dealing with matters that relate to his areas of expertise.

This work, Mr Speaker, is therefore the work product of an administration that has got its teeth into BREXIT, although it was not the dish we chose from the menu presented to us.

Finally, Mr Speaker, it would be remiss of me not to also thank the Prime Minister, the Chancellor, the Foreign Secretary and the Secretary of State for leaving the European Union for their support in delivering this enduring packet of measures.

I must also thank the Gibraltar teams of officials in the Foreign Office and in the Department for Exiting the European Union for their work in delivering these measures. We are working honestly, openly and closely together to deliver results that work for the people of the United Kingdom and the People of Gibraltar.

We will continue to do so successfully as we finalise the process of our departure from the European Union.