



PRESS RELEASE

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Gibraltar introduces enhanced pension regulation

Gibraltar has today published new pension regulations that will take immediate effect. The regulations cover three main areas

- a new controlled activity of establishing, operating or winding up personal pension schemes;
- a new controlled activity of advising on pensions (personal and occupational);
- approval of personal pension schemes.
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Albert Isola MP, Minister of Commerce, HM Government of Gibraltar stated "I am pleased to announce the introduction of these new pension regulations which will ensure that Gibraltar retains the highest standards of pension regulation and maintains its status as a "recognised" jurisdiction for QROPS pension schemes. Government has worked closely with both Gibraltar's financial services regulator, the GFSC, and the local pensions sector, GAPFA, to ensure Gibraltar's new pension regulations were in place prior to the changes that will be introduced on 6 April 2017. Following discussions with the UK authorities we have decided not to introduce flexible access for Gibraltar QROPS rather Gibraltar will keep its current arrangements that require members of QROPS schemes to retain 70% of their total funds to provide a pension income for life. The rate of tax on pension benefits taken from these retained funds will continue to be levied at the current rate of 2.5%."

Minister Isola also commented on the new transfer charge of 25% tax introduced by the UK Government on 8 March 2017 "We expect there will be a change in appetite for people to move their pensions offshore because of the introduction of the new transfer charge. It has been confirmed that Gibraltar will be treated as an EEA country in respect of the new transfer charge which is positive and so Gibraltar will be able to continue to offer QROPS to individuals living in the EEA subject to the new requirements. Gibraltar has a history of innovation and Government will be working closely with the local pensions sector to begin to develop new opportunities for pension and savings products for people living overseas subject to high standards of appropriateness, transparency and regulation."



Samantha Barrass, CEO of the GFSC, commented: “the GFSC very much welcomes the introduction of the new pensions regulations today. It is our responsibility to ensure the protection of consumers and the reputation of Gibraltar, and the new pensions regulations strengthen our position with regard to those objectives. Our team have worked very closely and collaboratively with the Government of Gibraltar and the industry to achieve a regime that is both proportionate to the risks and is encouraging for Gibraltar business”.