



THE CHIEF MINISTER

6 CONVENT PLACE

GIBRALTAR

The Rt Hon David Cameron MP
Prime Minister
10 Downing Street
London
SW1A 2AA

6th May 2014

Dear Prime Minister,

I am writing to confirm receipt of your letter dated 22 April 2014 which I have read with great interest.

In the first instance, I should like to thank you for the public statements of support that you have made in respect of Gibraltar as regards the high standards of transparency that we promote. These statements of support are crucial to ensure that a true and fair impression of today's Gibraltar is portrayed; a modern, responsible and internationally compliant country that adheres to all EU, OECD and FATF standards.

I can assure you that my Government shares your vision and is totally committed to a culture of compliance. To illustrate this you may be interested to know that when my Government came into office two years ago, Gibraltar enjoyed less than 20 international agreements to the OECD standard and was less than compliant with our EU obligations. Today, Gibraltar has circa 101 such agreements with some 62 countries around the world including all Member States of the EU. We have signed a FATCA style treaty with the United Kingdom and are poised to sign a further agreement with the United States. We are also one of the early adopters group regarding the global common reporting standard and are fully up to date in our transposition of our EU obligations.

As regards our action plan, I am pleased to report that this is moving forward and we are making good progress. My Minister for Financial Services has regular meetings with HM Treasury and a further meeting is scheduled for the 7th May 2014, at which he will update officials as to the implementation of our action plan in addition to the other matters that they will be discussing. Relations, which have always been cordial between Gibraltar and HMT, are now at new highs in a spirit of mutual co-operation; indeed, we are very much looking forward to welcoming to Gibraltar Danny Alexander, Chief Secretary to the Treasury, later this week. We are working

together in managing the challenges we face, and progress continues, albeit at a pace we would wish to accelerate.

Turning to the specific theme of your letter, being the creation of a publicly accessible central register, I wish to thank you for enclosing the executive summary of the outcomes of the consultation that your Government embarked on some time ago. Officials within the Ministry of Financial Services and my private office are reviewing this material. The detail contained in it is crucial for us to understand exactly how such a register would operate, and we had been awaiting this information.

The Ministry for Financial Services has already taken formal soundings on the question of a central register with the financial services sector in Gibraltar. This also broached the principle of whether such a register should be public. However, it did not benefit from the level of detail that is now available to us via the publication of your outcomes. In addition, I am aware that these soundings were with a very specific part of our sector and I believe that it may be that a wider consultation within Gibraltar should occur so as to ensure maximum representation of views. I shall be discussing this in Cabinet very shortly.

Finally I note with enthusiasm your comments as to the fact that you are looking to ensure full participation on the part of the G20 and the EU in such a project. The creation of a level playing field in this area is absolutely critical, and is one of the main issues raised during our formal soundings.

With my very best wishes

Sincerely,

A large, stylized handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke.

Fabian Picardo MP
Chief Minister