

Opposition Press Release 139/2008 : Financial Services : Deposit Guarantee In-Action

The Opposition notes with disappointment that the Government has not yet published any legislation to amend the deposit guarantee scheme in order to increase the amounts of deposits guaranteed in Gibraltar banks to €50,000 in keeping with charges proposed by the EU. The time for doing so this year, unless Mr Caruana certifies that the legislation is urgent (which he has already said he will not do) has now run out and legislation which he publishes will have to be considered by Parliament after 1st January 2009.

Commenting on this Shadow Minister for Financial Services, Fabian Picardo, said:

"This is typical of the inability of the GSD to move quickly on anything, even on things which are agreed and which are good for the Gibraltar economy. Whilst all other European states and even the Crown Dependencies have now, where they have a deposit guarantee scheme, increased the amounts guaranteed to €50,000 or more, Gibraltar is still the only jurisdiction with a deposit guarantee scheme of less than £20,000. Although the possibility of a bank with a presence in Gibraltar failing are now minimal, there is no reason for the Government not to have acted yet. "Financial Stability" is one of the issues that the review of financial services provided from the Crown Dependencies and the Overseas Territories announced by the UK Chancellor has been set up to report on. One of the issues raised in respect of the criteria to determine "financial stability" is likely to include the existence of a deposit guarantee scheme (which Gibraltar can boast) and level of such deposit guarantee schemes, which, in Gibraltar, is now amongst the lowest in Europe – if not the lowest. Instead we have usual GSD bluster, dithering and inability to act quickly even when necessary."

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