



# RAMPARTS

GIBRALTAR - YOUR REGULATED  
PAYMENTS GATEWAY TO THE UK

May 2023





## RAMPARTS

Gibraltar is a UK overseas territory which borders Spain and faces North Africa across the Straits of Gibraltar. It is an English law jurisdiction and English is its official language. Gibraltar is the only UK overseas territory that has financial services passporting rights into the UK, which is taken advantage of by a range of insurance, e-money, payments and financial services companies.

Gibraltar is the perfect fit for businesses that want better relationships with key stakeholders and more business friendly integrated relationships with their regulators.

### The issue

The UK regulators, particularly the Financial Conduct Authority (**FCA**), are overwhelmed with administrative issues arising from decoupling from the EU, staff turnover problems, and an ever increasing compliance burden for itself and its authorised entities.<sup>1</sup> The sheer size of the UK market makes the FCA's role challenging.

The difficulty in engaging and maintaining relationships with the same case officers during applications and having that "one to one" regulator relationship on an ongoing basis means that UK authorisation applications and maintenance are very costly and uncertain for payment businesses. For example, over 50% of applications for e-money and payment services licences fail in the UK (we are advised that the current success rate is closer to 5%). The table below, details the requested breakdowns, by regime, for the calendar year 2021 (originally published by the FCA).<sup>2</sup>

	FSMA	FSMA (AIFM)	EMRs	PSRs	4MLD	5MLD	Overall
Approved, withdrawn by firm or rejected due to material errors	2,900	53	48	120	199	43	3,363
Withdrawn or rejected due to material error	502	15	52	128	10	79	786
Rate	15%	22%	52%	52%	5%	65%	19%

For example, in the crypto asset space, the difficult situation facing persons seeking AML registration with the FCA has led to many operators abandoning the UK. Some of these operators have pursued VASP registration in Gibraltar because the process takes only 2-3 months and the regulatory authorities here are supportive of VASP registrations.

Many industry insiders have expressed frustration with the FCA's handling of the crypto register. "One lawyer (speaking anonymously), who advises crypto companies on their applications said *'the process has been a **total disaster** from the FCA's side of things'*,<sup>3</sup>

<sup>1</sup> [Financial Times, FCA regulator blamed for Arm's decision to shun London listing, 3 March 2023.](#)

<sup>2</sup> [Financial Conduct Authority, Information on Authorisations denied, May 2022.](#)

<sup>3</sup> [CNBC, Crypto firms face being booted from UK as a key deadline approaches, 24 March 2022.](#)



# RAMPARTS

## The solution

### *Make Gibraltar your stepping stone into the UK*

Gibraltar is a small jurisdiction, which means that access to the regulators, government departments and service providers is face to face. Old fashioned human interactions are key to success here. Ramparts has put together a fixed fee package to make it easier for UK payment service companies to move to Gibraltar. This can involve an international group structure that continues to have a UK presence (e.g. via a technology, marketing or human resources service company in Gibraltar or a UK holding company).

About Gibraltar		
Law	English Law	
Passporting	Regulation 4 of the Gibraltar Financial Services (Passport Rights and Transitional Provisions) (EU Exit) Regulations 2020 preserved passporting rights between Gibraltar and the UK as a matter of Gibraltar law. This provision is not time-limited and will continue in place until the Gibraltar Authorisation regime is in place. <sup>4</sup>	
Language & Currency	English & Pound Sterling	
Corporate Tax	12.5%	
VAT	No VAT (therefore, no VAT on most B2B services received in Gibraltar including many technology and marketing services).	
Capital Gains Tax	0%	
Special Personal Tax Regimes in Gibraltar	CAT 2	Wealthy individuals with more than £2m in net assets may apply for Category 2 residence. An individual who has been issued with a Category 2 Individual certificate shall be liable to income tax on the first £ 118,000 of assessable income only and the amount of tax due and payable in any year of assessment shall be not less than £37,000.
	HEPSS	An individual who is considered a High Executive Possessing Specialist Skills shall be charged to tax limited to the first £160,000 of his assessable income
Standard Personal Income Tax <sup>5</sup>	£3,455 - £13,455	8%
	£13,456 - £20,455	22%
	> £20,445	30%

4. Financial Conduct Authority, [Passporting in and out of Gibraltar](#), 12 January 2023.

5. In addition, many forms of income are not taxable in Gibraltar (e.g. dividends from companies outside of Gibraltar and interest and royalties from listed companies).



## RAMPARTS

Gibraltar Passporting Package	Fixed Fee of £75,000*
Estimated time for authorisation	6-12 months from inception of the project assuming we work collaboratively together.
Capital Requirements	<p>EMI: Initial and ongoing capital of:</p> <ul style="list-style-type: none"> <li>• €350,000; or</li> <li>• 2.2%* of the average outstanding electronic money (as projected at application), whichever the highest.</li> </ul>
Gibraltar Financial Services Commission (GFSC) Application & Authorisation Fees	<p>Application fee: £27,500            Annual Fee: Base + Variable + Ancillary            Base Fee A = £21,433</p> <p>Variable Fees are based on AEO over the previous 6 months:</p> <ul style="list-style-type: none"> <li>• -£0 AEO ≤ £1,000,000 - no additional charge</li> <li>• £1,000,000 ≤ AEO ≤ 2,000,000 - £10,716</li> <li>• £2,000,001 ≤ AEO ≤ £5,000,000 - £19,289</li> <li>• £5,000,001 ≤ AEO ≤ £10,000,000 - £26,791</li> <li>• £10,000,001 ≤ AEO ≤ £20,000,000 - £32,149</li> <li>• AEO ≥ £20,000,001 - £37,508</li> </ul> <p>Ancillary Fees:</p> <ul style="list-style-type: none"> <li>• £108 per jurisdiction for passporting on a services basis, subject to a maximum of £540</li> <li>• £1,072 per jurisdiction for passporting on an establishment basis, subject to a maximum of £5,360</li> <li>• £214 per agent</li> <li>• £108 per distributor</li> </ul>
Estimate time for authorisation	9 - 12 months from inception of the project and assuming we work collaboratively together and the client is prompt in completion of necessary documents and forms.
What is included?*	<ul style="list-style-type: none"> <li>• Incorporation of Gibraltar trading entity, registered office and company secretary</li> <li>• Registration with the Department of Employment (<b>ETB</b>)</li> <li>• Corporate Tax registration</li> <li>• Initial meeting with the GFSC</li> <li>• Formal authorisation application and liaison with the GFSC</li> <li>• Individual and body corporate questionnaires</li> <li>• Due diligence and onboarding of initial directors and shareholders</li> <li>• Review of and support in preparation of Business Plan, Financial Projections and AML/CFT Policies and Procedures</li> <li>• Review of Outsourcing Strategy and Arrangements</li> <li>• Review of Capital Adequacy &amp; Safeguarding Arrangements</li> <li>• Preparation of Mapping Assessment (how the application meets the relevant legislative threshold requirements – i.e. statutory/regulatory criteria for licensing under relevant Act/s)</li> <li>• Bank/payment account opening support (5 hours included)</li> <li>• 5 hours corporate and tax structuring advice</li> </ul>



## RAMPARTS

Additional Services on request	<ul style="list-style-type: none"><li>• Annual accounts and tax filing</li><li>• CAT 2 and HEPSS registrations</li><li>• Employment Contracts and Handbook</li><li>• Cross-border tax advice (UK-Gibraltar)</li><li>• Corporate structuring advice (multi-national)</li><li>• Fixed fee outsourced in-house legal support (including terms and conditions, regulatory queries, contracts with business partners, arrangements with MasterCard and Visa)</li><li>• Corporate or Individual Directorship</li></ul>
--------------------------------	--

\*Disbursements (including Companies House and GFSC are excluded). Quotes for PSP applications that are not e-money institution applications provided on request.



# RAMPARTS

## About Ramparts

Ramparts\* consists of a law firm and a fiduciary business based in the World Trade Center, Gibraltar. Our fiduciary business specialises in private foundations, company administration and fund administration for crypto entrepreneurs.

We are proud members of the [Payments Association](#).



the payments association

## Contact



**Peter Howitt**

Managing Director

E: [peterhowitt@ramparts.gi](mailto:peterhowitt@ramparts.gi)

T: +44 7899 623127

W: [www.ramparts.gi](http://www.ramparts.gi)