



INTERVIEW  
PAGES 10-11

TONIO FENECH

# Business Today

ISSUE NO. 459

www.businesstoday.com.mt

WEDNESDAY 25 October 2006

## Barclays to shift Maltese accounts out of Switzerland

Karl Stagno-Navarra

Barclays Bank plc have chosen not to deny or confirm reports about a circular issued to local stockbrokers, informing them that Maltese bank accounts within their remit, are to be shifted from Switzerland to London.

Emma Rees, a spokesperson for Barclays's UK office, told Business Today the bank will "not comment on this issue", adding that Barclays "are constantly monitoring ways to improve our business, particularly in offering our clients attention and efficiency."

While Barclays Bank plc – one of the most trusted banks by Maltese – insisted on their no comment regarding the directive issued from London head office about the Maltese account holders, analysts have told Business Today that it is likely that the decision has been taken in the light that Malta is today a European Union member, therefore both the UK-based bank and the Maltese citizen who banks with them must have assets clearly declared.

In the past, Business Today is informed that Barclays Bank plc had written to Maltese stockbrokers proposing to direct

Maltese account holders to shift their clients' accounts to offshore business.

Though a UK bank, Barclays traditionally kept Maltese accounts within its Swiss branch, making funds there "protected" under Swiss law.

However, recent developments that followed years of tough negotiations between the EU and Switzerland, have brought about a change in Swiss banking legislation, in which European banks based in the non-EU enclave became obliged to report to the respective governments belonging to the 25-member bloc,

details about accounts and their holders.

A transition period for voluntary declarations or repatriation of funds was granted in many EU states including Malta. However, whoever chose not to comply with the initiative was warned about the taxation measures and penalties that followed.

Prompted by this letter, some stockbrokers are reported to have already corresponded with Barclays and asked to keep the accounts in Switzerland, until they arrange to transfer the funds to a Swiss bank.

While many could interpret

Barclays's "invitation" to stockbrokers as a "tax related issue", other analysts and stockbrokers reported that the move could be intended to streamline the business towards so called "passporting" reasons, where investment services could be serviced in both countries under reciprocal legislation.

Business Today also attempted to seek a comment from the Central Bank, however a spokesperson replied that the governor's office will leave the matter entirely to the bank and the client.

ksnavarra@mediatoday.com.mt

## Ports: Minister adamant on December solution



Ports minister Censu Galea has said reductions at the ports should be forthcoming by the end of the year: "If it is not 25 per cent, it should be somewhere there."

Karl Schembri

Competitiveness Minister Censu Galea yesterday said he had just received the newly set-up Malta Dockers' Union's position on port reforms since it split from the General Workers' Union, signalling a new step in the protracted negotiations that risk delaying the reform timeframes set by the government.

Acknowledging the fact that some three months of negotiations had been lost since the GWU's internal strife with its section secretaries, the minister yesterday said he was adamant to conclude the port negotiations by December, when he expected the new reduced charges to be in effect.

"I admit that we've lost three months because of the

developments at the union, and the greatest set of discussions have to be held with port workers, foremen and tally clerks," Galea said.

"In the last months, the representatives of workers have shifted to a new union, and I've always insisted we have to hold discussions with the recognised representatives. Today I've received their position on the discussions, which I don't believe is very different from the previous position although I will not prejudice discussions at this stage."

The minister said he was adamant on sticking to his own timeframes. "I'm still bound to make the changes happen by the end of the year," the minister said. "The fact that three months have

passed won't mean that we'll need another three months."

Asked about port charges which businesses insist are still extremely high despite the launched initial reforms in cargo handling, the minister admitted that there was only around a 5 per cent reduction in charges so far, which was also being contested by users of port services. The original percentage of reduced fees mentioned by the minister prior to the launch of the reforms was 25 per cent.

"The ports reform was not only linked to a change in contractor," he said yesterday. "So far there have been some reductions but by the end of the year there should be a substantial reduction in fees. If it is not 25 per cent, it should be somewhere there." ▶ page 3

## No comment on HSBC candidate for BOV from ministry

Matthew Vella

Investments Minister Austin Gatt, whose portfolio includes government's 25% shareholding in Bank of Valletta, has restricted comment on the news that HSBC has seconded the nomination of a director for the BOV board elections.

HSBC chief executive Shaun

Wallis seconded the nomination by Rizzo and Farrugia Stockbrokers for Paul Testaferrata Moroni Viani's candidature for election to the BOV board of directors.

Moroni Viani is a director on the Maltacom board, where only last week fellow director Sonny Portelli was appointed to the HSBC board following the resignation of

Louis Farrugia. His brother Peter Testaferrata Moroni Viani is also a HSBC director.

Minister Austin Gatt said government's views as a shareholder were conditioned by the rules of association of BOV. "The Minister is not the regulator of the business sector," a spokesperson said.

▶ page 5

Free next week  
The Manager

## Doubting Gonzi's sound finances

For some economists it is too early to speak of "sound finances". Writing in the Sunday Times, economist and former finance minister Lino Spiteri did not mince his words: "Malta has a long way to go before one can seriously claim that the public finances are sound and sustainable."

The issue of sustainability was

also raised by former MCESD chairman Edward Scicluna in a MaltaToday interview, who said the EU is projecting that in 2007 Malta's structural deficit will not be below the three per cent of GDP. "Obviously government disagrees," Scicluna told the newspaper, "so we will have to see who is right. The examiner or the candidate." ▶ page 6

A GLOBAL FORCE IN TRADE FINANCE

International Payments  
Letters of Credit  
Guarantees  
Forfaiting

Factoring  
Term Deposits  
Foreign Exchange  
Structured Trade Finance

NEW YORK SAO PAULO LONDON MALTA  
ISTANBUL MOSCOW MUMBAI SINGAPORE

In touch with your Business

FIMBANK p.l.c.  
7th Floor, The Plaza Commercial Centre,  
Bisazza Street, Sliema SLM 15 - Malta  
Tel : +356 21322100  
Fax : +356 21322122/3  
www.fimbank.com info@fimbank.com

FIMBANK GROUP