

**THE INTERFACE BETWEEN BREXIT  
AND GIBRALTAR STATUS: FUTURE PROSPECTS**

In recent years the process of Brexit was taking place. It lasted from 2016 up to 2020. January 31, 2020, was the last day of the UK's stay in the EU. Nevertheless, this date did not mark utter dissolution in the relations between the parties. It was reported that the format of the economic relation would not change until December 31, 2020. On this day, it was announced that the United Kingdom and the Kingdom of Spain reached a preliminary agreement on the status of Gibraltar. It is widely known that there is territorial dispute between Madrid and London over this semi-enclave. However, what are the reasons for complicated relations between these two countries on the Gibraltar question? What future prospects are there for Gibraltar itself?

Gibraltar is a British Overseas Territory that is not part of the UK, but under its sovereignty. It is a significant place that connects the Mediterranean Sea and the Atlantic Ocean. The one who controls Gibraltar gets the opportunity to completely or partially block the transit of ships through the Strait of Gibraltar. The British military base is placed there as well. And not only is the geopolitical aspect relevant. Gibraltar is a special economic zone with preferential taxation. Due to the offshore status of this territory, VAT is not charged here. More than two dozen large gaming firms, bookmakers, banks, and various companies are registered in Gibraltar.

According to the Treaty of Utrecht following the War of the Spanish Succession, in 1713 Spain ceded this territory to Great Britain. In 1968, the UK thwarted Spain's attempts to return Gibraltar, having adopted a new constitution for this territory. In response, Spain was keeping the border with Gibraltar closed from 1969 to 1985. During these years, the local residents were suffering from unemployment and high prices for goods, since everything had to be delivered from the UK.

Changes in the relations between Great Britain and the EU, made the problem of Gibraltar urgent again. The semi-enclave became a hostage of the situation, as it is closely intervened both with the EU and with the UK. The Gibraltarians themselves would like to remain part of the European Union while retaining British citizenship. Eventually, on December 31, 2020, it was reported that Spain and the UK have agreed on the Gibraltar issue. The agreement was reached following many hours of negotiations between Arancia Gonzalez Laya, the head of the Spanish Foreign Ministry and her British counterpart Dominique Raab. Due to this agreement, it will be possible to apply the EU policies and programs to Gibraltar, for example, the Schengen Agreement and the customs regime, while Gibraltar remains a British Overseas Territory.

Experts announce that this agreement will have a positive impact not only on Gibraltar itself. Gibraltar's chief minister says it will be good for the entire region, will boost the economy of this territory. It is necessary to add that the ultimate control of the borders will be in hands of Gibraltarians as well. Thus, this issue is being settled in favour of Gibraltar; there are varieties of prospects for future.