



**THE  
GLOBAL  
CITY**

in partnership with



HM Treasury

**State of the sector:**  
annual review of UK financial  
services 2023





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Image: Botanic Gardens, Glasgow

## Foreword



**Andrew Griffith MP**  
Economic Secretary  
to the Treasury

The UK's indelible footprint on the world of financial services is a cause for national pride. Indeed, it is hard to overstate the contribution of the sector to the UK: it accounts for approximately 12% of GDP and is the world's leading international hub for debt issuance, commercial insurance and currency trading; it also provides roughly 2.5 million jobs and pays billions of pounds in taxes that help fund our public services.

I am grateful to the City of London for their tireless work in pulling this expansive report together. Their engagement with industry has furnished this report with numerous insights, channelling their direct experience of working within various regulatory regimes, and helped the Government with our ambitious programme of reforms that supercharge the City's inherent competitiveness. Last month, Parliament passed its new Financial Services and Markets Act 2023, which marks a generational moment in UK financial services history and seizes the many opportunities presented by the UK regaining control of its own financial regulatory rulebook.

Supported by regulation that is smarter, more proportionate and tailored to the UK's unique circumstances, firms are now better equipped to deliver more jobs, more opportunities and more economic growth. And that is what this government is focused on – delivery. As this report makes clear, delivering for savers and investors, global firms and innovative start-ups, is of paramount importance. This focus on delivery extends beyond the city of London, to cities across the UK such as Leeds, Cardiff, Belfast and Edinburgh. We want all four nations of the UK to share in the sector's economic prosperity. It is incumbent on all of us – government, regulators and industry – to work together to deliver on this important mission.



**Chris Hayward**  
Policy Chairman of the City  
of London Corporation

The global economy slowed down in 2022. As the covid pandemic eased, new risks emerged: the Russian invasion of Ukraine and the energy crisis in Europe, rampant inflation, the fastest cycle of interest rate rises on record, and an intense tightening of monetary policy. The UK financial services industry is a key driver of growth supporting the UK's economy through challenging times. Amidst these challenges, our report – carried out by the City of London Corporation in partnership with HM Treasury – examines the sector's performance over the last year.

The UK financial services industry is world-leading and globally respected. But in a challenging global environment, and with competition from other financial centres intensifying, we need to collectively ensure its long-term success.

The last year has seen a raft of initiatives to drive the competitiveness of the sector – from the introduction of the Financial Services and Markets Act to the Edinburgh Reforms and measures to strengthen UK capital markets. As these become embedded, the industry feedback informing this report – underpinned by a suite of metrics – identifies further areas for potential development. Addressing these will futureproof the competitiveness of the sector – and ensure it continues to play its role in supporting UK economic growth.

The City of London Corporation is pleased to play its part. We have been actively working with industry leaders, with the support of HM Treasury, to forge a voluntary expression of intent that prioritises increased investment in unlisted equities. This has resulted in the Mansion House Compact which will facilitate access to the higher potential net returns that can arise from investment in unlisted equities as part of a diversified portfolio, acting consistently with the best interests of UK long-term savers. We are also proud to have launched the Centre for Finance, Innovation and Technology this year, a recommendation made in the Kalifa Review and highlighted in last year's State of the Sector report, with £500k of seed capital from the City of London Corporation and £5m from the Government. These measures will help unlock investment, provide jobs, and stimulate UK growth.

Alongside this is the need for a clear, coherent, and targeted plan for the long-term future of financial services in the UK, giving the confidence needed for CEOs, investors, and customers to make long-term decisions. The City of London Corporation is proud to have launched Finance for Growth: a Roadmap. It is spearheaded by a steering board of influential figures from across the financial industry, and will set out a long-term plan, to reinforce and renew the UK's role as a global financial centre into the future.

We look forward to continuing to work with industry and government to strengthen the competitiveness of UK financial services, and drive future growth.

# Executive summary: driving UK growth

The financial and professional services (FPS) industry is the engine room driving UK growth. With 2.5 million people employed across the UK – over 1.1 million in financial services (FS) and more than 1.3 million in related professional services – the industry produced £278bn of economic output, 12% of the entire UK’s economic output, and £100bn in tax revenue. The UK is a world leader in many areas of the financial industry – banking, insurance, asset management – but global competition means the UK must continue to strive.

This report, developed in partnership by the City of London Corporation and HM Treasury, considers the attractiveness and international competitiveness of UK financial services. Together, we intend to use the report to monitor and comment on key performance indicators. We summarise what steps have been taken to improve the overall environment for the sector and the wider ecosystem and consider areas for further reform.

**By assessing where things are going well, and where we might want to do things differently, this report will help inform policymaking and debate. It will also ensure that the UK positions itself to seize the opportunities ahead.**

## 01 An open and global financial hub

The UK is the most globally connected banking hub, with strong market access and coherence with international standards. To remain attractive to domestic and international firms, there is work underway to ensure access to funding and supporting continued innovation across our financial services sector. The UK has broad and deep expertise across products and markets, and strong regulatory and legal coherence with other jurisdictions. We will use this position to keep pushing for high global standards and seek deep trading relationships with global markets. The UK has world-leading solutions and capabilities; these deserve a global stage.

## 02 An integrated ecosystem driving growth across the UK

The UK is the largest financial centre outside of the United States. Its unique ecosystem offers depth and breadth across capital markets, insurance and investment management. This financial market activity is complemented by the broader ecosystem of legal services, accounting, consulting, operations, and tech innovation. The UK government has introduced groundbreaking changes to policy and regulation that will support the ecosystem and encourage growth for years to come. For these changes to be successful, they must be given time to take effect. Cultural changes that promote greater risk appetite and business success would also drive future growth.

## 03 An opportunity to become more efficient, competitive, and proportionate

The UK’s framework for financial services regulation is internationally respected and plays a major role in its attractiveness to global businesses. For example, the Financial Services and Markets Act 2023 addresses many of the challenges faced by UK financial services firms and will help to make the UK a more competitive and future facing market. The UK is a hub for global finance and professional services; its regulatory framework needs to keep evolving to reflect this and meet both domestic and international needs.

## 04 A sector at the forefront of innovation

The UK is Europe’s leading fintech ecosystem: a global financial hub with a highly skilled workforce where innovative companies can grow. To date, the UK government has supported fast-growing companies through investment schemes, access to homegrown and international talent, and accelerated routes to market. There is further opportunity for the UK to grow into a global leader of the digital economy by digitalising financial market infrastructure and operations. To be successful, the business environment needs to balance support for new technologies with protection of the UK’s globally-recognised regulatory and legal frameworks.

## 05 A sector greening the world’s financial system

The UK remains the only financial centre that leads in both conventional and green financial centre rankings. It brings together transition financing experts, an appetite for long-term sustainable investment, and a leading insurance market for global environmental projects. The UK government and regulators are also frontrunners in adopting best practice and incorporating environmental impact metrics holistically into the financial system. The future of finance is green: the UK now has an opportunity to further strengthen and develop sustainability-led markets, products, and services for global investors.

## 06 A sector with access to the right talent and expertise

The UK financial sector’s unrivalled talent is what drives its success. There are 2.5 million jobs in the sector – over 1.1 million in financial services and more than 1.3 million in related professional services. Financial services firms in the UK can hire from a multitude of backgrounds and experience. But, with low unemployment and changes to the way people work, competition for skills and talent is high. Buying in skills is no longer an option for many companies. Reskilling and training the current workforce, and opening new career pathways, is critical for ensuring the UK is future-ready.

# Introduction



Image: Salford Quay, Manchester

The financial services sector is one of the UK's truly global industries. The UK is home to some of the world's largest and most successful financial services firms, from banks and insurance companies to investment managers and fintechs. Financial and professional services (FPS) is one of the most productive industries in the UK, generating £278bn in economic output, or, £177,000 from every financial services job in the UK.<sup>1</sup> The sector employs 2.5m people – over 1.1m in financial services and over 1.3m in related professional services – with two-thirds of those jobs outside of London. The UK attracted the highest amount of FPS foreign direct investment (FDI) in Europe in 2022; more than £2bn was invested in financial and professional services firms – creating almost 15,000 jobs.<sup>2</sup>

However, the UK is facing increasing competition from other markets around the world, and it must continue to evolve to maintain its strong position. A regulatory regime which supports the UK's unique place in the global marketplace, with a focus on growth and competitiveness, is one key component. Ensuring the industry is ready to adopt new technologies and improve digital skills across its workforce is another. There is also ample scope for growth and innovation in sustainable finance: UK companies are leaders in committing to the transition to net zero, and UK investors are actively seeking new green investment opportunities.

This is the second edition of the State of the Sector annual report, which responds to Lord Hill's 2021 recommendation to benchmark the attractiveness and competitiveness of UK financial services. It is based on robust data analysis and extensive industry engagement. The findings on the following pages are designed to inform policymakers and industry, identify opportunities, and ease collaboration between government and industry.

Last year's report highlighted 26 relevant policy actions to improve competitiveness in the UK's financial services industry. More than two thirds of these have now been completed and put into practice. The financial services industry shared its perspectives on improving growth and competitiveness with the government, in areas such as the regulatory regime, capital markets efficiencies, international alliances, and skills shortages.

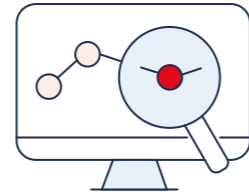
This report reviews the past year in the UK financial services; a year with many significant events. The year began with the ongoing covid pandemic and lockdown restrictions that were gradually lifted throughout the year. Fiscal and monetary policies introduced to combat the pandemic had a direct impact on financial markets and, as such, the global financial industry. Russia's invasion of Ukraine had similarly far reaching consequences including the energy price shock. Both of these major events have fed through to rampant inflation and subsequently the fastest interest rate hiking cycle on record.

To tackle the challenges ahead and retain our place as a global leader in financial services, the City of London Corporation has launched Finance for Growth: a Roadmap. Spearheaded by a steering board of influential figures from across the financial industry, it will set out a long-term plan to reinforce and renew the UK's role as a global financial centre. Using robust evidence and research, the roadmap will make recommendations for reform in UK FPS, focusing on tech and innovation, sustainable finance, a competitive marketplace and international promotion. It aims to ensure the UK FPS sector is best-in-class internationally and able to contribute positively to the UK economy and global growth for decades to come.

1. ONS 2023 2. FT FDI Markets 2023

# How to navigate this report

The report is divided into chapters focused on individual themes that aim to capture the full spectrum of financial services policy priorities for the UK. Each chapter contains subsections as described below.



## We are monitoring activity in:

These subsections compare the UK's position with other major economies using a selection of metrics that help illustrate the identified themes and outline historical developments over time, subject to data availability. International comparators include key global financial centres. Where possible, the report's charts showcase the same set of comparator centres to support readability and comparison.

The overall analysis is based on a wider set of comparator centres and includes leading markets for certain indicators, for example Ireland and Luxembourg for fund domiciliation. Many of these metrics are relevant across more than one theme and tell a powerful story when read together, reflecting the deeply integrated ecosystem for financial services in the UK.



## To strengthen the UK in this area, the government is:

These subsections summarise key government work already under way, as well as future workstreams where these have already been announced. A key outcome of the industry engagement undertaken for this report was a broad alignment between industry and the government on the overall ambitions for the sector, as well as on key priorities.



## The financial services sector sees strengths and further opportunity in:

These subsections set out opportunities identified by the industry that the UK could explore to further strengthen its financial services sector. These findings reflect the engagement undertaken when developing this report.

While it has not been possible to capture all of the industry's feedback, it covers themes that were identified repeatedly – areas that were highlighted as being particularly valuable opportunities and those that offered a fresh perspective. Inclusion of a policy here should not be read as government endorsement of the position, but it is nevertheless important to reflect this feedback to inform future policymaking and debate.



## We are monitoring activity in:

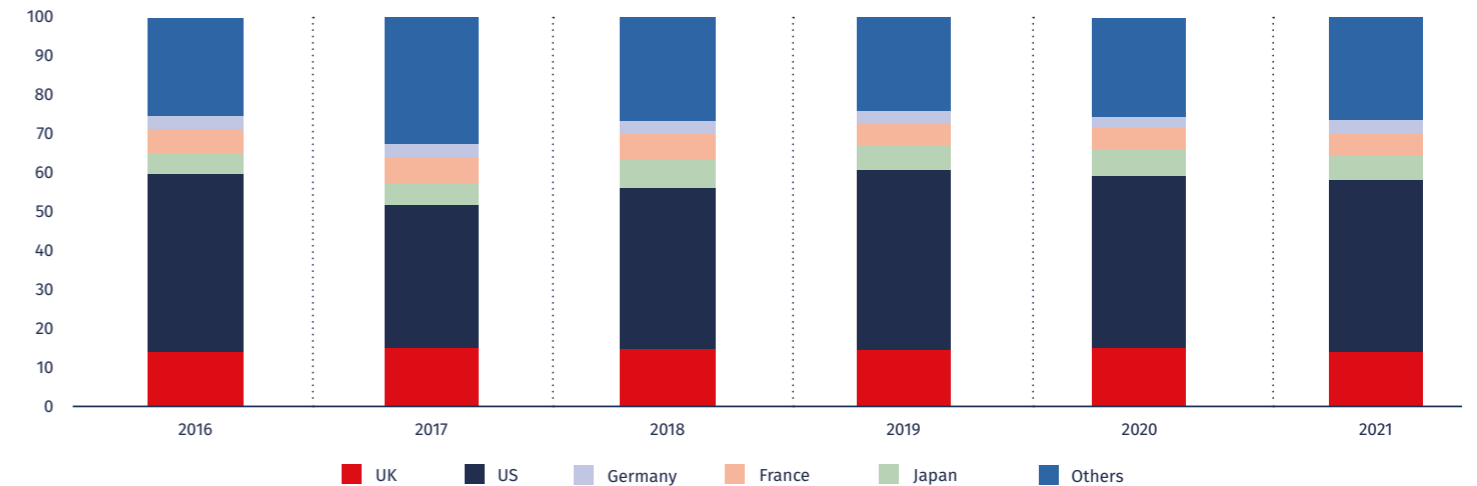
- Cross-border banking.** The UK has retained its position as the world's largest centre for cross-border banking. More than £4.4tn, or 15.5% of the outstanding value of international bank lending as of Q4 2022, was owed to banks in the UK. Likewise, with a share of 16% (£4.5tn), the UK was the largest centre for cross-border borrowing. In 2022 the UK lost market share in both international lending and borrowing, -0.9% and -1.5%, respectively, but remains the largest international banking centre by volume.<sup>3</sup>
- Asset management.** At the end of 2021, asset managers in the UK managed more than £11.6tn on behalf of retail and institutional clients. Nearly half of the assets under management (AUM) in the UK, £4.6tn, is managed on behalf of overseas clients, and £2.7tn in overseas domiciled funds are managed by UK fund managers on a delegated basis. But the UK's global market share fell slightly between 2020 and 2021, whereas the US' increased (Chart 1).<sup>4</sup>
- Commercial insurance and reinsurance.** The UK combines a sophisticated domestic market for insurance with the unique London Market for specialty cover. It is the fourth largest insurance market in the world, and the largest in Europe, with a total premium volume of \$399bn in 2021: a 17% annual increase. The London Market is the world's largest specialty insurance market. It covers 42% of global specialty insurance, and leads in Direct Insurance premiums. The London Market is truly global, with around 68% of premiums originating overseas.<sup>5</sup>
- International debt issuance.** The UK's international reach and deep capital markets make it a major centre for issuing and trading international bonds. During 2021, gross issuance in the UK reached \$1.1tn – double the amount issued in Germany, and more than in the US, France, Hong

Kong and Singapore combined (Chart 2). Gross issuance of international bonds in the UK fell slightly in 2022 to \$992m, which is in line with historical trends. At the end of 2022, the outstanding value of the UK's international bonds was the largest in the world, totalling more than \$3.2tn, \$800bn more than the United States.<sup>6</sup>

- Foreign exchange trading.** The UK's location and time zone have always made it a convenient global marketplace for FX trading, but advancements in technology and a highly experienced ecosystem of market participants have reaffirmed London's position as the global leader. The '4pm London fix' is the benchmark for investors and index providers worldwide. In 2022, the UK accounted for 38% of global FX turnover, with average daily turnover reaching \$3.27tn in April 2022.<sup>7</sup>
- Financial services foreign direct investment.** The UK is a top destination for financial and professional services foreign direct investment (FPS FDI). In 2022, UK FPS FDI was £2.1bn which created almost 15,000 jobs. Compared to 2021, the amount of money invested through FDI increased by 68% and the number of projects increased by 39%. In the past five years, London has been the world's number one destination for financial services FDI with 779 projects. The United States is the largest foreign investor for FS FDI in the UK and investment managers made up one-third of FS FDI projects in 2022.<sup>8</sup>
- Financial services trade.** Trade surplus reached £63bn in 2021 – the highest on record, and greater than France, Germany, Singapore and Hong Kong combined. The US is second to the UK and narrowed the gap, with a significant year-on-year increase to reach a trade surplus of £62bn in 2021 (Chart 3).<sup>9</sup>

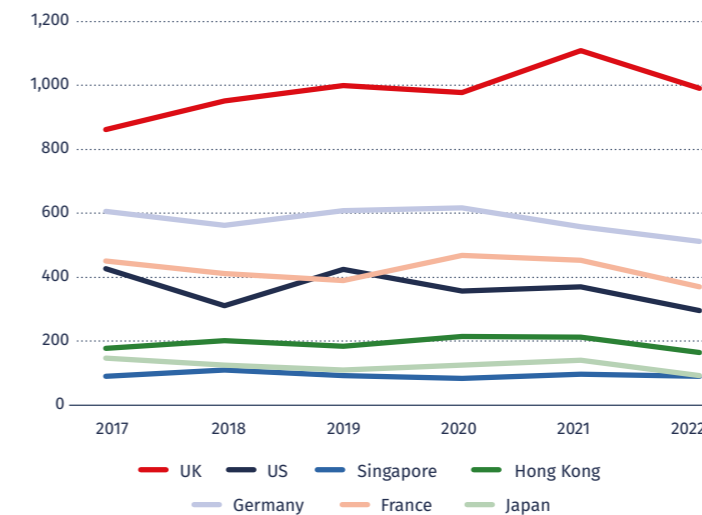
## Chart 1: the UK is the second largest asset management centre globally

Market share of global AUM, % share



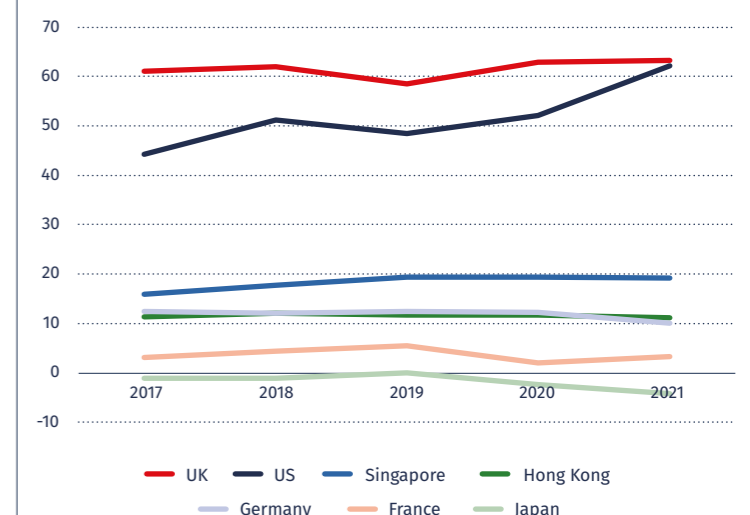
## Chart 2: the UK is the world's largest centre for international debt issuance

Gross issuance of international debt securities, \$bn



## Chart 3: the UK has the world's highest financial services trade surplus

Value of (net) FS exports, £bn



3. BIS 2023 4. Investment Association 2022 5. Swiss Re, London Market Group 2023 6. BIS 2023 7. BIS 2023 8. FDI Markets 2023 9. UNCTAD 2023



## To strengthen the UK in this area, the government:

- **Welcomes signing the Memorandum of Understanding on regulatory cooperation in financial services alongside the EU**, which will set up the Forum as the main mechanism for coordinating policy on financial services between the UK and the EU.
- **Is taking advantage of its independent trade policy**, to progress and complete modern agreements with international partners, including on key areas of interest such as data.
- Has made further progress towards **finalising the Mutual Recognition Agreement with Switzerland**, which it expects to conclude at the end of the Summer of 2023.
- **Successfully concluded negotiations to join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)**, which is a key part of the UK's Indo-Pacific tilt and will strengthen our ties with dynamic economies. Once the UK formally joins, we can expect membership to boost the UK economy by up to £1.8 billion.
- **Has continued to engage key partners for cross-border collaboration.** These include the US (UK-US Financial Regulatory Working Group), Saudi Arabia, (MoU on financial services cooperation signed on 20 December 2022), as well as Canada, India, Australia and Mexico, as part of separate FTA negotiations.



## Successfully concluded negotiations to join CPTPP.

## The financial services sector sees strengths and further opportunity in:

- **Effective implementation of the Financial Services and Markets Act.** As a leading global financial centre, UK regulations should facilitate growth for UK firms in both domestic and international markets. The new secondary objective on growth and competitiveness better enables the regulators to do this. By facilitating international interoperability, regulators play a crucial role in the success of the UK as a global financial hub.
- **Strengthening and deepening the EU-UK business relationship.** This remains a top priority for the UK-based financial and professional services sector. The industry would like to see the EU and UK collaborating both bilaterally and on the international stage to promote the same values around openness and sustainability. They should also work to address shared challenges including the green transition and digitisation. Progression of the "Windsor Framework" to enable the UK and EU to sign the planned Memorandum of Understanding (MOU) on financial services would hopefully set up an ambitious bilateral financial regulatory dialogue.
- **Finalising the UK-Switzerland Mutual Recognition Agreement.** The proposed agreement is expected to provide greater stability and market access for cross border business between the two markets.



## Effective implementation of the Financial Services and Markets Act.

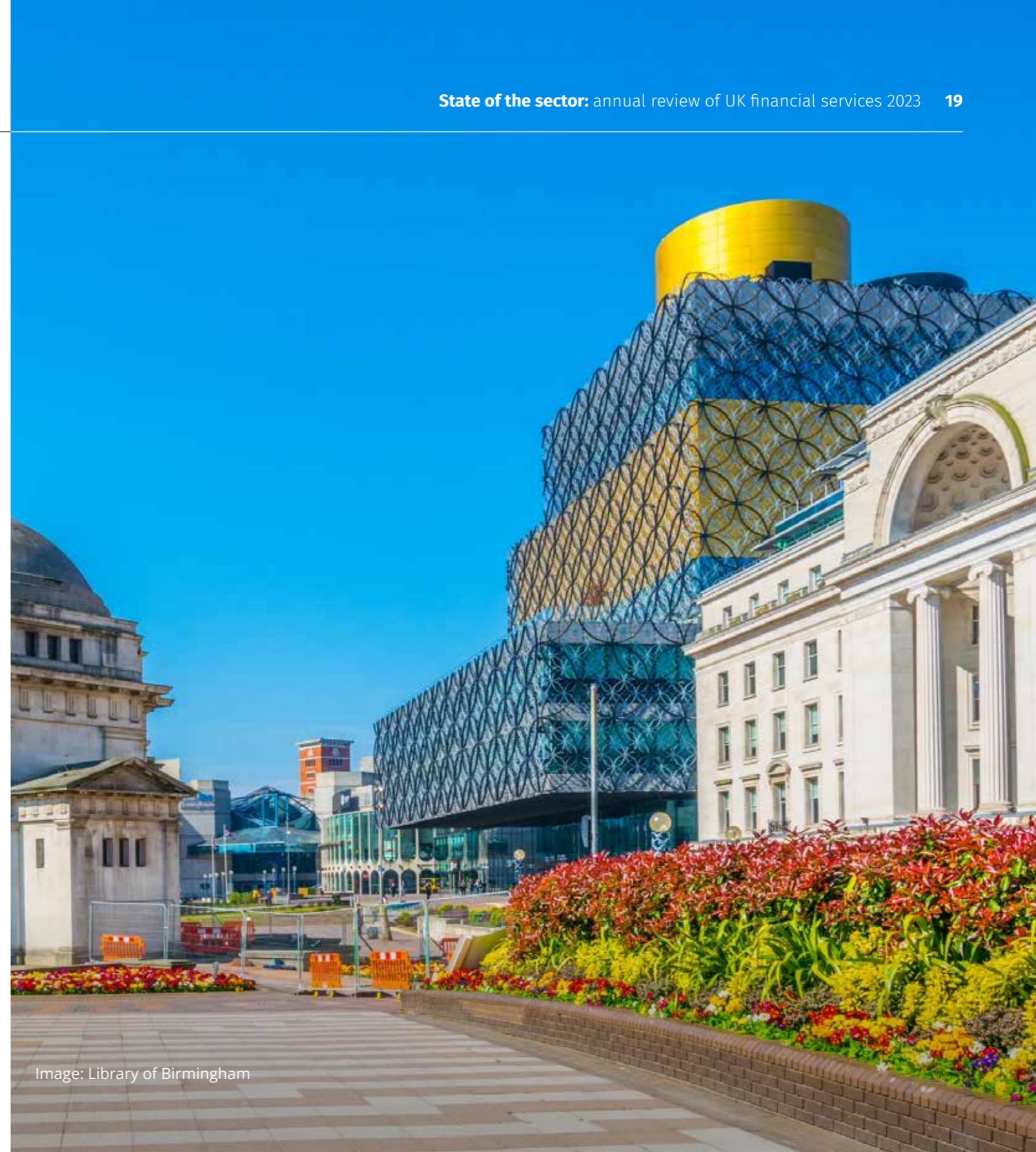
- **Targeting high growth markets for trade agreements.** To grow, UK companies need access to new, fast-growing economies. Trade agreements are the pathway to that growth. In addition to world-class products, financial services companies in the UK have deep, expert knowledge that can be exported to high-growth markets.
- **Setting a clear long-term vision and roadmap for the future of FPS in the UK.** Businesses and investors thrive on certainty and need to communicate the benefits and opportunities of being in the UK to global stakeholders.
- **Promoting the UK's financial services industry on the global stage.** The Lord Mayor and City of London are visible promoters of UK FPS firms. There is further opportunity to work with government for a coordinated approach to promoting the UK's FPS sector.

# 02

## An integrated ecosystem driving growth across the UK

The UK is the largest financial centre outside of the United States. Its unique ecosystem offers depth and breadth across capital markets, insurance and investment management. This financial market activity is complemented by the broader ecosystem of legal services, accounting, consulting, operations, and tech innovation.

The UK government is supportive of the financial services business environment and has introduced groundbreaking changes to policy and regulation that will encourage growth for years to come. For these changes to be successful, they must be given time to take effect. Cultural changes that promote greater risk appetite and business success would also drive future growth.



## We are monitoring activity in:

- Equity markets.** LSE's market share dropped from a global market capitalisation of 7% in 2018 to 5% in 2022. Euronext, following a decline between 2017 and 2018, increased its share to 9% in 2022. This was partially due to the acquisition of exchanges. Nasdaq and the New York Stock Exchange remain the world's largest stock exchanges by market capitalisation with 63% of global market share.<sup>10</sup>
- Over the counter (OTC) derivatives.** The UK continues to be the leading market for OTC derivatives trading (Chart 4). Globally, GBP-denominated OTC derivatives represent 5.1% of total derivatives (USD: 42.8%, EUR: 18.2%). This split suggests that the UK's strength is in providing global OTC services to the world. The UK's market share decreased to 46% in 2022, from 50% in 2019, but remains comfortably ahead of the US which held 29% market share last year.<sup>11</sup>
- Private equity (PE) and venture capital (VC) investment.** Changing market conditions put the brakes on PE and VC investing in 2022. The total invested into UK FS firms was £32.3bn, a decrease of 28%. However, this was more funding than FS businesses secured in Singapore (£6.9bn), Germany (£8.7bn), and France (£5.3bn), albeit less than in the US (£127bn). The UK's share of global PE and VC investment into FS firms fell from 23% in 2021 to 18% in 2022, whereas the US increased its market share by 5% year-on-year.<sup>12</sup>
- Insurance premiums.** The UK is one of the largest insurance markets in the world, and the largest in Europe. Its effective insurance market supports businesses to manage risk and its associated costs. There are higher levels of activity in life and specialist insurance in the UK than in non-life. Total premium volumes grew by 17% in 2021, and the UK market share increased to 5.8%.<sup>13</sup>

- Domiciled funds.** Investment management represents a significant part of the UK's finance ecosystem, with £11.6tn of AUM, including £1.4tn of assets in UK-domiciled retail funds. The UK has a wealth of portfolio management expertise, and UK firms manage portfolios worth £2.7tn for overseas clients on a delegated basis. Retail fund domiciliation is greater in the US (£21tn), Luxembourg (£4.5tn) and Ireland (£3.3tn); however, that includes Exchange Traded Funds (ETFs).<sup>14</sup>
- Initial public offerings (IPOs).** IPOs peaked in 2021, following the impact of Covid on equity markets, however, macroeconomic events in 2022 caused a 65% drop in IPOs in the major financial centres we include in this analysis. The London Stock Exchange (LSE) saw the highest number in Europe. Globally, the US remains the leading market for IPOs (Chart 6).<sup>15</sup>

# £32bn

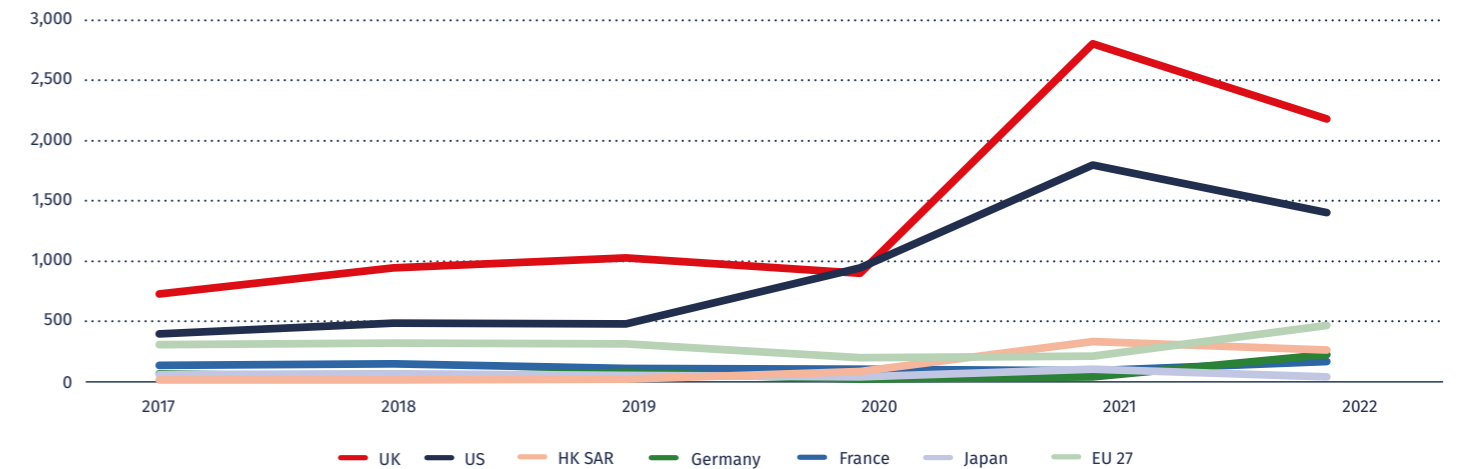
UK FS businesses secured higher PE/VC investment than Singapore, Germany and France, combined.

# 46%

The UK is the world leader in OTC derivatives trading with 46% market share in 2022.

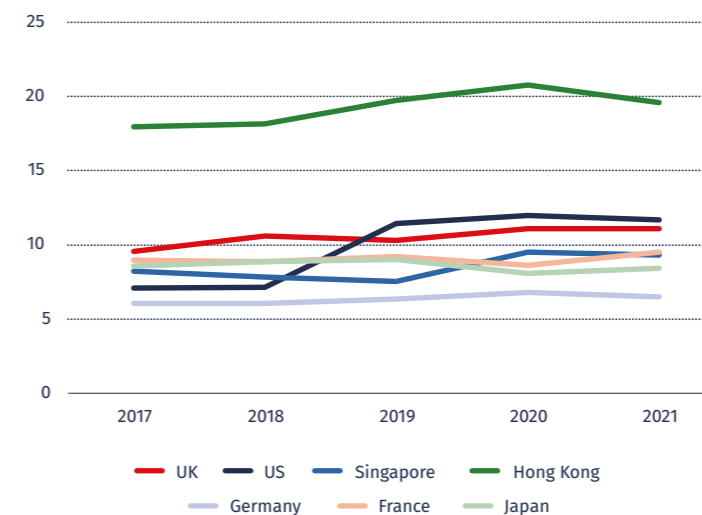
## Chart 4: the UK is the world's largest centre for OTC derivatives trading

OTC Interest rate derivatives turnover, geographical distribution and per currency, £bn



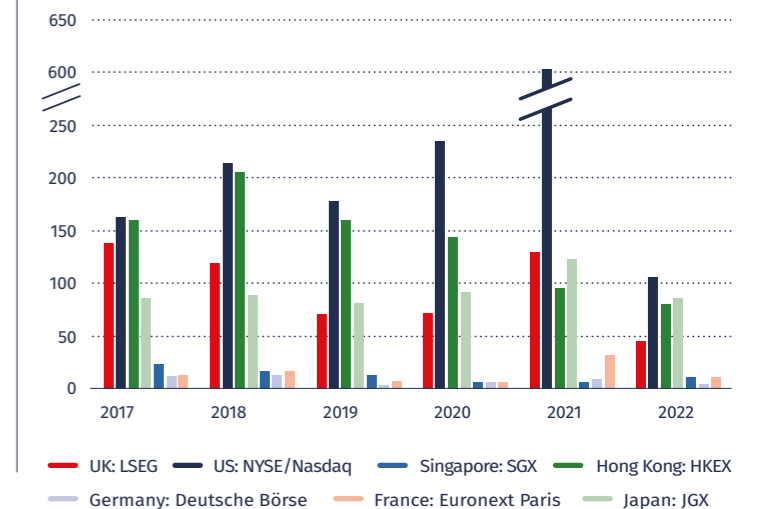
## Chart 5: the UK's insurance sector is relatively more important than in other major European economies

Insurance premiums as a % of GDP



## Chart 6: the UK is Europe's leading centre for IPOs

Number of IPOs



10. World Federation of Exchanges 2023 11. BIS 2023 12. Pitchbook 2023

13. SwissRe 2023 14. Investment Association 2022 15. World Federation of Exchanges and Euronext 2023

## To strengthen the UK in this area, the government:

- Is working with the FCA to **review the boundary between regulated financial advice and unregulated financial guidance**, with the objective of improving access to helpful advice, support and information, while maintaining strong protections for consumers.
- **Is establishing a new type of trading venue** in the UK which will allow private firms to access public markets, and so help boost the scaleup ecosystem in the UK and drive growth.
- Is working closely with the FCA, which has a public commitment to strengthen the UK's position in global wholesale markets to **take forward ambitious reforms to the rules governing UK capital markets**. This builds on our continued success as Europe's leading hub for investment, and the second largest globally and will help ensure that the UK continues to be seen as one of the leading global markets of choice and strengthen our ability to respond to market volatility.
- **Is delivering on the Lord Hill Listing Review and overhauling the Prospectus Regime**. This will mean investors get the best possible information, more people can own public companies, and UK-listed companies can raise capital more simply and efficiently. As part of this, the FCA are trialling new ways of engaging with stakeholders in the prospectus regime review to explore whether the process can be accelerated.
- **Is reforming the rulebook for wholesale markets** to make it more competitive. It has abolished regulations that limited investor choice and reduced liquidity, including the Share Trading Obligation and Double Volume Cap, and is making legislative changes to facilitate the emergence of a UK consolidated tape by 2024.



## Is taking forward ambitious reforms to the rules governing UK capital markets.

- **Is committing to take forward the recommendations of Rachel Kent's Investment Research Review**, including the creation of a new Research Platform which will ensure investors have the best information on listed companies.
- **Has delivered further reforms as part of its review of the UK funds regime**. Provisions introduced in Spring Finance Bill 2023 make changes to boost the attractiveness of the Qualifying Asset Holding Companies and Real Estate Investment Trusts regimes, as well as the efficiency of the Genuine Diversity of Ownership tax rules.
- **Worked closely with industry and the FCA to deliver the new Long-Term Asset Fund (LTAF) structure**. LTAFs will provide opportunities to invest in high-growth companies, and the FCA has recently published their policy statement on broadening retail investor access to these structures.
- **Is continuing to evolve the UK's strong insurance-linked securities regime**, working closely with the PRA and engaging the regulator to take forward the reforms it set out in December 2022.
- **Will table secondary legislation to support the delivery of reforms** following HMT's 2021 review of the Securitisation Regulation.



## Has been supportive of efforts by the City of London Corporation and industry to develop the Mansion House Compact.

- Has been supportive of efforts by the City of London Corporation and industry to **develop the Mansion House Compact**, committing many of the UK's largest Defined Contribution (DC) schemes to the objective of allocating at least 5% of their default funds to unlisted equities by 2030.
- **Will work closely with industry to ensure there is a range of investment vehicles to support pension scheme investment into high growth companies**. The recent launch of the Long-term Investment For Technology and Science (LIFTS) initiative is offering £250m of government support to incentivise proposals for new industry funds. We will explore the case for government to play a greater role in establishing investment vehicles, drawing on the skills and expertise of the British Business Bank's commercial arm.
- **Will improve the scale, efficiency and diversification of funds through a substantial programme of reforms to the DC workplace pension market** – taken together the proposals will help consolidate the market. Working with The Pensions Regulator (TPR) and FCA, the Department for Work and Pensions (DWP) will introduce a new Value for Money Framework and metrics. Alongside this we are publishing a roadmap to develop a new form of "Collective Defined Contribution" pension fund, announcing plans to consolidate millions of "small pots" into large schemes and outlining our intentions for decumulation options that scheme would be required to offer.
- **Will unlock capacity from within the Defined Benefit (DB) market**, by responding to its 2018 consultation and introducing a permanent superfund regulatory regime, providing sponsoring employers and trustees of schemes with a new way of managing DB liabilities. Will also launch a call for evidence on the role of the Pension Protection Fund (PPF) and the part DB schemes play in productive investment.

- **Will look at the culture of investment decisions and improve the understanding of pension trustees' skills and capability** across both DB and DC schemes by launching a call for evidence to explore how we can overcome barriers and ensure a focus on good saver outcomes.
- **Will publish a consultation on accelerating the consolidation of Local Government Pension Scheme (LGPS) assets**, proposing a deadline for all LGPS funds to transfer their assets into LGPS pools by March 2025. The consultation will also seek views on an ambitious target for investment in high-growth businesses, to unlock more of the £360bn of capital in support of innovative UK firms.

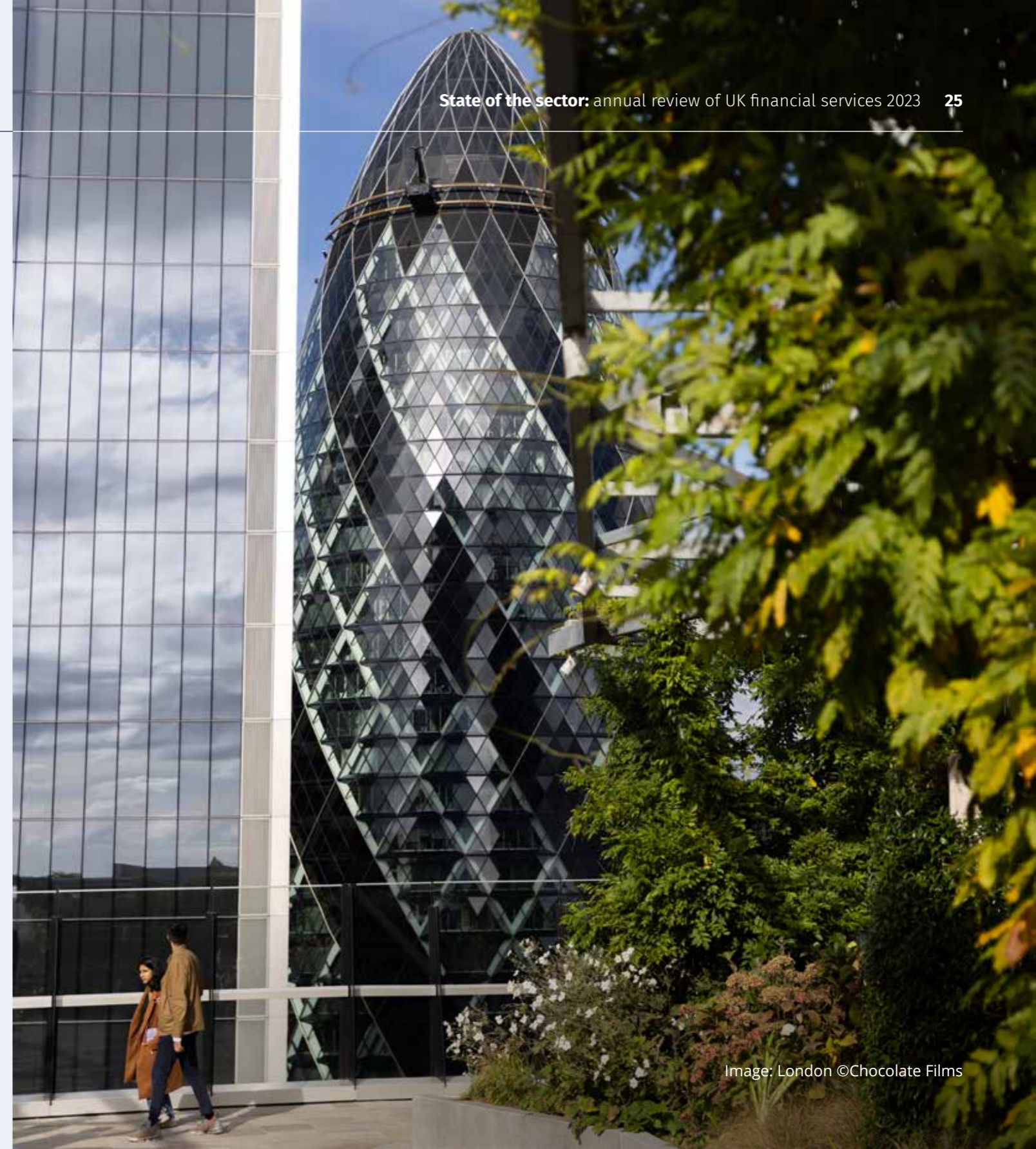
## The financial services sector sees strengths and further opportunity in:

- **Improving UK growth companies' access to capital from UK investors.** While it's great that UK companies are attracting private investment from overseas, increasing domestic capital willing to support scale-up companies would further promote growth, could have wider benefits for UK investors, and may make it more likely companies remain in the UK if they later consider entering public markets. One way to achieve significant change is for DC pensions to channel capital to UK unlisted equity. Growth companies would benefit from greater access to institutional capital, while savers would benefit from the enhanced returns that less liquid assets can offer. UK plc would benefit by having a more vibrant growth company ecosystem.
- **Making the UK a more attractive location for companies to list through proposed changes to listings rules.** The Financial Conduct Authority (FCA) has prioritised recommendations made in the Lord Hill's review, and in many cases enhanced those recommendations. The FCA is consulting on further changes that will make it easier for companies to list on the London Stock Exchange. Listings rules are only one part of the process, though.
- **Making the UK a more attractive domicile for investment funds.** This can be achieved through many ways; tokenisation and digitisation of fund operations, promoting the UK's strengths in fund governance and its operational ecosystem, and setting up agreements for UK funds to be sold in other jurisdictions.

- **Encouraging a culture of celebrating business success.** Negative perceptions and press coverage of the UK economy, capital markets and business landscape, can encourage international business leaders and investors to invest elsewhere. Political and business leaders should set the right tone and welcome entrepreneurship, risk taking and business success.
- **Reacting more swiftly to industry consultations.** Consultations are an important contributor to policy decision making and industry should be consulted on future direction. However, consultations can be costly for firms and resources need to be diverted away from day-to-day activities. Outcomes arising from consultations could be acted on more swiftly by policymakers or regulators. Firms are often waiting for positive action to be taken in order to carry out strategic plans.



**A clear long-term vision and roadmap** for the future of financial services in the UK.

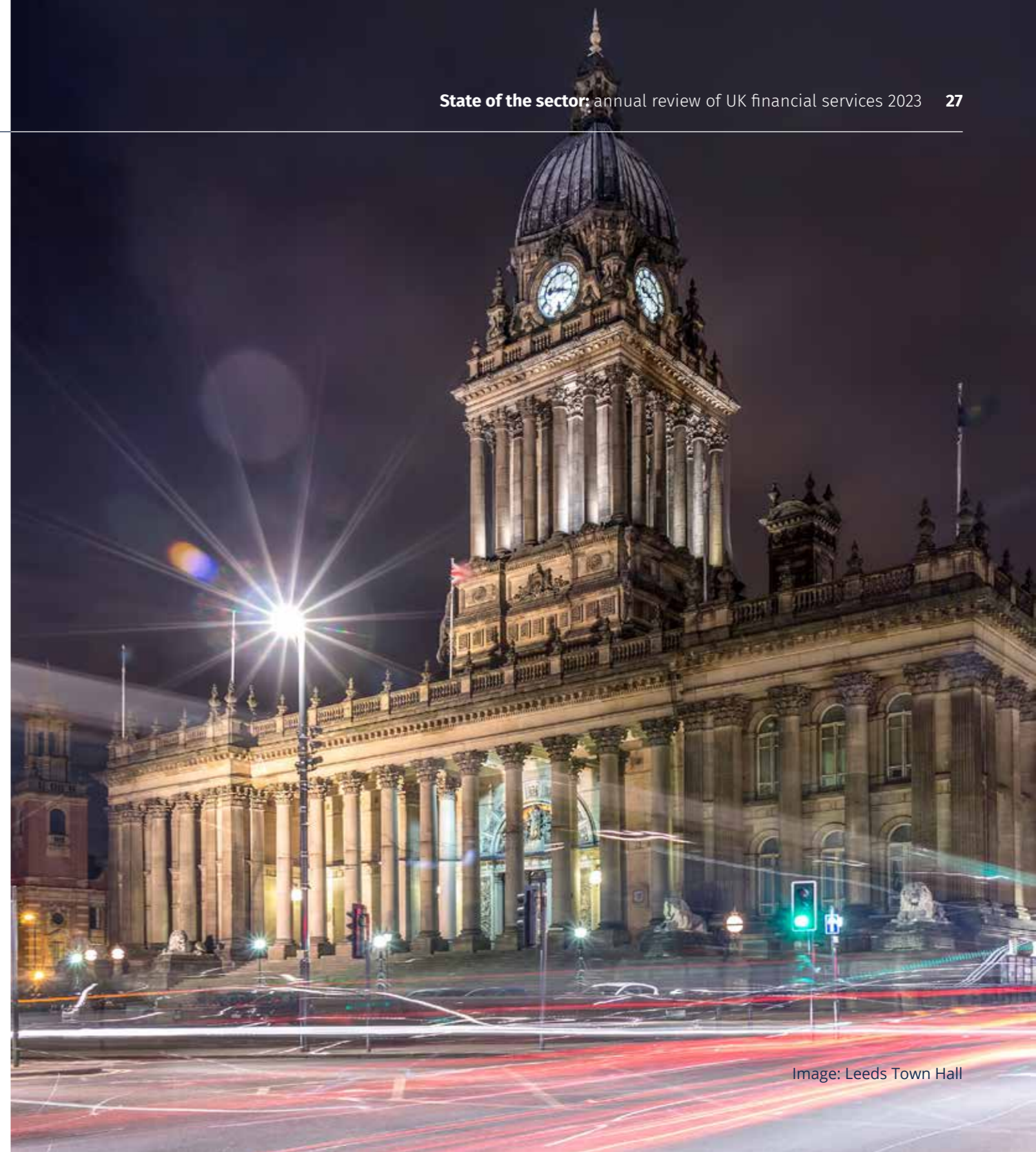


# 03

## An opportunity to become **more efficient, competitive, and proportionate**

The UK's framework for financial services regulation is internationally respected and plays a major role in its attractiveness to global businesses. For example, the Financial Services and Markets Act 2023 addresses many of the challenges faced by UK financial services firms and will help to make the UK a more competitive and future-facing market.

The UK is a hub for global finance and professional services; its regulatory framework needs to keep evolving to reflect this and meet both domestic and international needs.



## We are monitoring activity in:

- FCA authorisation turnaround times.** In 2021/22 applicants for authorisation and registration were experiencing delays. FCA authorisations performance has improved following significant investment, hiring 159 extra staff in the past two years, and through better use of technology and data to automate parts of the process. The data for the final quarter of FY 2022/23 shows continued progress towards meeting service level targets for Senior Managers and Certification Regime (SM&CR) approvals (Chart 7). The metrics, necessarily, involve a time lag so do not reflect current performance and the FCA expects to see further improvements in approving authorisations.<sup>16</sup>
- Perception of financial services regulation.** In 2021, the UK was seen as the world's preferred regulatory regime for financial services (Chart 8). The perception of the UK's and Singapore's regulatory regimes improved between 2020 and 2021, whereas the perception of the United States declined.<sup>17</sup>
- Perception of government effectiveness.** Worldwide, there has been a sharp decline in the perception of government effectiveness, the quality of public services, and the ability of governments to formulate and implement policies and regulation that promote economic growth. During 2021, the UK government was rated more effective than the French government, but below other financial centres. Japan (-12%) was the only financial centre to see a greater drop in effectiveness than the UK (-7%). France (+2%) and the US (+2%) were the only countries to see an increase in government effectiveness in 2021. Singapore (-1%) saw a drop in its perception of government effectiveness in 2021 but has ranked highest for the past five years.<sup>18</sup>

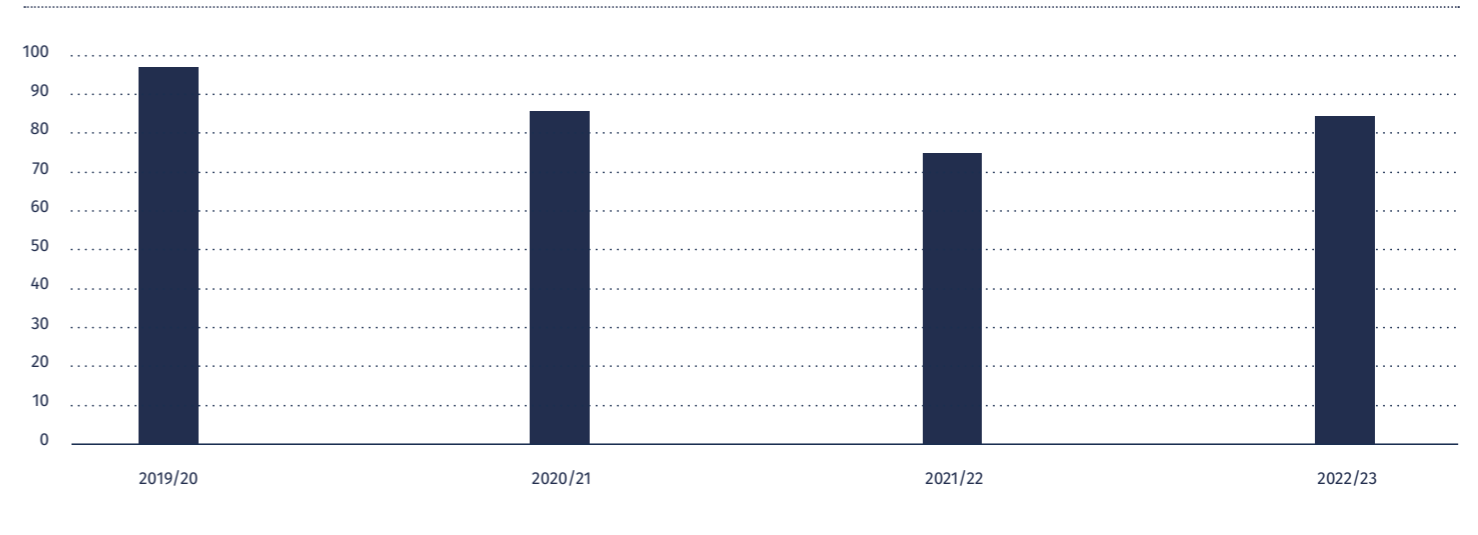
- Perception of regulatory quality.** Assessments of regulatory quality and the ability of governments and regulators to formulate and implement policies that promote economic growth paint a similar picture. The UK was rated better than the US, Japan and France, but satisfaction with its regulatory quality fell 1% between 2020 and 2021 (Chart 9). Hong Kong's administration is still rated better than the UK's, but its ability to foster private sector development through effective regulation saw a 27% lower rating in 2021 than it did in 2017.<sup>19</sup>

# 92.5%

Response rate for the FCA to approve SM&CR related persons within 3-months in Q4 of FY 2022/23.

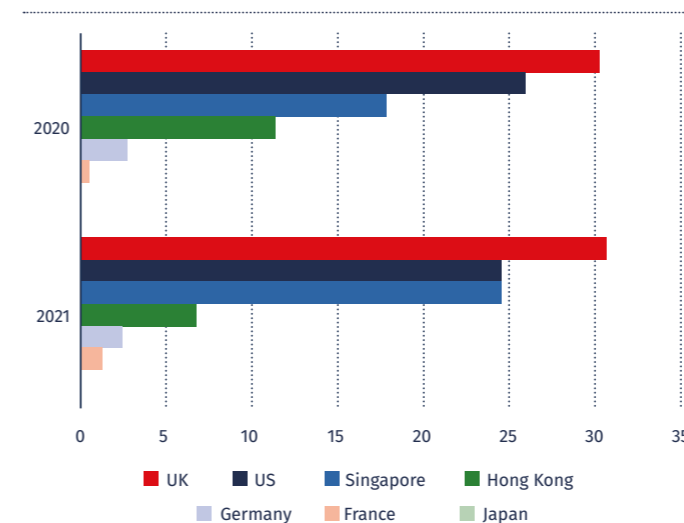
## Chart 7: FCA approval times for approved persons applications are improving

Response rate for approved persons related approvals within timescale, %\*



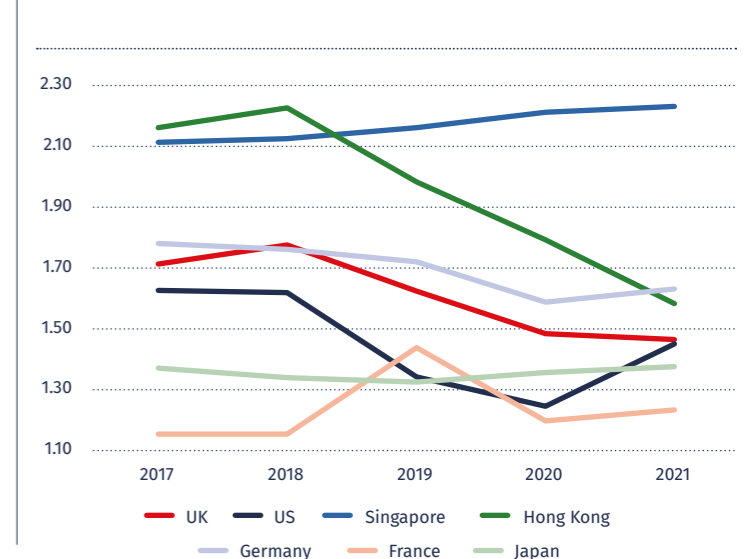
## Chart 8: the UK remains the world's preferred regulatory regime for financial services

"In your view, which market currently has the most favourable regulatory regime for financial services?" % of interviewees



## Chart 9: Singapore is the most highly regarded regulatory regime in the world

Perceived regulatory quality on a scale of -2.5 (worst) to 2.5 (best)



16. FCA 2023 17. Kroll Global Regulatory Outlook 2021. 18. IMD 2023 19. IMD 2023

\*Data from 2019 to 2021 includes all approved persons, 2021 onwards includes those approved under the SM&CR.

## To strengthen the UK in this area, the government:

- **Is delivering a Smarter Regulatory Framework for financial services** by repealing retained EU law and introducing a smarter financial services regulatory framework, specifically tailored to the UK. Retained EU law will be replaced with rules set by our independent and expert financial services regulators, within a framework set by parliament and the government.
- **Has introduced measures, via the the Financial Services Markets Act 2023 (FSMA 2023)**, to ensure that more responsibility for the regulators is balanced with clear accountability, appropriate democratic input, and transparent oversight.
- **Is supporting the FCA's public commitment to strengthening the UK's position in global wholesale markets.** As part of this the FCA is adapting its rules to make sure the UK remains an attractive place to invest while keeping high standards of consumer protection and market integrity. It is supporting innovation in the interests of consumers and markets, helping to maintain the UK as a premier place to grow innovative businesses. It is also improving its performance and processes to make sure regulation is proportionate in speed and cost, to help markets work better and improve the competitiveness of the UK.
- **Has introduced new secondary objectives for the FCA and Prudential Regulation Authority (PRA)** to facilitate the international competitiveness of the UK economy, and its growth in the medium- to long-term. To support this, the government published a Call for Proposals, seeking views on which additional metrics it is most appropriate for the regulators to publish to support scrutiny of their work to embed and advance their new secondary growth and competitiveness objectives. This consultation closed on 4 July 2023 and the government is reviewing responses. The government has also introduced a new secondary innovation objective for the Bank of England when regulating certain financial market infrastructures.



## Is unlocking £100 billion over the next decade for investment in infrastructure.

- **Expanded the Central Counterparty (CCP) Resolution Regime** to give the Bank of England additional powers to mitigate the risk and impact of a CCP failure, aligning the UK with key international standards.
- **Has written to the CEOs of the FCA and the PRA to highlight the importance of achieving world-leading levels of regulatory operational effectiveness**, and to request an update on plans to improve performance and transparency. The regulators responded with some of the steps they are taking, including a commitment to publish more detailed and more frequent performance data. The FCA and the PRA published their first set of enhanced quarterly metrics relating to their authorisations performance on 19 May 2023, including the average time taken to process applications.
- **Will table secondary legislation** to support the delivery of reforms following HMT's 2021 review of the Securitisation Regulation.
- **Will reform the Consumer Credit Act 1974** to modernise regulation of the consumer lending market. It is the government's intention that this reform will facilitate innovation in the credit sector and increase accessibility of credit products, contributing to growth in the sector and the economy more broadly.
- **Will unlock £100 billion over the next decade for investment in infrastructure** and growth companies by reforming Solvency II regulation.

## The financial services sector sees strengths and further opportunity in:

- **Continued reform to ensure the UK's regulatory framework is tailored to the needs of domestic and international market participants.** There are also opportunities for the UK to take its own path on some regulatory points, such as Solvency II, with rules that are better calibrated to the UK market's specific needs. Regulation must also support UK companies seeking to grow internationally and foreign firms seeking to enter the UK market.
- **A clear and detailed plan for delivering on FCA and PRA growth and competitiveness objectives.** The secondary objective of facilitating growth will be crucial in attracting international business and enabling the UK financial services industry to support the wider UK economy. Clear, measurable targets will make it easier to track progress and help firms plan growth strategies.
- **Reinforcing the importance of proportionality in regulation.** Regulatory and reporting requirements should be proportionate and suited to business type, size and retail or wholesale activity. Any burden or restriction that regulators impose on a person, firm or activity should be proportionate to the benefits expected as a result.



## Ensuring the UK's regulatory framework is tailored to the needs of domestic and international market participants.

- **Improving the speed of FCA authorisation turnaround times.** The UK's regulatory regime is highly respected around the world but requires increased capacity, resourcing, and talent retention to meet the unique needs of the UK financial industry. Reform to the Senior Managers and Certification regime should aim to improve the UK's competitiveness.
- **Introducing a Financial Markets Development Department, as has been done by the Monetary Authority of Singapore.** This would ensure regulatory and policy changes are focussed on growing financial markets and improving the international competitiveness of UK financial services.



# 04

## A sector at the forefront of innovation

The UK is Europe's leading fintech ecosystem: a global financial hub with a highly skilled workforce where innovative companies can grow. To date, the UK government has supported fast-growing companies through investment schemes, access to homegrown and international talent, and accelerated routes to market.

There is further opportunity for the UK to grow into a global leader of the digital economy by digitising financial market infrastructure and operations. To be successful, the business environment needs to balance support for new technologies with protection of the UK's globally-recognised regulatory and legal frameworks.

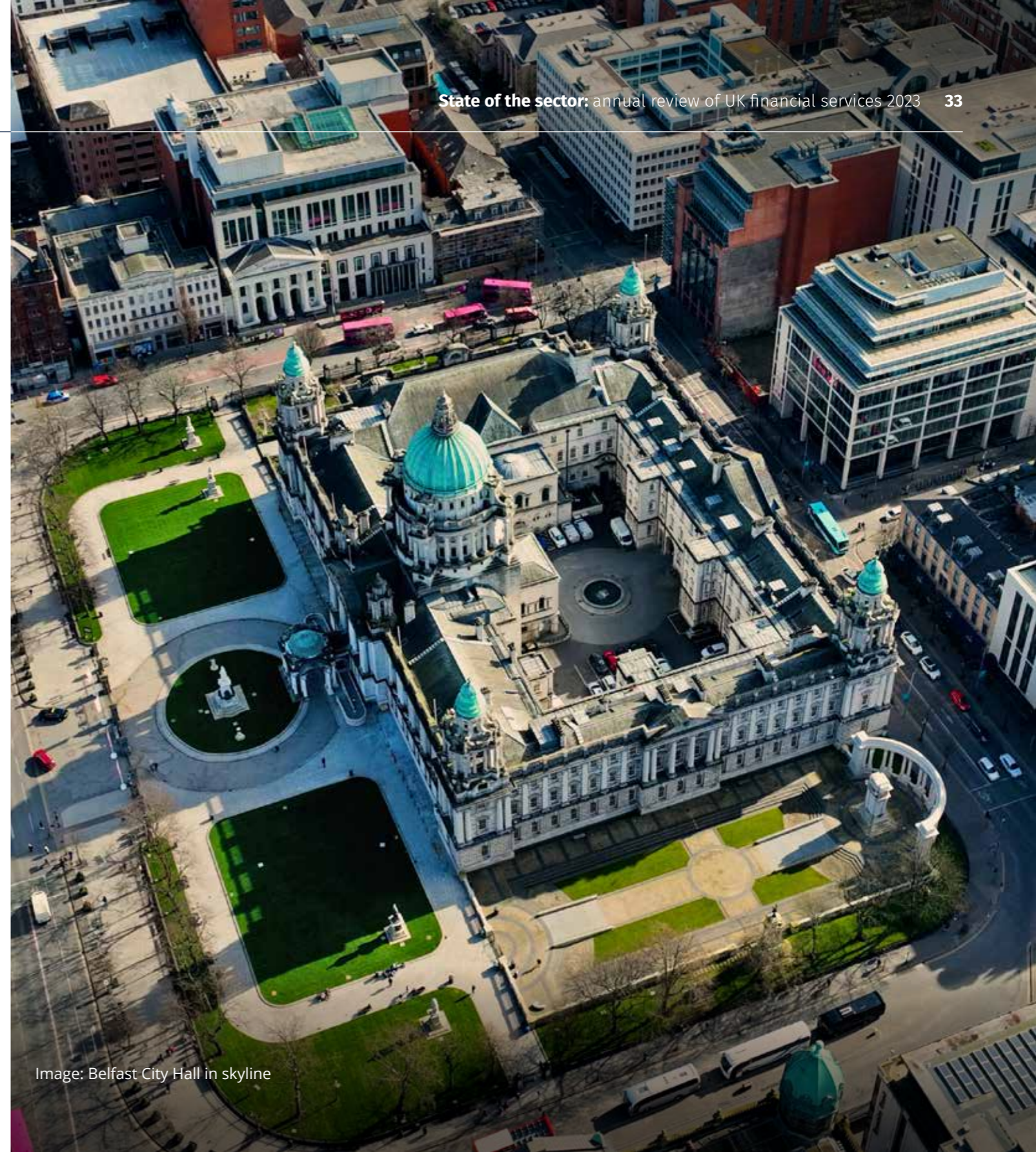


Image: Belfast City Hall in skyline

## We are monitoring activity in:

- The number of fintechs.** The UK is the leading fintech hub in Europe. In 2022, more than 3,200 fintechs were headquartered in the UK, (Chart 10) up from 3,000 in 2021. The UK has seen consistent growth in these areas since 2017, demonstrating the continued attractiveness of the UK environment. The number of UK fintechs is second to the US, but three times more than Germany, France, and Singapore.<sup>20</sup>
- PE and VC fintech investment.** In 2022, PE and VC fintech investment in the UK grew faster than in the US, Germany or France, to £14bn (Chart 11). While the US leads in absolute terms, this growth highlights the UK's status as a leading market for fintech startups. The UK's position as a leading financial centre provides fintechs with a solid customer base, in addition to supportive government policy and access to engaged investors.<sup>21</sup>
- Number of unicorns.** Unicorns – companies valued at over £1bn – drive innovation, create jobs, and stimulate the UK economy. One third of all UK unicorns (49 out of 149) are fintech firms, a higher share than in any other financial centre. This number has grown consistently. Germany is Europe's second largest unicorn hub, with 64 unicorns in total, 10 of which are fintechs.<sup>22</sup>
- Technology IPOs.** Scaling firms struggle to secure the funding they need via UK public markets and are looking to other sources for late-stage investment. Although NASDAQ and NYSE remain the preferred destination for technology IPOs, with a combined 16 in total in 2021, the UK had 13 tech companies go public raising £634m, only three less than US exchanges combined.<sup>23</sup>

# 3,200

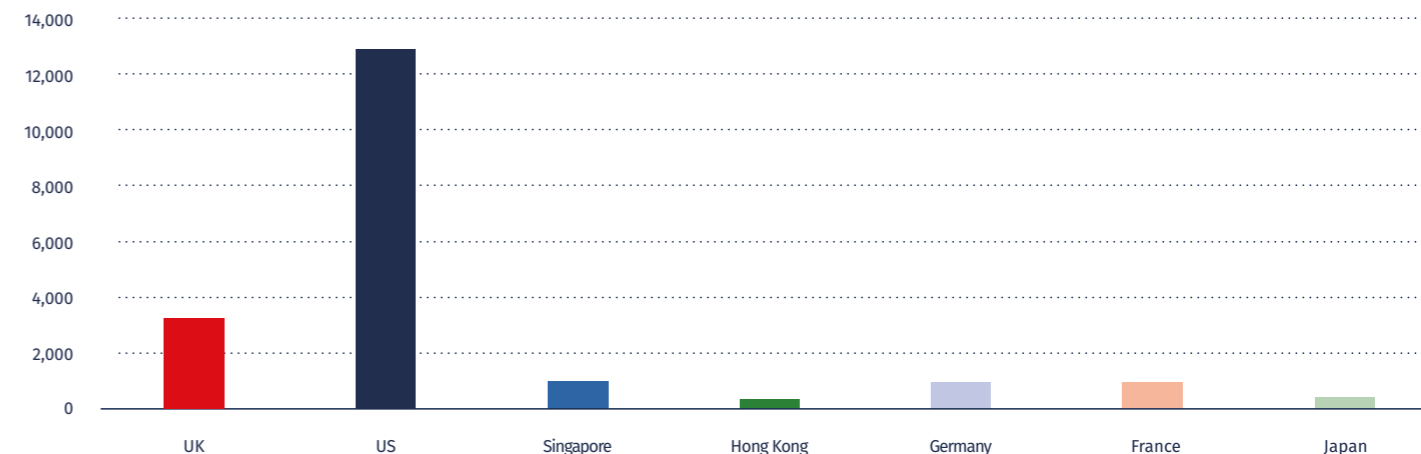
With 3,200 fintech firm headquarters, **the UK is Europe's largest fintech ecosystem.**

# 149

**The UK has 149 unicorns – higher than any other European country.** One third of UK unicorns are fintechs.

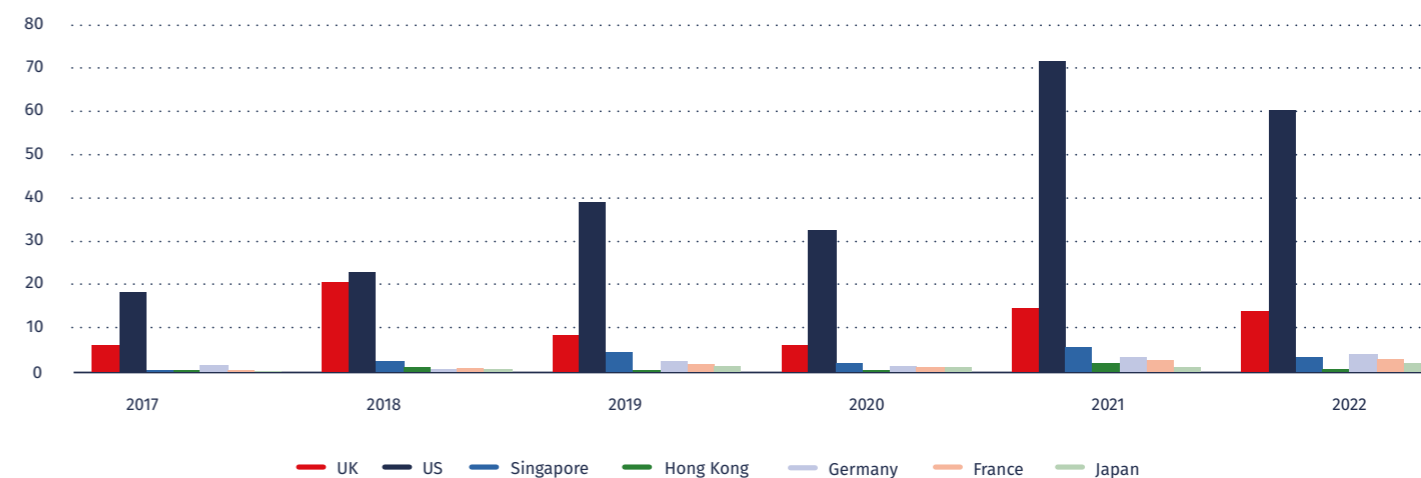
## Chart 10: the UK is one of the largest fintech markets

Number of fintech companies headquartered in market, 2022



## Chart 11: the UK is the leading hub for fintech investment in Europe

Amount of PE & VC investment in fintech, £bn



## To strengthen the UK in this area, the government:

- **Has taken forward the key recommendations of the independent Kalifa Review**, including successfully launching the new Centre for Finance, Innovation and Technology (CFIT). This is backed by seed funding of £5m from the government and £500k from the City of London, and for which the City of London is the proud delivery partner.
- **Is introducing a regime that will allow for the regulation of fiat-backed stablecoins** which are used for payments. The regime will address issuance and custody activities relating to fiat-backed stablecoins as well as payment-related activities for those fiat-backed stablecoins which are used in payments. The scope of this is expected to cover, at a minimum, GBP and other fiat-backed stablecoins which are issued in the UK.
- Completed a research programme, run by HMT and the Debt Management Office, which looked at the feasibility and **benefits of using distributed ledger technology (DLT)** for sovereign debt issuance.
- **Introducing a regulatory remit for Digital Settlement Assets** to the Bank of England and Payment Systems Regulator, via FSMA 2023.
- **Published a consultation paper on the future financial services regulatory regime for cryptoassets.** This delivered on the government's commitment to bring forward proposals for regulating activities relating to the trading and investment of cryptoassets, such as Bitcoin. Legislation to integrate financial promotions of qualifying cryptoassets into the financial promotions regime has also passed through both houses of Parliament. The proposals form part of the government's staged and proportionate approach to cryptoasset regulation and build on previous HMT proposals.



## Is exploring ways of **enhancing the competitiveness of the UK tax system.**

- **Is exploring ways of enhancing the competitiveness of the UK tax system** to facilitate further development of the cryptoasset market. This includes extending the Investment Manager Exemption to include designated cryptoassets in December 2022, and consulting on the taxation of cryptoasset loans and 'staking' within the context of decentralised finance.
- **Supports the FCA's Innovate services.** The FCA is recognised internationally as a pro-innovation regulator and has supported more than 80 firms with innovative wholesale products through its Innovation services. Building on the success of the regulatory sandbox, the FCA has also launched the digital sandbox, which provides firms with access to a range of online tools and high-quality synthetic data assets to test and develop their propositions. 92% of sandbox firms go on to become successfully authorised. These firms have a much higher probability of raising investment, and on average receive 15% more, vs. other non-Innovate firms.



## Is introducing a regime that will **allow for the regulation of fiat-backed stablecoins.**

- **Is implementing the Digital Securities Sandbox (DSS)**, which will be the first financial market infrastructure sandbox delivered under the powers granted as part of the Financial Services and Markets Act 2023. The DSS will facilitate the testing and adoption of digital securities across financial markets.
- **Has worked with regulators and the CMA to build on the success of UK Open Banking** to help unlock and realise further benefits for consumers, businesses and the wider economy.
- **Has re-established the Economic Secretary-chaired Asset Management Taskforce** and launched a parallel Technology Working Group to examine the impact of new technology on the asset management sector. The group will identify the main opportunities presented by new technologies including tokenisation, artificial intelligence, and DLT.
- **Supports the FCA's launch of its Early and High Growth Oversight function**, following a successful pilot, which helps firms manage regulatory expectations when growing rapidly or pivoting business models.

## The financial services sector sees strengths and further opportunity in:

- **Being a world leader in the development, adoption and implementation of new technology.** The future of finance is digital, and to remain competitive the UK must make digital skills a priority. By encouraging the use of, and adopting, new technology within UK financial services firms and market infrastructure the industry will enhance the UK's fintech ecosystem, and ensure UK ingenuity remains in the UK.
- **Progressing the adoption of tokenisation and DLT in capital markets.** The operational and cost benefits of digitising capital markets will benefit investors and market participants alike. Tokenisation has the potential to give retail investors access to new assets, streamline operational functions and reduce costs, and open access to new markets. Digitising assets could make the UK a more attractive domicile for funds and ETFs, make bonds easier to invest in for retail investors, and appeal to companies seeking an IPO. Upskilling both policymakers and the industry will be necessary to fully unlock this strategy's potential.
- **Rolling out digital ID.** Digital ID has the potential to improve online security, reduce fraud and costs, increase the speed and ease of transactions across sectors, and fulfil money laundering and Know-Your-Customer requirements. The government has already taken some steps towards the implementation of digital ID, but the UK risks being left behind: other countries, such as Australia and Estonia, have already launched theirs. Getting the UK to launch means speeding up the implementation of the trust framework and prioritising the Data Protection Bill in the legislative agenda. This will provide the regulatory framework for the introduction of digital ID.



## Progressing the adoption of tokenisation and DLT in capital markets.

- **Implementing a pro-growth and pro-innovation data regime whilst maintaining the UK's world-leading data protection standards.** As a global financial hub, the safe transfer of data is vital to the success of the UK's global competitiveness. Modern, flexible, accountable, and multi-lateral policy and regulatory approaches will safeguard responsible data flows and enable a successful digital future. The UK needs to be a frontrunner in policy and regulation that influences the debate globally. It also needs to deliver policy frameworks that facilitate innovation while upholding data protection principles. Global recognition of different legislative and regulatory cultures is critical to avoid data localisation and enable an open and innovative global data regime.
- **Supporting, and consulting with, the insurance market to ensure the insurance industry can support the UK's cyber security** – for example, through the government Cyber Security Strategy. The London Market is a leader in insuring cyber risks. However, the market is growing larger and more complex. Firms must demonstrate a high level of cyber resilience to take out insurance; this improves cyber security across networks and reduces the number of successful corporate cyberattacks.
- **Assisting high potential companies in navigating the UK's regulatory landscape** to ensure their success. Approvals for new fintech firms are slower than in other countries, particularly for board members and senior management, which is potentially causing the UK to miss out as a location for high growth companies.

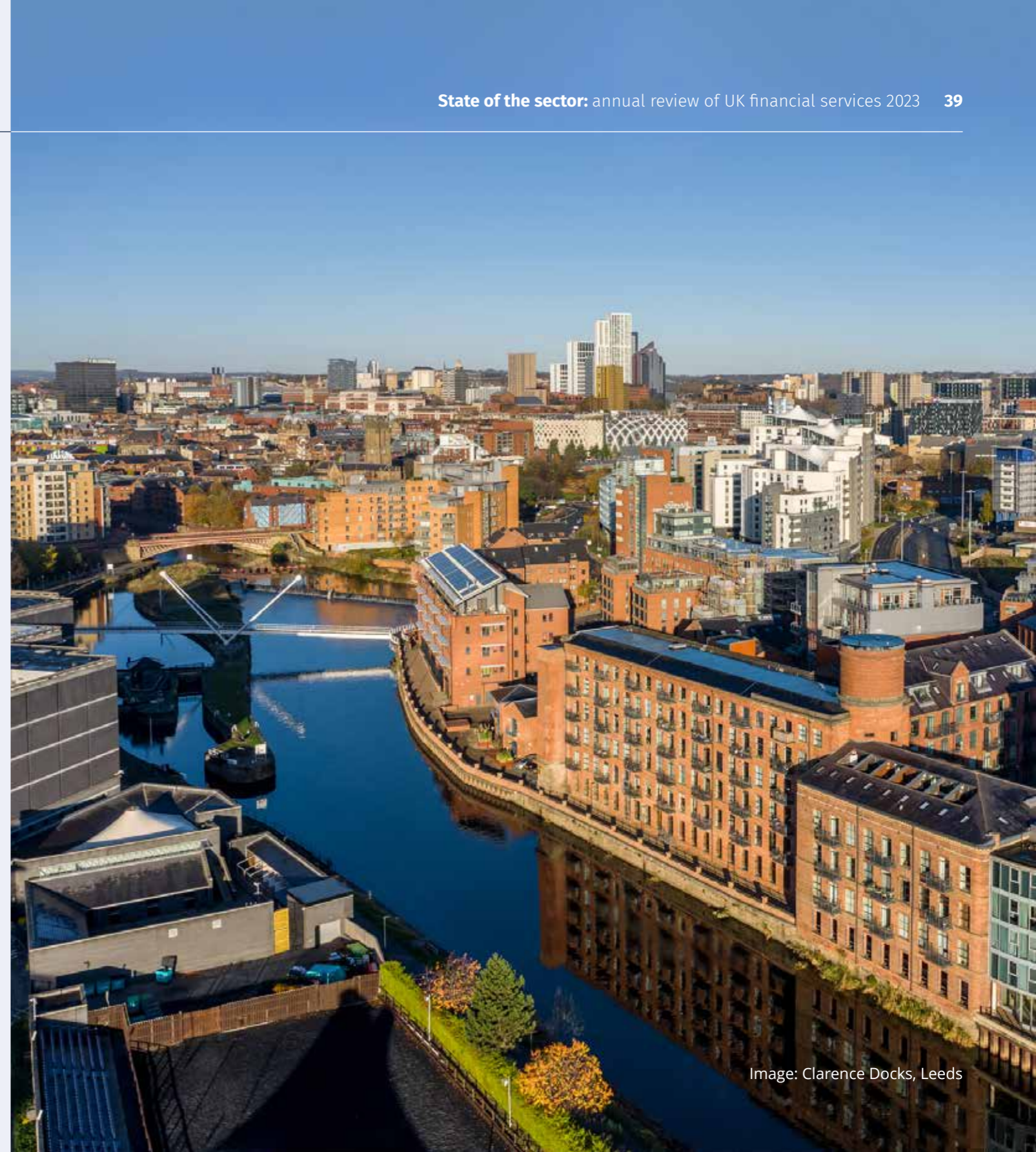


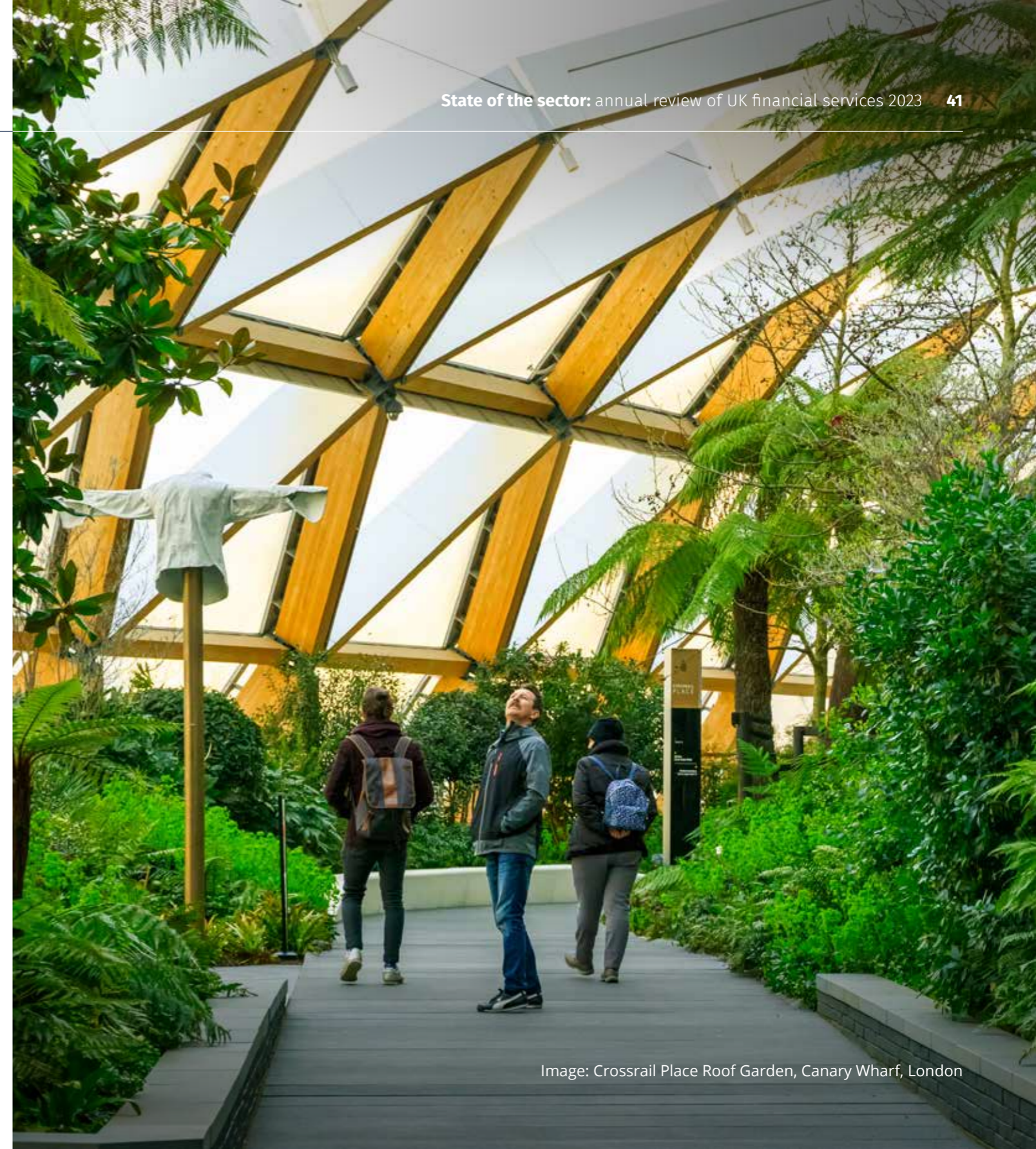
Image: Clarence Docks, Leeds

# 05

## A sector **greening the world's financial system**

The UK is a global leader in sustainable finance and remains the only financial centre that leads in both conventional and green financial centre rankings. It brings together transition financing experts, an appetite for long-term sustainable investment, and a leading insurance market for global environmental projects.

The success of sustainability projects relies on global cooperation and the UK's unique position as a global gateway enables this. The UK government and regulators are also frontrunners in adopting best practice and incorporating environmental impact metrics holistically into the financial system. The future of finance is green: the UK now has an opportunity to further strengthen and develop sustainability-led markets, products, and services for global investors.



## We are monitoring activity in:

- Green and Environmental, Social and Governance (ESG) bonds.** Green bonds provide funding to reduce the environmental impact of energy, buildings and transport. UK investors have a huge appetite for green bonds, but issuance in the UK is lower relative to other financial centres – £15bn in 2022 compared to £51bn in Germany and £53bn in the US (Chart 12). The UK was responsible for 4% of global green bond issuance, as issuance fell 40% year-on-year, despite investor appetite.<sup>24</sup>
- PE/VC investment in greentech.** The UK is the second largest market for PE and VC investment in clean and climate tech. In 2022, greentech firms in the UK raised £9.2bn in investment – double the amount raised in France, Germany, Hong Kong, Japan, and Singapore, combined. This was an increase of £4bn from the £5.2bn raised in 2021 and £2.5bn in 2020 (Chart 13). The US still leads for greentech investment overall, however.<sup>25</sup>
- Responsible AUM.** The share of assets under management in the UK labelled “responsible” is increasing. This demonstrates UK investor interest in sustainable finance and provides funding for low-carbon or ethical projects such as green infrastructure (Chart 14). In addition, data collected based on the Investment Association’s Responsible Investment Framework illustrates that almost half of the £11.6tn managed by their members in 2021 integrated ESG factors. Retail investors increased their share of sustainable investments to 8% of the total market, up from 2.6% in the previous year.<sup>26</sup>

- Adoption of science-based net zero targets.** The UK is the most represented country across Glasgow Financial Alliance for Net Zero (GFANZ) (22% of members). GFANZ is a global coalition of leading financial institutions committed to accelerate the decarbonisation of the economy. All UK GFANZ organisations adopted some climate-related targets in 2022.<sup>27</sup>

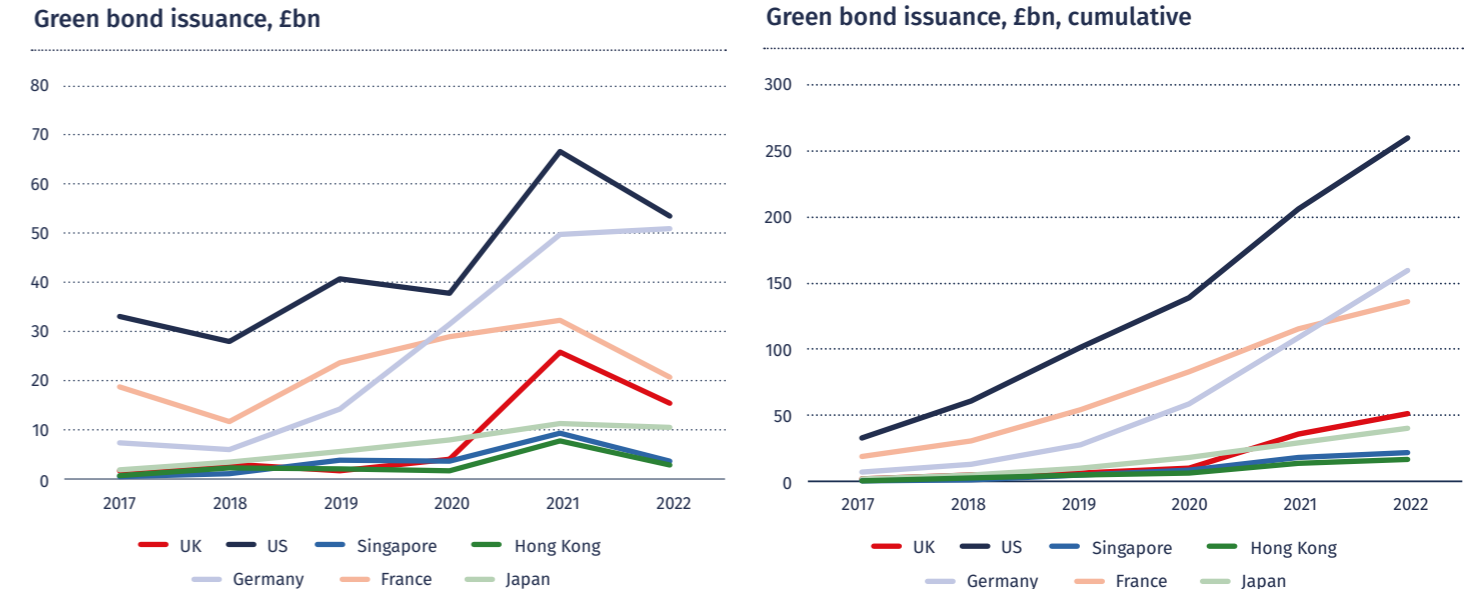
# £9.2bn

PE/VC investors allocated **£9.2bn** to UK greentech firms in 2022.

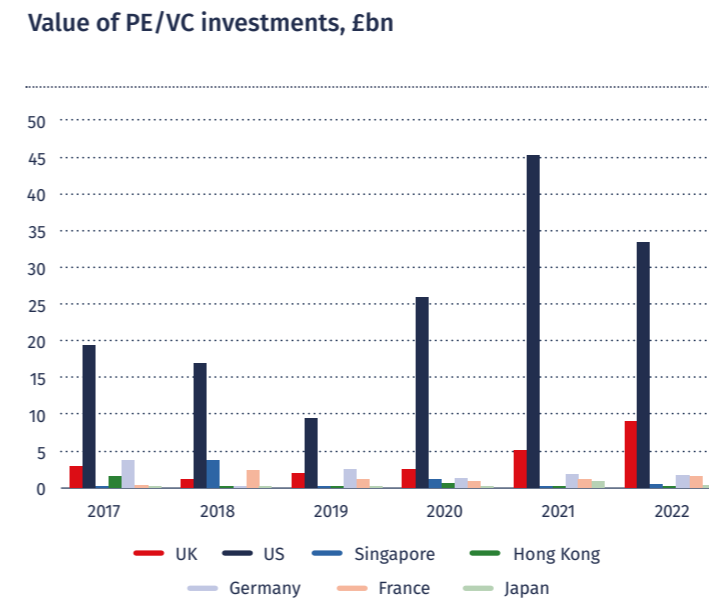
# £5tn

Over **£5tn** assets managed in the UK integrated ESG factors.

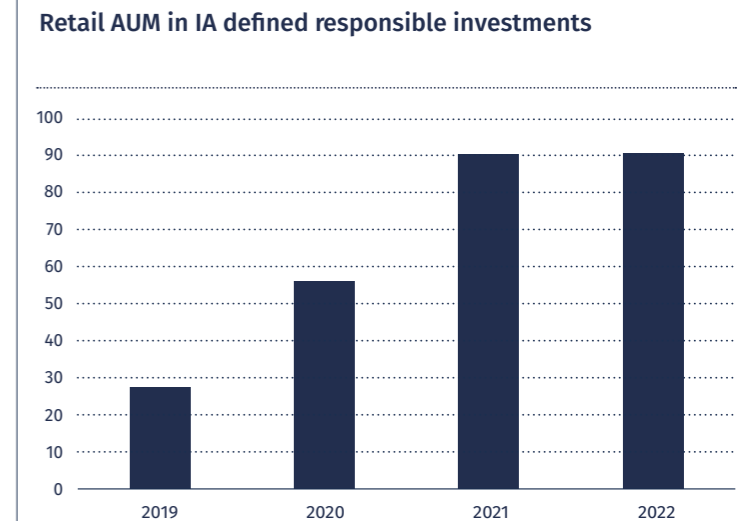
### Chart 12: in 2022, the UK issued 4% of total global green bond issuance



### Chart 13: greentech investment in the UK is growing



### Chart 14: UK investment in responsible funds has been consistent



## To strengthen the UK in this area, the government:

- **Has the ambition to retain the UK's position as a global leader in sustainable finance.** This starts with ensuring that investors have the information they need to take climate into account for every financial decision.
- **Recently published Mobilising Green Investment: 2023 Green Finance Strategy.** This aims to strengthen the UK's position at the forefront of the rapidly growing global green finance market while providing the financing needed to deliver our energy security, net zero and environmental ambitions. The Strategy also sets a framework for how the UK can achieve its ambition to become the world's first net zero-aligned financial centre.
- **Is introducing economy-wide Sustainability Disclosure Requirements (SDR),** which will see businesses across the economy and investment products reporting consistent information on how they impact and are impacted by climate and the environment.
- **Has introduced transition planning requirements and launching the Transition Plan Taskforce (TPT).** The TPT's consultation on its recommendations and guidance closed in February 2023 and the TPT plans to release its final recommendations and guidance later in 2023.



Aims to **strengthen the UK's position** at the forefront of the rapidly growing global green finance market.

- **Kick-started a green financing programme with a record-breaking debut sovereign green bond** in September 2021. Since then, the Green Financing Programme has raised around £26.6bn in green gilts via the Debt Management Office and the Green Savings Bond via NS&I.
- Has published a **consultation on a potential regulatory framework for ESG ratings providers,** seeking views on how regulation could improve outcomes of ESG ratings, which are widely used in investment decisions.

## The financial services sector sees strengths and further opportunity in:

- **Further response to the Inflation Reduction Act (IRA) and the EU's Green Deal to retain green investment in the UK.** Both programmes provide subsidies to encourage investment in green technology in the United States and the EU, respectively. There is a huge appetite for green investment in the UK and investors require a sufficient pipeline of UK-based green technologies to invest in.
- **Alignment of sustainable finance regulations with international standards.** This is necessary to ensure interoperability for financial businesses operating in multiple markets and for market participants who invest on a similar basis. For example, by aligning disclosures on sustainability or climate change across jurisdictions. This reduces costs for the financial services sector and makes the UK a more desirable location for multinational businesses and investors.
- **The transition to net zero.** Climate change is a significant investment risk; net zero is a huge opportunity to mitigate that risk and improve the planet. The UK financial services industry has both the capital and expertise required to make the transition to net zero a success, from insurance through to financing of transition projects. The industry also sees benefit in government creating an office of net zero delivery to properly plan and allocate financing to the transition.
- **Promoting the UK as a leader in transition finance.** The UK has world-leading expertise in the transition to net zero ranging from science and technology to financing and professional services. This is in high demand from other markets, especially emerging markets, which presents an opportunity to export the UK's expertise as a service. The UK's leadership in this area should be promoted on the global stage, for example at G7 or G20 forums.



Further response to the Inflation Reduction Act (IRA) and the EU's Green Deal **to retain green investment in the UK.**

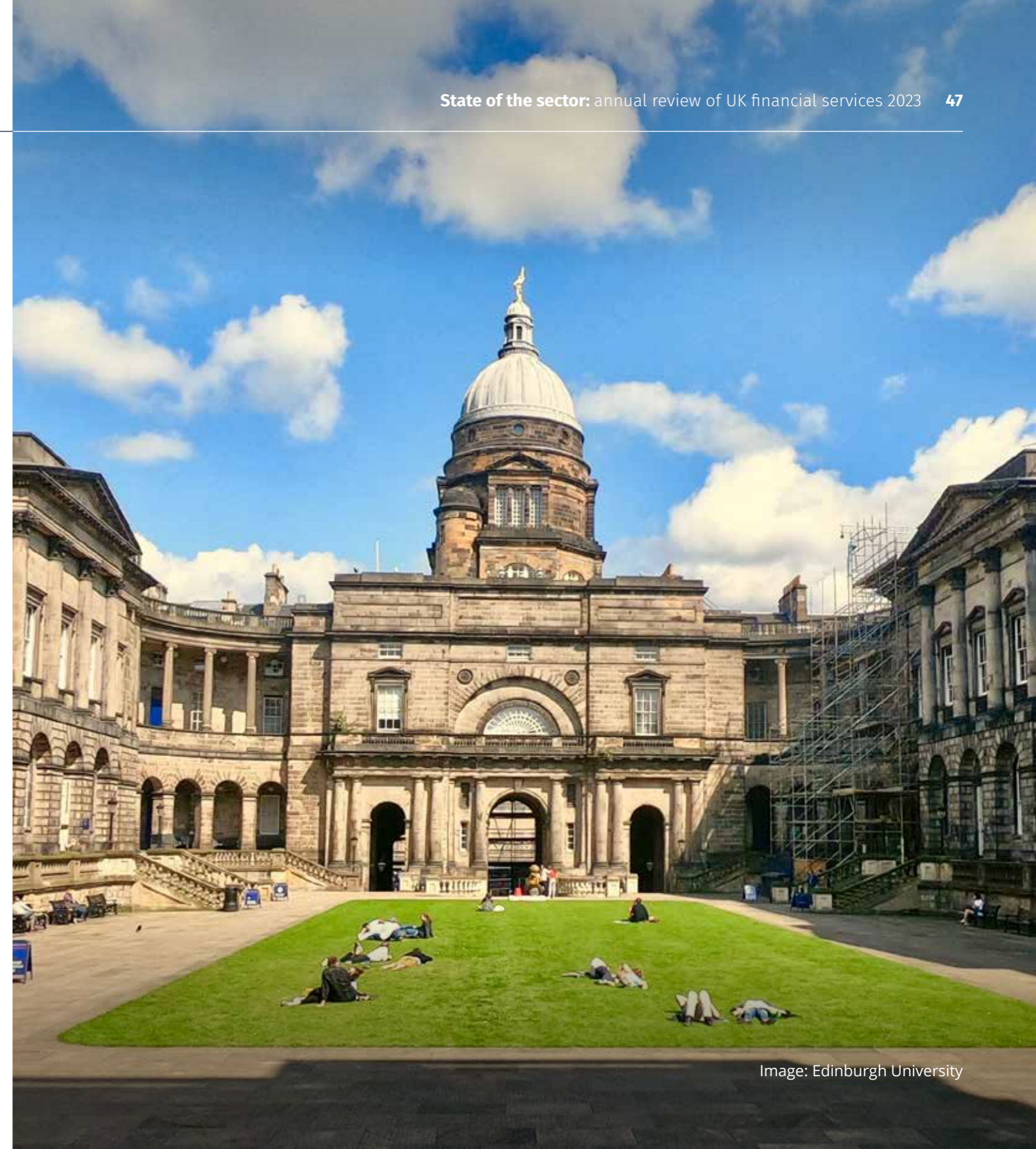
- **Driving growth in Voluntary Carbon Markets (VCM).** Efficient, liquid VCM would offer market participants price discovery and improve the quality of carbon credits. As a global leader in financial services and sustainable finance, with a reputation for governance standards, the UK is well placed to drive growth in this area. It has deep pools of capital and a unique financial and professional services ecosystem, as well as a robust legal system and stable, credible regulatory regime.
- **The insurance industry's role in progressing a green future.** The UK insurance sector has decades of experience in modelling climate change through insuring natural disasters. This is essential knowledge for companies moving to environmentally-friendly products and production. The UK is also a global hub for insuring new green projects, ranging from automakers' switch to electric vehicles, to wind and solar farms around the world.

# 06

## A sector with access to **the right talent and expertise**

The UK financial sector's unrivalled talent is what drives its success. There are 2.5 million jobs in the sector – over 1.1 million in financial services and more than 1.3 million in related professional services. Financial services firms in the UK can hire from a multitude of backgrounds and experience.

But, with low unemployment and changes to the way people work, competition for skills and talent is high. Buying in skills is no longer an option for many companies. Reskilling and training the current workforce, and opening new career pathways, is critical for ensuring the UK is future-ready.





## We are monitoring activity in:

- Jobs.** The number of jobs in financial services is growing. A record 2.5 million people in the UK work in the sector – over 1.1 million in financial services and more than 1.3 million in related professional services. Two-thirds of these jobs are outside of London.<sup>28</sup>
- Attractiveness to international talent.** The share of international workers in financial services has been increasing – 20.5% of workers in financial services were born outside of the UK (Chart 15). International workers complement the UK's domestic workforce and help businesses establish relationships with clients and partners from around the world. However, the UK's overall attractiveness to highly skilled international talent has declined since 2017 (Chart 16). The UK remains more attractive than France and Hong Kong but lags Singapore, the US and Germany.<sup>29</sup>
- Employee training.** Employee training is perceived to be a low priority for companies in the UK compared to other markets, according to a survey of global executives. Despite re- and upskilling efforts, the perceived importance of employee training in the UK has stagnated in recent years. Germany, Hong Kong, and Singapore are markets where employee training is perceived as a high priority.<sup>30</sup>

# 2.5m

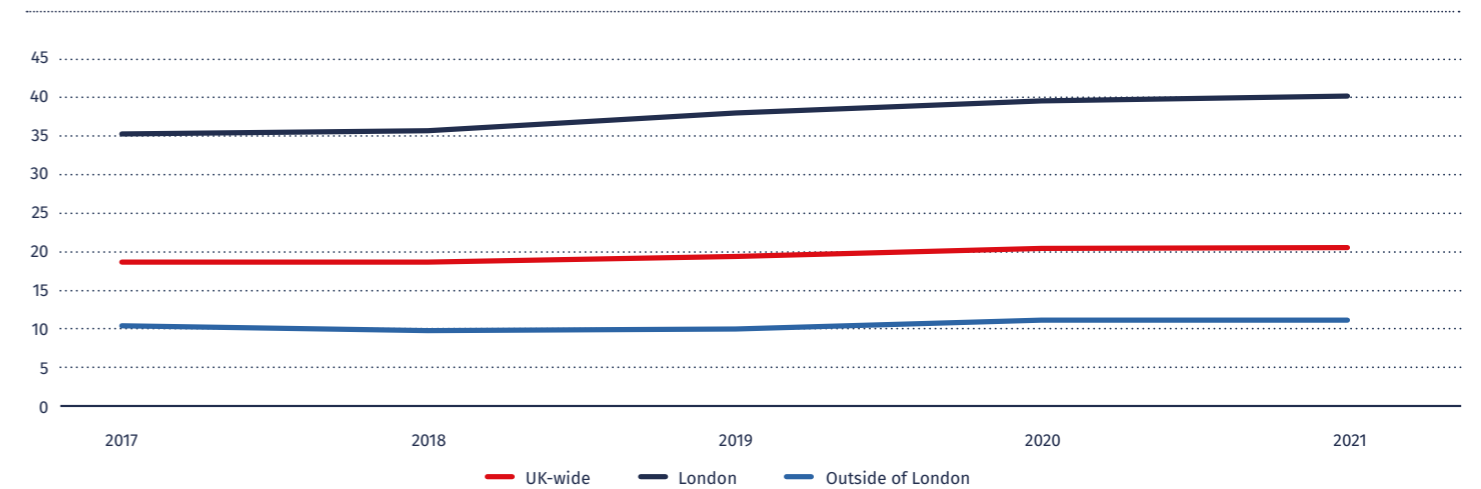
More than 1.1m people in the UK work in **financial services** and more than 1.3m in **related professional services**.

# 20.5%

20.5% of workers in financial services were born **outside the UK**.

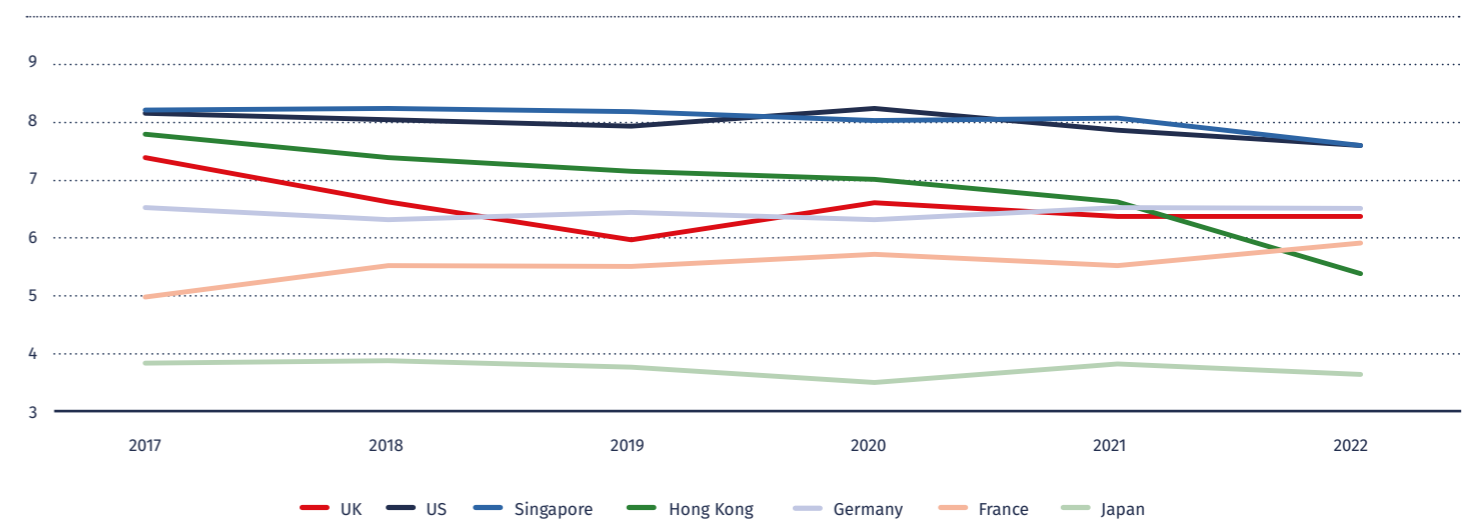
### Chart 15: London attracts a relatively higher number of international workers in financial services than the rest of the UK

Share of international workers in financial services (%)



### Chart 16: the UK remains more attractive than France and Hong Kong for highly skilled international talent

International talent attractiveness



## To strengthen the UK in this area, the government:

- **Introduced a range of new and reformed high-skilled visas**, which followed on the back of the Global Talent, Global Business Mobility, and High Potential Individual visas introduced since last year's report:
  - The Scale-up Worker visa (August 2022) helps fast growing businesses bring in the talent they need to grow and drive innovation. It allows those with a job offer that meets the skills threshold (RQF6/degree-IV), language requirements, and salary threshold (£34,600/going rate) to enter the UK on a flexible visa.
  - The Innovator Founder visa (April 2023) makes it easier for those with the skills and experience to found, and invest in, innovative businesses in the UK. It replaced the Innovator visa with simplified eligibility criteria and added flexibility – applicants no longer need to have at least £50k in investment funds to apply. A new pathway for investors will follow in the autumn.
- **Continues to listen to industry views through formal and informal engagement**, including via the Financial Services Skills Commission (FSSC). The FSSC is a key industry body working to take forward collective action to address the needs of the sector. They do this by identifying and addressing emerging skills gaps, widening access to talent and promoting diversity and inclusion across the sector.
- **Continues to recognise and support apprenticeships** through over 650 employer-designed, high-quality standards, which apply across the financial services sector. Employers have a range of options based on their business needs.



## Introduced a range of new and reformed high-skilled visas.

- **Will make it easier and more attractive to do business in the UK** by simplifying business visitor rules. This includes expanding the range of short-term business activities that can be carried out for periods of up to six months and reviewing permitted paid engagements. These changes will be implemented from autumn 2023. In addition, the government will consider further enhanced provisions linked to negotiations with trade partners, including a wider range of activities.
- **Will introduce the Lifelong Loan Entitlement** from 2025, which will provide individuals with a loan entitlement worth the equivalent of four years of post-18 education and will allow modular learning of skills courses. This will empower people to retrain and upskill for the industries and high-paid jobs of the future, including in financial services.

## The financial services sector sees strengths and further opportunity in:

- **Improving tech and digital skills.** As the lines between tech and finance become more blurred, a solid understanding of digital applications and concepts is essential. Research from the Financial Services Skills Commission shows 1 in 8 financial services roles are now tech-reliant, twice as much as the wider economy. Many FS companies are reskilling employees and opening engineering roles to a more diverse workforce. This should be encouraged across the industry with assistance provided to small and medium firms.
- **Encouraging greater levels of investment in employee training**, both for apprentices and employees more generally. Reskilling and upskilling of employees is perceived to be low priority in the UK and is often seen as time taken away from an employee's role. The culture of reskilling needs to be addressed to ensure the UK remains competitive and moves away from the costly 'redundancy and re-hire' approach.
- **Supporting and investing in apprenticeships**, which are jobs with training for anyone of any age and stage of their career. Skills need to be developed across the entire ecosystem – in firms, regulators and government – to offer better products and services and get supervision, regulation and policymaking right.
- **Focusing on increasing diversity, equity and inclusion** within the sector. This includes broadening the pools of talent firms are recruiting from, identifying exclusionary recruiting and internal processes, and investing in creating inclusive cultures within the workplace.



## Encouraging greater levels of investment in employee training and improving tech and digital skills.

- **Ensuring companies can hire international talent.** This means providing employers with different ways to pay the Immigration Skills Charge and allowing medium-sized employers to pay the same fees as small employers.
- **Considering a route that allows international workers to enter the UK for short-term, productive activity without a visa.** This would help to ensure the UK remains an attractive destination for global talent.
- **Supporting new ways of working to open the financial services sector to a wider talent pool.** Firms can benefit from flexible policies that balance office presence with remote working. Government can explore the benefits of cross-border remote working, which could offer businesses an even wider talent pool and position and advertise the UK as a truly open and global market.

## Conclusion

This report could not possibly capture the pace and breadth of change in the last year, nor fully encapsulate the UK's enduring strengths as one of the world's foremost financial services centres.

The delivery of FSMA 2023 crowns well over 12 months of significant Government work and extensive industry engagement. By legislating to tailor our regulatory framework to the UK's unique circumstances, the Government is helping the sector adapt, innovate and boost economic growth.

From unlocking over £100bn for investment over the next decade via reforms to Solvency II, to implementing ambitious reforms to our capital markets rules, and preparing to introduce a regime to facilitate the regulation of fiat-backed stablecoins, FSMA 2023 prepares the UK for another century of success.

The opportunities identified by the sector in this report will help the government sustain this momentum. And the UK needs a financial services sector ready to innovate faster with regulators willing to support them as they do. The Government has taken action to create the conditions for financial services firms to thrive, and is confident that the sectors' collective expertise and experience will yield benefits for businesses and consumers across all four nations of the UK.

Reflecting on this report's assessment of the attractiveness and competitiveness of the UK's financial services sector makes clear that there's plenty for the UK to be proud of, and that it is not resting on its laurels. With cooperation between Government, regulators and business closer than ever, together we will deliver not just a more competitive financial services sector but a more innovative economy.

## Annex 1: list of contributors

The City of London Corporation and HM Treasury would like to thank all organisations who contributed and provided insights for this report.

AIG	Goldman Sachs	Morgan Stanley
Amazon Web Services	HSBC	NatWest
Alternative Investment Management Association	Investment Association	NinetyOne
Association of British Insurers	ICE Futures Europe	Oaknorth
Association for Financial Markets in Europe	Innovate Finance	Phoenix Group
Aviva	International Swaps & Derivatives Association (ISDA)	Primary Bid
Bank of China	Invesco	Prudential
Barclays	JP Morgan	PwC
BNY Mellon	KPMG	Revolut
Carlyle Group	Lexis Nexis (IF)	Salesforce
CBOE	Linklaters	Société Générale
Checkout.com (IF)	LME	Starling Bank
Citi	London Market Group	Stripe
Credit Suisse	LSEG	TheCityUK
Deutsche Bank	Luno	Tradeweb
Euroclear UK & International Ltd	Marsh	UK Finance
Freshfields	Monzo	WTW
	Moody's	Zurich

## Annex 2: actions the UK Government is taking to deliver on its vision for the financial services sector

The contents of this table reflect how the government is delivering its vision for an open, green, and technologically advanced financial services sector that is globally competitive.

■ completed
 ■ in progress
 ■ future work

Theme	Government action	Status
<b>An open and global financial hub</b>	Has signed the Memorandum of Understanding on regulatory cooperation in financial services with the EU.	Completed - The UK and the EU signed the Memorandum of Understanding on regulatory cooperation in financial services in June 2023.
	Is negotiating with Switzerland on a Mutual Recognition Agreement.	In progress - The Government expects to conclude the negotiations in the Summer 2023.
	Will operationalise the Overseas Funds Regime.	In progress - Equivalence assessment of the EEA member states under the OFR is currently underway.
	Will consult on the Overseas Persons Exclusion regime.	Future work - The Government is considering policy options concerning the Overseas Persons Exclusion.
	Is working to agree Free Trade Agreements with India, Canada, Mexico, Switzerland, Israel, South Korea, and the Gulf Cooperation Council.	In progress - The Government is continuing to progress individual trade negotiations towards agreement.
	Will accede to the Comprehensive and Progressive Trans-Pacific Partnership.	In progress - Comprehensive and Progressive Trans-Pacific Partnership nations agreed to the UK's bid to begin the accession process, with the deal to be published and signed soon.
	Will continue engagement through the UK-US Financial Regulatory Working Group.	In progress - The next Financial Regulatory Working Group will be held in September 2023. Preparations are underway to finalise the agenda ahead of the event.
	Has agreed the Free Trade Agreement with Australia.	Completed - The UK-Australia Free Trade Agreement entered into force in May 2023. Preparations are now underway for the inaugural UK-Australia Financial Regulatory Forum.
	Has concluded negotiations on cross-border collaboration with Saudi Arabia.	Completed - The Memorandum of Understanding was signed in December 2022.

Theme	Government action	Status
<b>An integrated ecosystem driving growth across the UK</b>	Is reforming the rulebook for wholesale markets to make it more competitive through the Wholesale Markets Review.	In progress - The Government legislated in FSMA 2023 to implement priority issues, including abolishing regulations that limited investor choice and reduced liquidity such as the Shared Trading Obligation and the Double Volume Cap. The Government has also published draft legislation in July 2023 to deliver a consolidated tape.
	Is taking forward a fundamental overhaul of the Prospectus Regime, a key recommendation of Lord Hill's UK Listing Review.	In progress - The Government has published draft legislation in July 2023.
	Has launched an Independent Investment Review of investment research.	Completed - Rachel Kent published the outcomes to the Independent Investment Review in July 2023. The Government has committed to take forward all the recommendations addressed to it.
	Is delivering reforms as part of its review of the UK funds regime.	In progress - The Government has legislated reforms to Qualifying Asset Holding Companies and Real Estate Investment Trusts, as well as updates to the Genuine Diversity of Ownership tax rules through the Spring Finance Bill 2023, while other workstreams continue to be progressed.
	Is taking forward ambitious reforms to the rules governing UK capital markets, delivering further recommendations from Lord Hill's UK Listing Review.	In progress - The FCA has already delivered key changes to its listing rules. It is taking forward further key reforms in May 2023.
	Has supported the City of London Corporation and industry to develop the Mansion House Compact, committing many of the UK's largest DC providers to the objective of allocating at least 5% of their default funds to unlisted equities by 2030.	Completed - The Mansion House Compact was signed in July 2023.
	Will test options for Government to play a greater role in establishing investment vehicles with industry over the coming months ahead of Autumn Statement, drawing on the skills and expertise of the British Business Bank's commercial arm.	In progress - The Government launched the LIFTS initiative in May 2023, offering £250m of Government support to incentivise proposals for new industry funds. It closed for applications in July 2023.
	Responded to and published documents to reform the Defined Contribution workplace pension market and unlock capacity within the Defined Benefit market.	In progress - The Government consultation response, consultation and Call for Evidence documents were published in July 2023.

Theme	Government action	Status
<b>An integrated ecosystem driving growth across the UK</b>	Has supported the Private Members' Bill on Co-operatives, Mutual Insurers, and Friendly Societies, which grants HM HMT the power to bring forward regulations to give mutuals further flexibility in determining the best strategies for their business regarding their surplus capital.	Completed - The Private Members' Bill achieved Royal Assent in June 2023 alongside FSMA 2023 and is now the Co-operatives, Mutuals and Friendly Societies Act 2023.
	Is launching comprehensive reviews of both the Co-operative and Community Benefit Societies Act 2014 and the Friendly Societies Act 1992, conducted by the Law Commission.	In progress - The reviews are expected to start later this autumn.
	Has amended the Credit Unions Act 1979 to allow credit unions in Great Britain to offer a wider range of products and services, with the intention to allow credit unions to continue to grow sustainably.	Completed - The Government legislated for this through FSMA 2023.
	Is seeking views on setting an ambition for investment in high-growth businesses, proposing a deadline for all Local Government Pension Scheme assets funds to transfer their assets into Local Government Pension Scheme assets pools by March 2025.	In progress - The Government published a consultation on accelerating the consolidation of Local Government Pension Scheme assets in July 2023.
	Will replace the Packaged Retail and Insurance-based Investment Products Regulation with a tailored UK retail disclosure regime.	In progress - The Government consultation on the proposed UK framework closed in March 2023, and the Government published a response in July 2023.
	Is developing an innovative new trading venue that will improve companies' access to capital markets before they publicly list.	In progress - The Government announced that the Intermittent Trading Venue Sandbox will be up and running before the end of 2024.
	Will replace the Short Selling Regulation with a regulatory regime for short selling that is tailored to the UK, which supports market integrity and bolsters the competitiveness of UK financial markets.	In progress - The Call for Evidence closed in March 2023. The Government published a response in July 2023 and a follow-up consultation on aspects of the Short Selling Regulation related to sovereign debt and Credit Default Swaps.
	Has supported the launch of the Long-Term Asset Fund structure, a new type of open-ended fund to facilitate investment in long-term illiquid assets, for which the FCA published final rules in October 2021.	Completed - The first institutional Long-Term Asset Fund have now launched following FCA approval. The FCA have also now published their rules for broadening retail access to the Long-Term Asset Fund, which came into force in July 2023.
	Is continuing to evolve the UK's strong insurance-linked securities regime.	In progress - The PRA published its response to its consultation on changes to the insurance-linked securities regime in December 2022. The Government continues to engage closely with the PRA on this work.
	Has brought in an equivalence regime for Simple, Transparent and Standardised securitisations.	Completed - The Government legislated for this regulatory framework through FSMA 2023.
	Is continuing to support the PRA's development of a strong and simple framework for simpler requirements for smaller, non-systemic firms.	In progress - The Government is working with the PRA ahead of its consultation on simplifications to Pillar 2 and buffer requirements for simpler regime firms in the first half of 2024.
	Is launching a joint review with the FCA on the boundary between advice and guidance, with the objective of improving access to helpful advice, support, and information, while maintaining strong protections for consumers.	In progress - The Government will publish a joint policy paper with the FCA in Autumn 2023 setting out initial views on options for reform and next steps.

Theme	Government action	Status
<b>An opportunity to become more efficient, competitive, and proportionate</b>	Is taking forward the implementation of the post-crisis reforms to bank prudential regulation (Basel 3.1).	In progress - The Government is considering responses to its consultation and continues to progress work in advance of implementation on 1 January 2025.
	Has delivered the Financial Services and Markets Act 2023, seizing the opportunities of EU exit by tailoring financial services regulation to UK markets.	Completed - FSMA 2023 received Royal Assent in June 2023.
	Will replace retained EU law with an approach to financial services regulation that is better suited to the UK.	In progress - The Government legislated for the repeal of financial services retained EU law through FSMA 2023. In July 2023, the Government published a delivery plan setting out how it aims to achieve significant progress on the highest priority areas by the end of the year.
	Has introduced measures to ensure that additional rule-making responsibility for the regulators is balanced with clear accountability, appropriate democratic input, and transparent oversight.	Completed - The Government legislated for this through FSMA 2023.
	Has introduced new secondary objectives for the FCA and PRA to facilitate international competitiveness and medium- to long-term growth.	Completed - The Government legislated for this through FSMA 2023.
	Has written to the CEOs of the FCA and the PRA to highlight the importance of achieving world-leading levels of regulatory operational effectiveness, and underlining the importance of achieving their plans to improve performance and transparency.	Completed - The FCA and PRA published their first quarterly sets of enhanced metrics in May 2023 in order to enhance transparency. The Government will continue to monitor progress.
	Will continue to advance implementation of reforms to Solvency II announced at Autumn Statement 2022.	In progress - Secondary legislation is being developed and will be laid in stages; the Government expects some reforms to come into force by year end 2023 and others throughout 2024.
	Will consult on reforming the Consumer Credit Act 1974, and consult on draft legislation to regulate Buy-Now-Pay-Later	In progress - The Consumer Credit Act 1974 consultation closed in March 2023 and the Government has published a response in July 2023. The Buy-Now-Pay-Later consultation closed in April 2023 and the Government will publish a response to this consultation in due course.
	Is boosting consumer confidence in financial promotions through the financial promotions gateway.	In progress - Following the passage of FSMA 2023 the Government is now preparing secondary legislation and working with the FCA to operationalise the gateway.
	Has introduced a statutory duty for the FCA, the FOS and the FSCS to cooperate on issues which have significant implications for each other, or for the wider financial services market.	Completed - The Government legislated for this through FSMA 2023.
	Has taken action to protect access to cash.	Completed - The Government legislated for this through FSMA 2023. The Government is now working with the FCA to operationalise the legislative framework.
	Is consulting on introducing an Insurer Resolution Regime aligned to international standards.	In progress - The Government has consulted on its proposals to introduce an Insurer Resolution Regime, and will be publishing a response to the consultation in due course.
	Is expanding the Central Counterparty Resolution Regime.	In progress - The Government is now preparing secondary legislation to operationalise the regime now that the Government has legislated for this through FSMA 2023.
	Is replacing the Cash Ratio Deposit scheme with the new Bank of England Levy.	In progress - The Government legislated for this through FSMA 2023. The Government is consulting on draft secondary legislation for the Levy later this year.
	Is supporting the delivery of reforms to the Securitisation Regulation identified in a 2021 HMT review through secondary legislation.	In progress - The government has published draft secondary legislation in July and expects to lay this by December 2023.
	Is delivering reforms in response to the independent review on ring-fencing.	In progress - The Government has published a Call for Evidence on aligning the ring-fencing and resolution regimes and intends to publish draft legislation on a series of short-term ring-fencing reforms for consultation in 2023.
	Has sought evidence on the reforms to Payment Services Regulations 2017 and Electronic Money Regulations 2011.	In progress - The Review and Call for Evidence closed in April 2023. The Government is considering responses, and assessing next steps.
Has consulted on reforms to the Bank of England's payments remit to ensure that evolving systemic risk is proportionately managed.	In progress - The Government will shortly be responding to the 'Payments Regulation and the Systemic Perimeter' consultation.	

Theme	Government action	Status
<b>A sector at the forefront of innovation</b>	Has continued to build on the UK's reputation as a global hub for fintech through the implementation of proposals set out in the Kalifa Review of UK Fintech.	Completed - The Government has implemented the Kalifa Review's key recommendations.
	Has launched the new Centre for Finance, Innovation and Technology, a key recommendation of the Kalifa Review.	Completed - The Government launched the Centre for Finance, Innovation and Technology in February 2023.
	Has published a consultation paper on the future financial services regulatory regime for crypto assets.	In progress - The consultation closed in April 2023 and the Government is now considering the submissions received. The Government will publish a response in due course.
	Is exploring ways of enhancing the competitiveness of the UK tax system to encourage further development of the crypto asset market in the UK.	In progress - The Government has delivered an Investment Management Exemption amendment in December 2022. The Decentralised Finance (DeFi) taxation consultation closed in June 2023, and the Government is currently analysing responses.
	Has co-established the Financial Markets Infrastructure Sandbox, alongside the Bank of England and the FCA, which will enable firms to experiment with and adopt digital asset technology across financial markets.	In progress - The Government legislated for this through FSMA 2023 and has launched a consultation on laying secondary legislation in July 2023. The Government will lay secondary legislation to implement this in Autumn 2023. Separately, the Bank and FCA will also set out guidance and their approach to rules and the application process.
	Will continue to work with the financial services regulators and the CMA to build on the success of UK Open Banking, including continuing the work of the Joint Regulatory Oversight Committee to oversee the transition of Open Banking governance and designing a long-term regulatory framework.	In progress - The government is legislating for Open Banking under the Data Protection and Digital Identity Bill. This Bill was laid in March 2023, and is currently progressing through Parliament.
	Has re-established the Asset Management Taskforce and launched a parallel Technology Working Group to examine the impact of new technology on the asset management sector.	In progress - The Technology Working Group will hold a series of meetings over the next year and subsequently produce a final report to the Asset Management Taskforce.
	Has supported the FCA's launch of its Early and High Growth Oversight function, which offers greater support for newly authorised and fast-growing firms as they navigate the regulatory landscape.	In progress - The FCA has grown the function following a successful pilot and is now working with 300 firms.
	Announced the Government's strategy on cryptotassets and underlying blockchain technology at the Digital Assets Week Conference in November 2022.	In progress - The Government is delivering on a range of commitments aimed at harnessing the potential of crypto and Distributed Ledger Technologies, and managing risks.
	Will explore how Distributed Ledger Technology could be applied across the issuance of a sovereign debt instrument.	In progress - The Government is working to support further private sector innovation, including through the Financial Markets Infrastructure Sandbox.
	Will bring activities facilitating the use of stablecoins as a means of payment into the UK regulatory perimeter, including bringing Digital Settlement Assets into the Bank of England and PSR's regulatory perimeter for systemic payment systems and service providers.	In progress - The Government is preparing secondary legislation to bring stablecoins within the FCA's perimeter. The Bank of England and the FCA will consult on their regulatory regimes before the end of the year.
	Will expand the Senior Managers & Certifications Regime to certain Financial Market Infrastructures.	Completed - The Government legislated to create the regime in FSMA 2023, and will set out next steps in due course.

Theme	Government action	Status
<b>A sector greening the world's financial system</b>	Has published Mobilising Green Investment: 2023 Green Finance Strategy to reinforce and expand the UK's position as a world leader on green finance and investment.	Completed - The Green Finance Strategy was published in March 2023.
	Is co-chairing the Transition Plan Taskforce to develop a gold standard and introducing transition planning disclosure requirements.	In progress - The FCA has now introduced and updated rules for asset managers/owners and listed companies. The Transition Plan Taskforce will publish their final framework and guidance in Autumn 2023.
	Is continuing the Green Financing Programme.	In progress - The Government has raised £9.9bn via the issuance of green gilts in 2022-23, and plans to issue another £10bn for 2023-24, subject to demand and market conditions.
	Will take forward work to deliver Sustainability Disclosure Requirements.	In progress - The Government has taken powers to progress Sustainability Disclosure Requirements as part of FSMA 2023, and expects to provide an update on Sustainability Disclosure Requirements implementation in Summer 2023.
	Is supporting the work of the International Sustainability Standards Board to provide a global baseline for sustainability reporting.	In progress - The Government has welcomed the work of the International Sustainability Standards Board to date and will soon launch a UK assessment mechanism to endorse the standards it published in June 2023.
	Has added the UK's net zero target and environmental targets into the regulatory principles, embedding consideration of these across the regulators' general functions.	Completed - The Government legislated for this through FSMA 2023.
	Is consulting on whether to bring ESG ratings agencies into the regulatory perimeter to ensure high standards of integrity in the market.	In progress - The Government consultation closed in June and the Government is now considering responses.
	Will consult on a UK Green Taxonomy, a tool to provide investors with clarity about sustainable economic activities.	In progress - The Government is preparing to launch a consultation on the UK Green Taxonomy in Autumn 2023.
	Has launched the Transition Finance Market Review, to ensure the UK becomes a leading hub for transition financial services.	Future work - The Government will set out next steps on the Transition Finance Market Review in due course.
	Will consult on specific steps and interventions needed to mobilise finance through high-integrity voluntary carbon and nature markets.	Future work - The Government is preparing to launch a consultation later this year.
	Will conduct a review into the adequacy of the regulation of the UK financial system for the purpose of eliminating the financing of the use of prohibited forest risk commodities.	In progress - The Government will publish the outcome of this review within nine months of the relevant Environment Act regulations being made, as required by FSMA 2023.

Theme	Government action	Status
<b>A sector with access to the right talent and expertise</b>	Has delivered the Innovator Founder visa to make it easier for those with the skills and experience to found, and invest in, innovative businesses in the UK.	Completed - Launched in April 2023.
	Will deliver a route for investors, complementing the Innovator Founder visa to support those with the skills to found, and invest in, innovation UK businesses.	In progress - The route for Investors is expected to be rolled out from Autumn 2023, as part of the Autumn Immigration rules.
	Is listening to industry views through formal and informal engagement, including via the Financial Services Skills Commission, to support development of policy to ensure the sector has access to talent and expertise.	In progress - The Government continues to listen to firms across the sector and the Financial Services Skills Commission.
	Is continuing to recognise and support apprenticeships through over 650 employer-designed, high-quality standards, which apply across the financial services sector.	In progress - The Institute for Apprenticeships and Technical Education continues to support and work with employers in the development of new high-quality standards when needs arise.
	Is continuing to introduce improvements to the apprenticeship system, to ensure all businesses have access to high-quality training for their employees that meets their business needs.	In progress - The Government continues to work closely with employers and build on system improvements to the apprenticeship service.
	Is simplifying business visitor rules, including by expanding the range of short-term business activities that can be carried out for periods of up to six months and reviewing permitted paid engagements.	In progress - The Government will reform business visitor rules as part of the Autumn Immigration rules in Autumn 2023.
	Has delivered the Scale-up Worker visa to help fast-growing businesses bring in the talent they need to grow and drive innovation.	Completed - Launched in August 2022.

### **About the Global City campaign:**

The Global City campaign is The City of London Corporation's overarching initiative to promote the UK as a world-leading international financial centre. It showcases the UK as a great place for financial and professional services firms to invest, locate and grow.

[theglobalcity.uk](http://theglobalcity.uk)



**THE  
GLOBAL  
CITY**

### **About the City of London Corporation:**

The City of London Corporation is the governing body of the Square Mile dedicated to a vibrant and thriving City, supporting a diverse and sustainable London within a globally successful UK.

### **We aim to:**

Contribute to a flourishing society Support a thriving economy  
Shape outstanding environments. By strengthening the connections, capacity and character of the City, London and the UK for the benefit of people who live, work and visit here.

[www.cityoflondon.gov.uk](http://www.cityoflondon.gov.uk)