

Fintech Strategic Review: Terms of Reference

Context

Fintech presents a valuable opportunity to improve financial services for the benefit of consumers, businesses, and government. The UK has established a world-leading fintech ecosystem, due largely in part to strong government support, a forward leaning approach to regulation, and access to skills and capital.

The government recognises now is the time to build on this success; the Covid-19 crisis has shown there is further work to be done to increase mainstream adoption of technology solutions, and to enhance the resilience of UK fintech.

HM Treasury has invited Ron Kalifa OBE to lead an *Independent Strategic Review of UK Fintech* ('the review'). The intention of this review is to establish priority areas for industry, policy makers, and regulators to explore as part of continuing to foster an environment for the ongoing success of UK fintech.

Objectives

The review will consider how the UK can continue to foster innovation, maintain an ecosystem that supports growing firms, and promote the integration of new technologies across financial services.

The review will seek to advance three objectives:

1. Ensuring UK fintech has the resources to grow and succeed
2. Creating the conditions for continued widespread adoption of fintech solutions to benefit businesses and individuals
3. Maintaining and advancing UK fintech's global reputation for the innovation and transformation of financial services

Workstreams

The review will run five workstreams. Each workstream will ultimately make up to three recommendations; each recommendation will seek to advance one or more of the review's objectives.

The five workstreams are:

Skills and Talent: The review will make recommendations for building a robust and diverse UK workforce qualified in areas relevant to emerging financial trends, through developing a domestic skills base and addressing barriers to attracting foreign talent.

Investment: The review will make recommendations for diversifying the UK investment landscape and addressing the challenges to attracting growth funding.

National Connectivity: The review will make recommendations for supporting the growth of regional fintechs through improving intra-region connectivity and leveraging the strengths of other fintech hubs.

Policy: The review will make recommendations for enabling and fostering wider adoption of innovation, including supporting cooperation between fintechs and financial institutions, whilst promoting competition.

International Attractiveness and Competitiveness: The review will make recommendations for promoting UK solutions to overseas markets and support international exports, as well as promoting the UK as a key market to establish and grow a fintech company.

Governance

The Review will be chaired by Ron Kalifa, with Innovate Finance and the City of London Corporation providing the secretariat.

The five work streams will each be led by experienced financial services and fintech professionals.

The Chair and five workstream leads – supported by the secretariat – will constitute the Governance Board, which will provide strategic direction to the review.

The review is being conducted on an independent basis. HM Treasury will attend an initial meeting of the Governance Board to initiate the review. HM Treasury, other government departments, and regulators will not observe the workstreams or attend any subsequent Board meetings. Government and regulators may be consulted as part of the review to provide technical and policy evidence at the Board's request.

The Chair will attend a monthly meeting with HM Treasury to report on development, and the review's progress against its objectives.

The review will seek to complete and report no later six months after initiation, unless otherwise agreed with HM Treasury.

Recommendations made by this review will be for industry, regulators and policy makers to consider. The review will be presented to HM Treasury, who will publish a response.