

FIP September 2023
Joint Statement

The fourth official meeting of the U.S.-UK Financial Innovation Partnership (FIP) took place in Washington, D.C., on September 7, 2023. The U.S. Department of the Treasury hosted the Regulatory Pillar of the FIP with His Majesty's Treasury. Participants gathered to exchange views on topics of mutual interest and to deepen ties between U.S. and UK financial authorities on financial innovation.

U.S. participants included staff from the Board of Governors of the Federal Reserve System, Commodity Futures Trading Commission, Federal Deposit Insurance Corporation, Securities and Exchange Commission, and Office of the Comptroller of the Currency. UK participants included staff from the Bank of England and Financial Conduct Authority. Participation varied across themes with participants expressing views on issues in their respective areas of responsibility.

The meeting focused on four areas of financial innovation: 1) cryptoassets, 2) payment system modernisation, 3) distributed ledger technology, and 4) artificial intelligence.

Participants opened the meeting with an exchange of updates on cryptoasset legislation, regulation, and enforcement. Participants also shared their priorities on cryptoasset work in international fora, including the G20 and Financial Stability Board, noting the importance of continued cooperation in this space.

On payments, participants discussed their priorities under the G20 Roadmap for Enhancing Cross-Border Payments. Additionally, agency representatives exchanged updates on domestic payment system modernisation efforts, including work related to exploring central bank digital currencies.

Finally, participants exchanged observations on the adoption of distributed ledger technology in financial services and its potential risks and benefits, and the UK set out details about its new digital securities sandbox. Participants discussed opportunities for collaboration and information sharing regarding digital assets. In addition, participants held a conversation on opportunities and possible emerging vulnerabilities associated with the use of artificial intelligence in financial services.

Participants recognised the continued importance of their partnership on financial innovation as an integral component of U.S.-UK financial services cooperation. The meeting concluded with participants noting a desire to continue engagement on these topics ahead of the next U.S.-UK Financial Regulatory Working Group (FRWG) in 2024.

The FIP was inaugurated in 2019 at the FRWG as a means of boosting U.S.-UK engagement on financial innovation issues. The FIP held its inaugural meeting in August 2020 and convened most recently in June 2022.