The Starmer Government and the Financial Services industry: partners in growth?

H/Advisors Cicero Analysis

27 August 2024

Cicero Analysis

The central mission of the first Labour Government in 14 years is to achieve the highest sustained growth in the G7. Throughout its first few weeks, the new administration has signalled the financial services industry will be crucial in achieving its objectives.

In her first few days in office, Chancellor Rachel Reeves announced that work had begun to align the UK Infrastructure Bank and the British Business Bank under the new National Wealth Fund, supported with £7.3 billion over the course of the next Parliament to crowd in private capital to growth industries and infrastructure. The Chancellor also announced sweeping reforms to the National Planning Policy Framework, to "deliver the infrastructure that our country needs".

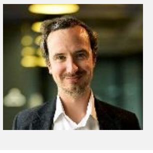
Recognising the need to mobilise private capital to growth industries and infrastructure, the first joint Treasury/DWP Pensions Minister, Emma Reynolds, announced a "landmark review" to consider how best to utilise pension assets. The first stage, currently underway, is focusing on scheme consolidation to allow for greater investment in long-term assets at scale, and encouraging "broader investment strategies". The second, to commence later this year, will consider how to improve pension outcomes and increase investment in UK markets.

The Chancellor also welcomed reforms designed to increase the competitiveness of the UK as a global financial centre. After regulatory developments were paused during the General Election, the Financial Conduct Authority finally published new listings rules that mark a shift from an ex-ante to a disclosure-based approach to regulation. In response, the Chancellor commented "The financial services sector is central to the UK economy, and at the heart of this government's growth mission. These new rules represent a significant first step towards reinvigorating our capital markets".

After concluding her first month as Chancellor by publishing a Treasury audit of public spending that revealed a £20 billion deficit, it is clear the new Government will continue to rely on the support of the financial services industry to help achieve its growth mission. It is also clear, from the Chancellor taking the lead on a range of major policy initiatives that would traditionally sit in other Departments, that all the levers of growth will be firmly within the Treasury's reach.

This overview will introduce the Ministers and Special Advisors who will be at the heart of the Government's engagement with the financial services industry. It also includes our financial regulation and policy tracker with commentary from H/Advisor Cicero consultants, and a summary of the advocacy priorities of trade bodies from across industry.

To discuss how H/Advisors Cicero can help your organisation work with Government, Whitehall and Westminster contact the following:



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Ministers

The Chancellor will need to deploy her full Ministerial team to meet Labour's manifesto ambition to achieve the highest sustained growth in the G7 over consecutive years by the end of this Parliament

This is no more clearly signalled than in renaming the Financial Secretary to the Treasury, the Growth Minister, with responsibility for growth, productivity and investment. This considerable brief has been given to Lord Spencer Livermore, a former special advisor to Chancellor (and later Prime Minister) Gordon Brown. Lord Livermore was elevated to the Lords in 2015, after serving as Director of Labour's 2015 election campaign. He has also worked for McKinsey & Co in their European Banking Practice and spoken on alternative investments, green finance and pensions reform in his former capacity as Shadow Lords Treasury Minister.

The crucial housing, planning and infrastructure investment briefs sit with Chief Secretary to the Treasury, and Cabinet member, Darren Jones. Following in Reeves' footsteps, Jones took over as Chair of the Business Select Committee after Reeves was appointed Shadow Chancellor. After a series of profile-raising Committee room exchanges with senior executives from all sectors, Jones was appointed Shadow Chief Secretary in September 2023. He has advocated for planning reform, pension reform, industrial strategies and skills reforms to help mobilise capital and prevent businesses from relocating overseas.

New City Minister Tulip Siddiq held the Shadow Economic Secretary to the Treasury (EST) brief since December 2021. In this time, she has been building relationships with the firms, trade associations and consumer advocates that are crucial for an EST to deliver for the sector. As Shadow EST, Siddiq called for continued free access to cash, advocated for a regulatory framework for crypto assets and welcomed the FCA's secondary competitiveness and growth objective.

Special Advisors

HM Treasury special advisors (or SpAds) are always key appointments whose careers are worth following. In 1997, Chancellor Gordon Brown's SpAds included future Leader of the Opposition and now Energy Secretary Ed Miliband, and future Shadow Chancellor turned political commentator, Ed Balls. In 2019, Prime Minister Boris Johnson's attempts to remove key SpAds from Chancellor Sajid Javid's team led to Javid's resignation and a series of events that would culminate in Rishi Sunak becoming Chancellor.

Chancellor Rachel Reeves has – thus far-appointed a team of nine SpAds. Their mix of civil service experience, academic expertise and party-political backgrounds tells us the Chancellor knows what she wants to get done and crucially, how to get it done.

Two recent additions to Reeves' inner circle underscore the priority both green growth and productivity have in Starmer's Government. Professor John van Reenen and Dr Anna Valero both join Reeves' inner circle from the London School of Economics (LSE), where they have co-authored papers on green industrial policy and UK productivity, among other topics. They have built a considerable corpus of work on addressing the perennial productivity problem and advocated for the delivery of a "rapid and fair transition to net zero".

Reeves' appointment of seasoned political fixers will no doubt aid the delivery of what the Chancellor has described as the "difficult decisions" to "fix the foundations of the economy". Matt Pound, Reeves' new Political Secretary, has previously worked as National Organiser for Labour First, a group perceived as being the "right wing" of the Labour Party that successfully organised against Jeremy Corbyn's leadership and supported Starmer's leadership bid. With the Government already facing calls to scrap the two child benefit cap from backbench Labour MPs, figures like Pound and long-serving SpAd, Ben Nunn will be key to countering campaigns from MPs, Trade Unions and other Labour stakeholders.

HM Treasury Team

Rt Hon Rachel Reeves MP
Chancellor of the Exchequer

Rt Hon Darren Jones MP
Chief Secretary to the Treasury

Lord Livermore
Financial Secretary to the Treasury

James Murray MP
Exchequer Secretary to the Treasury

Tulip Siddiq MP
Economic Secretary to the Treasury

Emma Reynolds MP
Minister for Pensions

HM Treasury Team

Katie Martin
Chancellor's Chief of Staff

Rhodri Thomas
Chancellor's SpAd

Ben Nunn
Chancellor's SpAd

Matt Pound
Chancellor's SpAd

John van Reenen
Economic Advisory Council

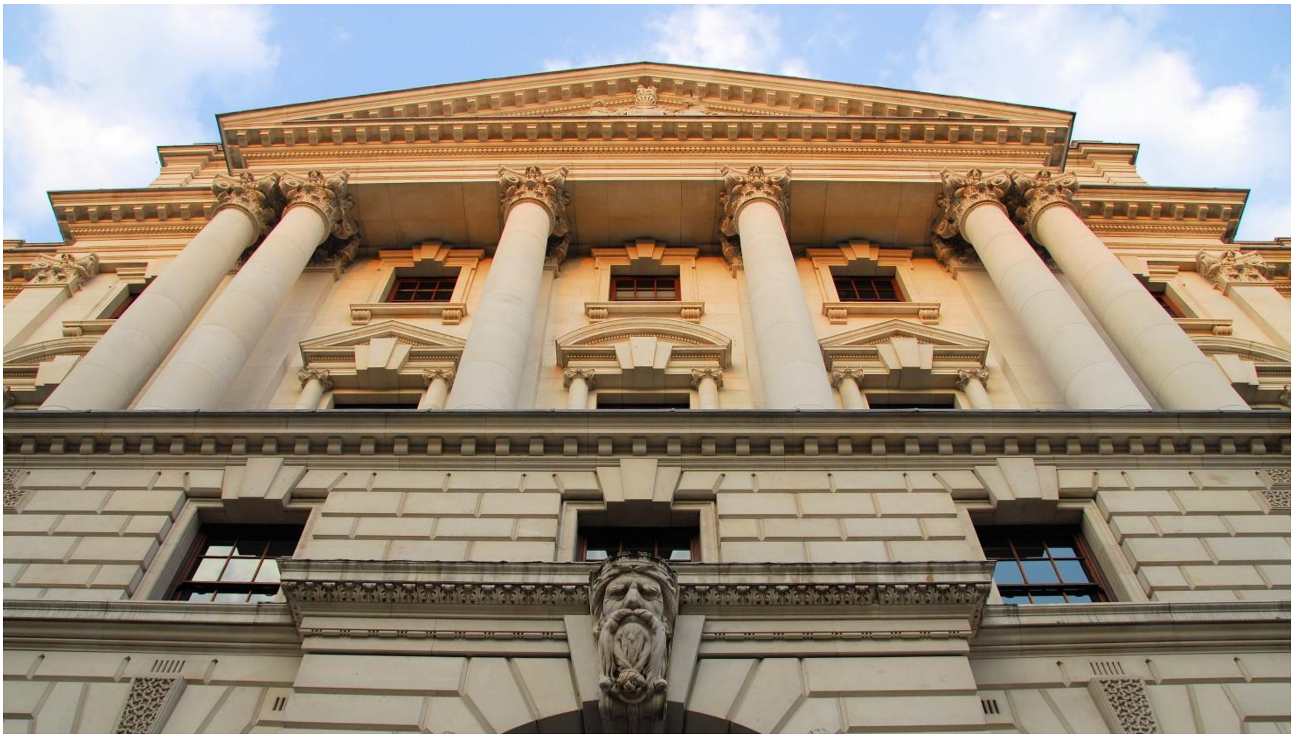
Anna Valero
Economic Advisory Council

HM Treasury Team

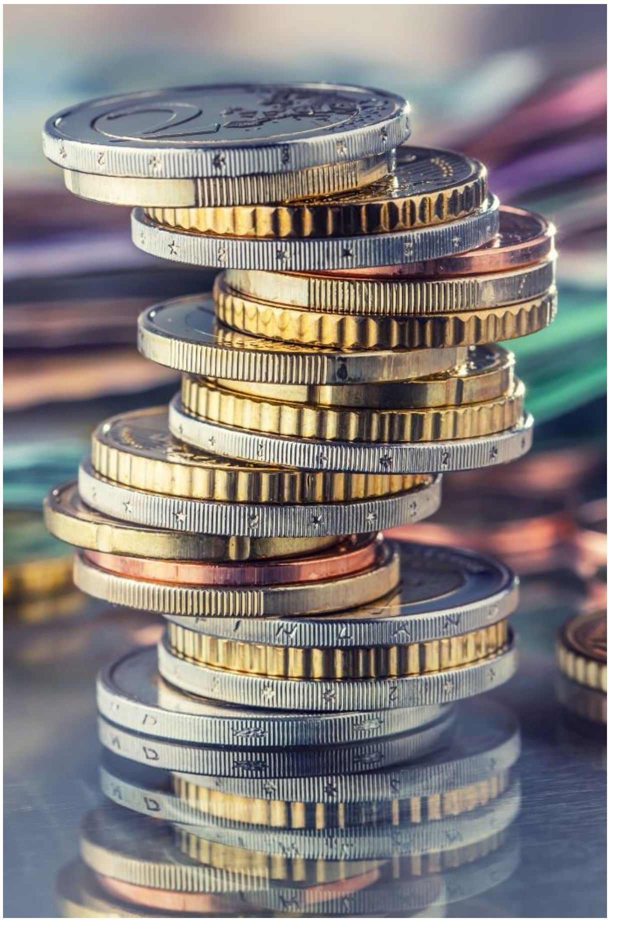
Spencer Thompson
Economic Advisory Council

Neil Amin-Smith
Economic Advisory Council

Louise Tinsley
Director of Advisors and Chancellor Engagement



Trade associations: Key advocacy issues



There are several notable commonalities among the 7 trade association manifestos for the new Government summarised below.

Firstly, the primacy of economic growth and competitiveness. Each of the policy documents prepared for the new Government emphasise the contribution of the respective trade associations' members or the financial services industry as a whole. These include proposals for driving institutional investment, such as specific regulatory measures, and for increasing retail demand for investment products, such as reforming the financial advice market.

To that effect, many of the manifestos also focus on how the Government can empower consumers to diversify their savings and invest with confidence. Measures include teaching financial education in schools, introducing a new Fraud and Scams Bill to protect consumers and expanding retail access to UK capital markets.

Trade associations also highlight the role of industry in helping Government achieve its green energy and transition ambitions and some bodies (notably the ABI and the BVCA) note how their members are advancing Labour's workers rights plans, through proposals like strengthening the Statutory Sick Pay system and supporting lifelong learning and training.

The new Government has already enacted some common recommendations, such as considering how to encourage pension scheme consolidation and supporting the FCA's Advice/Guidance Boundary Review. However, other shared areas of concern will see pressure exerted from a broad coalition of industry representatives.

On taxation, several trade associations have called on the Government to cut Insurance Premium Tax, provide tax incentives to businesses to invest in cyber security and foster a tax system that encourages consumer investment. On fraud, the Government faces calls to expand the scope of the Economic Crime Levy to include internet services providers and telecoms companies and to introduce new legislation to take action against technology service platforms that facilitate fraud. And on competitiveness, several trade associations call for a dedicated Competitiveness Champion with broad powers to review the delivery of the regulators' secondary competitiveness objectives.

Policy

TRADE ASSOCIATION	TAX	COMPETITIVENESS	FRAUD
ABI	Cut Insurance Premium Tax, remove NI charged on employers when they provide private medical insurance, remove the double taxation of group income protection provided through salary sacrifice	Work with regulators, consumer groups and industry to ensure the UK's regulatory culture supports international competitiveness	Continue cooperation between government and industry to tackle fraud and financial crime
UK Finance	Publish a tax roadmap for financial services, use tax incentives to encourage businesses to invest in cyber security,	Enhance the new secondary competitiveness objective given to financial services regulators by creating a new Competitiveness Champion. Their remit will extend to producing an annual report to Parliament on the burden of regulation for financial services, including the impacts on different types of financial services firms	Introduce a new Fraud and Scams Bill which draws on the Online Fraud Charter, bring internet services providers and telecoms companies into the scope of the Economic Crime Levy

Policy

TRADE ASSOCIATION	TAX	COMPETITIVENESS	FRAUD
TheCityUK	Deliver a roadmap for tax policy, review VAT, address the uncompetitive overall tax rate on banks, phase out the bank levy and surcharge	Provide appropriate scrutiny of how the regulators deliver their statutory objectives and functions, including their new secondary competitiveness and growth objective, work with regulators and industry to ensure that the regulators' metrics to measure the delivery of their secondary objective are refined over time to remain relevant, develop a framework to track the competitiveness of the UK regulatory environment against those of other international financial centres	
British Insurance Brokers' Association	Cut the headline rate of IPT from 12% to 10%, exempt insurance premiums for multi-occupancy residential buildings that require or are undergoing remediation from IPT, exempt cyber insurance premiums from IPT, charge standard rate of IPT on travel insurance premiums	For Parliament and Government to provide robust and effective scrutiny of the secondary objective, facilitated by appropriate Government approved metrics, to achieve more proportionate regulation by revising the scope of the consumer duty in the general insurance sector to only "eligible complainants" as per the existing FCA handbook definition	

Policy

TRADE ASSOCIATION	TAX	COMPETITIVENESS	FRAUD
PIMFA	Review whether tax incentives to save and invest are targeted at the right groups, create a tax framework that encourages investment	Appoint a Competitiveness Champion within Government to oversee the operation of the secondary objective. The Champion should review current regulatory barriers for all firm sizes and work with industry to set a way ahead in dismantling these barriers	
PENSIONS AND LIFETIME SAVINGS ASSOCIATION	Allow tax free dividends on investments by pension funds in UK companies, provide tax incentives to invest in UK start-ups and companies requiring late-stage growth capital		
bvca Member Firm	Foster a stable and competitive tax framework, expand R&D tax credits, lift limits on tax relief schemes to enable VCs to invest in later stage regional funds	Ensure a stable economy, world class regulatory standards proportionally applied, competitive advantages to maintain scale and breadth of talent, and predictable policy frameworks for growth sectors	

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Red	A policy that will prove controversial and attract significant media, industry and political attention.
Amber	A policy that is likely to attract a degree of attention and cause debate.
Green	A policy that is likely to receive less attention and should be enacted without significant debate or major changes.

Policy	Status	Impact of the new Government	On track?
Approach to **enforcement and publicising investigations** (see here)	In February 2024, the Financial Conduct Authority (FCA) launched a consultation on proposed reforms to its enforcement regime. The consultation, which closed in April, sought to adopt a looser threshold for the public interest framework, allowing the FCA to publish the subjects of enforcement investigations earlier in the process. The reforms received much criticism in Westminster, including from the City Minister, the Treasury Select Committee and the Lords Financial Services Regulation Committee, which launched an inquiry into the issue.	Prior to the election being called, the FCA indicated it would respond to its consultation later in the year. The FCA is likely to face pressure from the new Government on the issue. Following the FCA's publication of its listing rule reforms on 11 July 2024, City Minister Tulip Siddiq reiterated her pre-election promise to "commit to improving the international competitiveness of the financial sector in the UK". The Financial Services Regulation Committee's inquiry into the enforcement reforms ceased when Parliament was prorogued, although the Committee has relaunched the consultation, extending the deadline for written evidence submissions to 11 October 2024. Meanwhile, the sector has also registered its concerns. TheCityUK, for example, warned that the proposals are "not proportionate and do not align with the FCA's new secondary objective concerning international competitiveness, diverging from approaches in other leading financial centres." This opposition both in the Square Mile and across parties in Westminster could lead the regulator to water down its proposals when it appears in front of the Financial Services Regulation Committee.	Red

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Policy	Status	Impact of the new Government	On track?
A **UK consolidated tape** (see here)	The policy development process for the consolidated tape is advanced. The FCA consulted in July 2023, and published a Policy Statement in December 2023. The statutory instrument paving the way for the consolidated tape – the Data Reporting Services Regulations 2023 – came into force in April 2024. In terms of implementation, the bond consolidated tape is expected to go live in H2 2025. The FCA will update on the next steps for an equities consolidated tape in 2024.	Given that this process for the bond consolidated tape is relatively advanced, it should be able to progress without the change in government posing any major hurdles. The statutory instrument has entered into force and the 2025 implementation date is set. The FCA will be working to ensure the consolidated tape can indeed meet that target. On the Equities Consolidated Tape, on 13 August 2024 the FCA announced it had commissioned consultants from Europe Economics to undertake independent analysis of the impact of the inclusions of pre-trade data on the stability and resilience of UK equity markets. The FCA will provide a further update before the end of 2024.	

WHOLESALE & CAPITAL MARKETS

Policy	Status	Impact of the new Government	On track?
Reforms to the **UK listings regime and secondary equity markets** (see here)	In May 2023, the FCA consulted on proposals to streamline listings rules to make the UK a more attractive destination to list. It proposed the creation of a simpler, more disclosure-based listing regime with a single commercial company category rather than the current standard and premium listing share strategies. A December 2023 consultation paper confirmed these proposals. Two tranches of the new draft UK Listings Rules (UKLRs) were published for consultation which set out the proposals in more detail.	The FCA published rules on 11 July that set out a simplified listings regime with a single category and streamlined eligibility for those companies seeking to list their shares in the UK. Despite FCA CEO Nikhil Rathi repeatedly warning that the shift from ex-ante to disclosure-based rules these reforms present could increase the risk of investor losses, the Chancellor nonetheless backed the reforms and provided a supportive quote. The Chancellor’s tacit acceptance of risk reallocation may signal the Government is willing to engage in a debate on the need to balance risk appetite and risk allocation with investor returns and capital mobilisation.	

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Policy	Status	Impact of the new Government	On track?
Accelerated Settlement Taskforce (see here)	In March 2024, the Accelerated Settlement Taskforce set up by the Treasury published a report recommending that the UK move to a T+1 settlement cycle. The Government accepted all the recommendations and appointed a Technical Group, tasked with determining the appropriate scope of a move to T+1, assessing technical and operational changes and how they should be implemented. The Technical Group is due to produce a report with its findings and recommendations by the end of 2024.	The move to T+1 is reflective of a trend taking place in global financial markets and the Technical Group is still expected to report by the end of the year. May's meeting of the EU-UK Financial Regulatory Forum touched on shortening the settlement cycle and coordination between the EU and the UK on the timing of this move. Labour has recognised the work of the Taskforce as part of the agenda to make the UK's capital markets more attractive and said it will evaluate the progress made in adopting the recommendations of the review to deliver the intended outcomes.	

WHOLESALE & CAPITAL MARKETS

Policy	Status	Impact of the new Government	On track?
A **new class of wholesale market venue** (see here)	In March 2024, the Treasury consulted on the introduction of a new class of wholesale market which would operate on an intermittent trading basis – known as PISCES (the Private Intermittent Securities and Capital Exchange System). The consultation closed in April and the Government planned to lay secondary legislation in Parliament this year, ahead of the launch of the PISCES sandbox by the end of 2024. The FCA is also due to consult on the processes for taking part in the sandbox and the rules that will apply to firms within the sandbox at the end of 2024.	A response to the consultation is yet to be published and the new Government will likely want to review, potentially pushing back work to lay the groundwork for the launch of PISCES.	

WHOLESALE & CAPITAL MARKETS

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Policy	Status	Impact of the new Government	On track?
Reforming the **Short Selling Regulation** (see here)	In December 2022, the Government consulted on the best way to regulate short selling in the UK. Two key changes surrounding the introduction of an aggregated net short position disclosure regime and an increase in the current disclosure threshold for net short position reporting were included in draft secondary legislation reforming the Short Selling Regulation. The secondary legislation has not been laid before Parliament.	Progress on reforming the Short Selling Regulation stalled after the announcement of the general election. Labour has not yet expressed a view on whether it supports the reforms, but they are likely to review the proposals.	

WHOLESALE & CAPITAL MARKETS

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Policy	Status	Impact of the new Government	On track?
Reforming the **Securitisation Regulation** (see here)	The secondary legislation establishing a new legislative framework for securitisation came into force in January 2024. Following separate consultations, rules from the FCA and Prudential Regulation Authority (PRA) will enter into force on 1 November 2024. The FCA and PRA plan to consult on further changes to our securitisation rules in Q4 2024/Q1 2025. The PRA is due to publish a response to its consultation on capital requirements for securitisation exposures.	This process is advanced and will largely be unaffected. PRA and FCA rules relating to the Securitisation Regulation come into effect in November. Timings may change slightly for the FCA and PRA consultations on further changes to securitisation rules.	
Overhauling the **UK's regulation of prospectuses** (click here)	The Government introduced secondary legislation setting out a new regulatory framework for a new public offers regime and empowering the FCA to replace the prospectus regime which came into effect in January 2024.	On 26 July 2024, the FCA published proposed rules to establish the new Public Offers and Admissions to Trading Regime (POATRs), which will replace the existing UK Prospectus Regulation.	

WHOLESALE & CAPITAL MARKETS

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Policy	Status	Impact of the new Government	On track?
Secondary Capital Raising Review / Digitisation Taskforce (see here)	Following the conclusion of the Secondary Capital Raising Review in July 2022, the Digitisation Taskforce was launched to "drive forward the modernisation of the UK's shareholding framework". It published an interim report in July 2023 and sought industry feedback. The final report of the Taskforce is due.	It is unclear when the Taskforce will publish its report. Labour has recognised the work of the Taskforce and said it will evaluate the progress made in adopting the recommendations of the review.	
Digital securities sandbox (see here)	In July 2023, the Government consulted on the Digital Securities Sandbox (DSS), which is intended to enable digital securities to be tested and ultimately adopted across financial markets. Secondary legislation implementing the DSS came into force on 8 January. A joint Bank of England and FCA consultation was launched in April, delving into the details of the proposed stages of the DSS, including eligibility and the application process. The consultation closed on 29 May.	The development of the DSS is advanced, and, pre-election, the FCA had hoped the sandbox would be open for applications during the summer. The new Government has demonstrated its openness to the introduction of the sandbox to trial innovative ideas. In *Financing Growth*, Labour pledged to "advance the initial progress to introduce the financial market infrastructure regulatory sandboxes".	

WHOLESALE & CAPITAL MARKETS

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Policy	Status	Impact of the new Government	On track?
Review of the **Senior Managers & Certification Regime (SMCR)** (click here)	The Government launched a call for evidence in March 2023 to inform its review of the SMCR. In parallel, the FCA and PRA published a consultation paper which largely replicated the Government's call for evidence by seeking to understand the interaction of the SMCR with other regulatory regimes and whether it imposes unnecessary burdens. The Government, FCA and PRA are due to publish their responses this year.	The impact of the election on the SMCR review is unclear. There is close collaboration between the Treasury and the regulators on this issue, and the new Government could shift the direction of the reforms. Labour has previously registered its scepticism of the proposed reforms, with City Minister Tulip Siddiq saying she was "quite worried" about the proposed overhaul, but she may be open to changes that reduce bureaucracy while maintaining provisions that hold senior managers accountable.	
Long-term Investment for Technology and Science (LIFTS) (see here)	In March 2023, the Government announced it would launch the LIFTS initiatives aimed at leveraging DC pension funds to invest in innovative companies. Following a call for proposals for new funds or investment structures from the British Business Bank in May 2023, the Government released further details of the LIFTS initiative – specifically, the announcement that £250m had been allocated to two successful bidders subject to final agreement.	The process is well underway, with the first bidders selected, subject to final agreement. Labour's proposals are very similar to the current LIFTS scheme. Pre-election, Chancellor Rachel Reeves said a Labour Government would also create a framework to allow pension funds to invest in promising new businesses alongside the BBB (as the Government is already proposing through LIFTS).	

ASSET MANAGEMENT & FUNDS

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Policy	Status	Impact of the new Government	On track?
The regulatory response to **risks identified in the non-bank sector** (see here)	In November 2023, the Bank of England launched a hypothetical stress scenario as part of the system-wide exploratory scenario (SWES), which seeks to better understand how UK financial markets core to UK financial stability function under stress. The second round of this scenario phase was launched in Q2 2024, and the Bank expected to publish a final report on the SWES by the end of 2024.	Work on the SWES continued behind the scenes. On 22 July, the FSB published its progress report on enhancing the resilience of NBFIs, claiming "The global financial system remains vulnerable to further liquidity strains, as many of the underlying vulnerabilities and key amplifiers in the NBFI sector during recent market incidents are still in place".	

ASSET MANAGEMENT & FUNDS

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Policy	Status	Impact of the new Government	On track?
Updating and improving the **UK regime for asset management** (see here)	The FCA consulted on a discussion paper on 'updating and improving the UK regime for asset management' in February 2023. The paper put forward a wide range of ideas in a generally broad-brush approach, but a speech from Ashley Alder in October 2023 confirmed three priorities for reform: making the regime for alternative fund managers more proportionate; updating the regime for retail funds; and supporting technological innovation. The FCA is due to progress this agenda by consulting the specific changes to the rules that it seeks to implement. This should take the form of a feedback statement and consultation paper. The Regulatory Initiatives Grid will shed some light on what can be expected.	The next updates from the FCA on which areas it plans to consult further on as part of this agenda are expected later in 2024. There will be some questions about complementary work that the previous Government conducted as part of the Smarter Regulatory Framework (SRF). For example, it pledged as part of 'tranche 3' of the SRF to review the Alternative Investment Fund Managers Directive (AIFMD) over the coming year. However, the FCA will be keen to receive buy-in from the new City Minister on the sequencing and pace of file transfers.	

ASSET MANAGEMENT & FUNDS

Policy	Status	Impact of the new Government	On track?
Repealing the **Packaged Retail and Insurance-based Investment Products (PRIIPs) Regulation** (see here)	As part of the Edinburgh reforms, the previous Government consulted on plans to revoke the PRIIPs. Its consultation response confirmed an intention to remove all firm-facing retail disclosure requirements currently in the PRIIPs Regulation. The Government then published a draft statutory instrument enabling the FCA to deliver the new retail disclosure regime and repeal PRIIPs. This was not laid before Parliament. The FCA issued a discussion paper in December 2022 on draft rules for the new retail disclosure regime. A feedback statement and consultation paper are expected at the same time as the statutory instrument is laid, which had initially been set for H1 2024.	The process to repeal PRIIPs had stalled slightly. The FCA consultation has been delayed as the previous Government did not lay the secondary legislation before Parliament was dissolved. It is not clear when this will now be laid, but there is broad support for addressing issues with the PRIIPs regime.	

ASSET MANAGEMENT & FUNDS

Policy	Status	Impact of the new Government	On track?
Investment trust cost disclosures	The issue of investment trust cost disclosures has been raised by several parliamentarians to the Government and regulators, but not met with the same urgency. The Government had committed to reviewing the Alternative Investment Fund Management Regulations (AIFMR) in Q2 2024. Meanwhile, the FCA recognises "some instances of cost disclosure not reflecting the true costs of an investment" and is due to consult on making the AIFMD more proportionate. Baroness Altmann's Alternative Investment Fund Designation Bill sought to simplify the AIFMD by removing cost reporting requirements that otherwise inflate the costs of listed investment companies. It was not included in the parliamentary 'washup' process and has been dropped. She is free to re-table the Bill now the new session of Parliament has begun.	The issue of investment trusts and cost disclosures has not been a priority for the Conservatives or Labour. The Conservative Government's pledged review of the AIFMR did not take place. It remains to be seen how the Labour Government will respond to industry and parliamentary lobbying on the issue. Meanwhile, the FCA consultation is expected to take a broad-brush approach to the issue and come through its work on the asset management regime, which should remain on track.	

ASSET MANAGEMENT & FUNDS

Policy	Status	Impact of the new Government	On track?
The **Overseas Funds Regime** (see here)	The FCA had consulted in December 2023 on rules and guidance to integrate the OFR into the FCA handbook. The Treasury has since confirmed that states in the European Economic Area (EEA) will be deemed equivalent under the OFR, and published a roadmap with a timeline and next steps for EEA UCITS funds that wish to apply for FCA recognition under the OFR. Legislation enacting the Treasury's EEA equivalence decision was due in Q2 2024. The FCA has set out a timeline for funds to apply for recognition under the OFR. • The gateway for non-TMPR funds (Temporary Marketing Permissions Regime) opens in September 2024, while for TMPR stand-alone schemes it opens in October 2024. • Funds already in the TMPR can apply for a series of 'landing slots' to smooth the transition period.	On 11 July, the FCA published a Policy Statement detailing its final rules and guidance on the implementation of the Overseas Funds Regime. The final rules came into effect on 31 July 2024, with the processes for both TMPR and non-TMPR funds to apply for the OFR beginning later this year.	

ASSET MANAGEMENT & FUNDS

Policy	Status	Impact of the new Government	On track?
VAT treatment of fund management (see here)	In December 2022, the Government consulted on a proposal to ensure current UK policy on the VAT treatment of funds is included in UK law. This would establish the VAT liability of fund management without requiring reference to case law and guidance. The aim of the proposal was to provide additional certainty and clarity to taxpayers. Its response in December 2023 confirmed it will keep a list-based approach to the VAT exemption for the management of funds. HMRC will issue updated guidance in relation to model portfolio services and the definition of management in the coming months.	The consultation's stated aim was to codify existing policy and provide legal clarity, rather than bring about policy changes. The HMRC guidance on model portfolio services and the definition of management is yet to be published.	
Introduction of the **Long-Term Asset Fund (LTAF)** (see here)	The Government committed to replacing the European Long-Term Investment Fund (ELTIF) with the new UK LTAF. The FCA published a Policy Statement in June 2023 which proposed to extend the distribution to allow mass market retail investors, as well as DC pension schemes, to invest in an LTAF. The new handbook rules and guidance came into force in July 2023. The Government has introduced The Financial Services and Markets Act 2023 (Consequential Amendments) Regulations 2023, which repealed the ELTIF rules. It came into force on 1 January 2024.	The LTAF is supported by both parties. Labour has indicated it is open to working to broaden pension scheme coverage of the LTAF, exploring ways to foster the provision of LTAF products for ISA investors and looking at ways to support the coordination of investment with the British Business Bank (BBB).	

ASSET MANAGEMENT & FUNDS

Policy	Status	Impact of the new Government	On track?
Review of the Financial Services Compensation Scheme (see here)	In 2021/22, the FCA consulted on the compensation review framework, after increasing compensation costs prompted questions about the fairness of the Financial Services Compensation Scheme (FSCS) levies and how the FSCS should be funded. Following a Feedback Statement in December 2022, the FCA pledged to consult on any proposed changes to the compensation rules during 2023/24 with a view to confirming any changes by the end of that financial year.	This workstream has already missed an earlier 2023/24 deadline and may have fallen down the agenda. Publication of the consultation paper was not expected immediately so the general election may have had little impact.	

CRITICAL THIRD PARTIES, DIGITAL ASSETS & CRYPTO

Policy	Status	Impact of the new Government	On track?
Operational resilience of **Critical Third-Party (CTP) technology providers** (see here)	The FCA and Bank of England have issued a discussion and consultation paper on a new regime for regulating critical third-parties. The feedback window for the second paper, which looked specifically at the use of cloud storage by the financial sector, closed in March 2024, and the regulators aim to issue final requirements and expectations for CTPs in the second half of 2024. The Treasury also published its approach for the designation of CTPs in March 2024. In the EU the Commission adopted rules in February 2024 on cloud for the financial sector (Regulation 2022/2554) that aim to protect the EU banking sector from risks related to the use of CTPs.	The work on CTPs is relatively advanced and the regulators should be able to issue their final expectations in H2 2024. This is an issue that the new Government may want to look at however, given it is a perceived matter of systemic stability and the Treasury has a role to play going forward. This is particularly the case as the Cyber Security and Resilience Bill introduced in the King's Speech could expand the scope of existing op res regulations.	

CRITICAL THIRD PARTIES, DIGITAL ASSETS & CRYPTO

Policy	Status	Impact of the new Government	On track?
Regulation of **crypto assets** (see here)	The Treasury consulted on the regulation of cryptoassets in February 2023, and published three further related documents in October 2023. The work on the regulation of financial promotions relating to cryptoassets is advanced, with secondary legislation coming into force and the FCA publishing a Policy Statement. A second phase of secondary legislation on the regulation of cryptoassets is scheduled to be laid in 2024.	This is an area where delays are expected, as the new Government will want to develop their own approach despite the progress made so far. Although Labour's views on crypto have softened, when in opposition shadow cabinet ministers referred to the crypto market as a "Ponzi scheme" and the party did not join the previous Government in talking about making the UK a "global cryptoasset hub".	

CRITICAL THIRD PARTIES, DIGITAL ASSETS & CRYPTO

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Policy	Status	Impact of the new Government	On track?
Fund tokenisation (see here)	The Technology Working Group of the Asset Management Taskforce has so far published two reports on fund tokenisation – firstly, a blueprint for tokenisation and a second report identifying use cases for how the blueprint can be applied by a business. A third phase, considering the interaction of AI and other technologies with tokenisation, is due for publication in H2 2024.	In its *Financing Growth* review, Labour pledged to make the UK a global hub for securities tokenisation and work with other financial centres to develop interoperable standards and enable cross border trading of tokenized assets.	

CRITICAL THIRD PARTIES, DIGITAL ASSETS & CRYPTO

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Policy	Status	Impact of the new Government	On track?
Consulting on a UK **retail central bank digital currency** (see here)	In 2023, the Treasury and the Bank of England consulted on a central bank digital currency (CBDC) as part of a longer-term workstream. The consultation formed the first phase, with a second 'design' phase due to run until 2025/26, followed by a decision to progress to a third 'build' stage. Feedback to the consultation highlighted scepticism and a lack of public trust in the idea of a CBDC. As a result, the Government pledged to consult further before introducing primary legislation, although the lack of a timeline suggested the work could be deprioritised if it continues to receive further pushback.	The work on introducing a CBDC is likely to take a few years. Labour has said it "fully supports" the Bank of England's work and would also ensure threats to financial inclusion and stability, as well as privacy, are effectively mitigated in the design of a CBDC. On 30 July, the Bank published a discussion paper on "The Bank of England's approach to innovation in money and payments". In its foreword, Governor Andrew Bailey wrote "we hope this discussion paper constitutes the start of a conversation that will continue into the future to shape and inform our priorities as developments unfold", with the Bank seeking feedback until 31 October 2024.	

CRITICAL THIRD PARTIES, DIGITAL ASSETS & CRYPTO

Policy	Status	Impact of the new Government	On track?
Call for input on **wholesale central bank digital currency** (see here)	On 30 July, the Bank published a discussion paper on "The Bank of England's approach to innovation in money and payments". The paper poses nine broad questions for stakeholder input by 31 October 2024. Question seven asks "What are respondents' views on potential functionalities of a wCBDC and how might these inform wCBDC design? The paper notes that since its 2017 RTGS Renewal Blueprint, industry has shifted towards a more developed set of DLT use cases and several other jurisdictions have started wCBDC development. The Bank outline the outcomes they are seeking from wCBDC provision. These include ensuring wCBDCs have the requisite functionality to support central bank money settlement of tokenised wholesale transactions; innovations such as tokenisation must support the Bank's financial stability and monetary policy objectives; and that the UK's existing financial market infrastructure maintains an appropriate level of interoperability with new DLT-based infrastructure.	This discussion paper was published under the new Government and Labour has said it "fully supports" the Bank of England's work on CBDC more broadly. However, as Governor Andrew Bailey recognises in his foreword to the paper, "The speed at which certain markets and activities become systemic may at times outpace the ability of policymakers to build infrastructures and frameworks to respond". As such, it's unclear whether government will be able to respond to wCBDC opportunities in a timely manner.	

GREEN FINANCE & ESG

Policy	Status	Impact of the new Government	On track?
Updated **Green Finance Strategy** and **the UK's Green Taxonomy** (see here)	The UK's progress on its various green finance initiatives was set out by the 2023 Green Finance Strategy and supplemented by the May 2024 update on the implementation of the Sustainability Disclosure Requirements (SDR). The state of play on these initiatives prior to the election was as follows: • The previous Government said it would consult on endorsing the International Sustainability Standards Board (ISSB) standards and make an eventual decision in 2025. • The Treasury was due to consult on the introduction of requirements for the UK's largest companies to disclose their transition plans in Q2 2024, while the FCA will also consult on its expectations for transition plan disclosures in 2025. • The Department for Work and Pensions (DWP) is looking at potential changes to fiduciary duty, while the Financial Reporting Council (FRC) has launched a review of the UK Stewardship Code. • The Transition Finance Market Review is due to report back later this year. • The Treasury is conducted a review to assess the extent to which regulation of the UK financial system is adequate for the purpose of eliminating the financing of illegal deforestation. • The Government is due to publish a response to its call for evidence on Scope 3 greenhouse gas emissions reporting.	The election of a Labour government has seen renewed impetus for the green finance agenda, after initiatives like the UK Green Taxonomy were stalled by the Conservative government. Labour has said it will set a timeline to introduce a UK Green Taxonomy, and continue to support the endorsement of the ISSB standards and the introduction of requirements for transition plans. Progress in areas such as fiduciary duty, the deforestation review, and the Transition Finance Market Review may see delays. There remains the question of whether Labour would redefine fiduciary duty to include broader ESG, DEI and workers' rights considerations.	

GREEN FINANCE & ESG

Policy	Status	Impact of the new Government	On track?
Sustainability Disclosure Requirements and wider climate-related disclosures (see here)	The FCA published its Policy Statement on Sustainability Disclosure Requirements (SDR) in November 2023. It states that the new anti-greenwashing rule came into effect from 31 May 2024 while the naming and marketing rules for asset managers come into effect from 2 December 2024. The Government has said it would consult on expanding the scope of the SDR to include funds recognised under the Overseas Funds Regime (OFR) in 2024, and, subject to the outcome, publish legislation to advance this in 2025.	The introduction of SDR is advanced and supported by both parties. The consultation on expanding SDR to the OFR may be delayed following the formation of the new government.	
Bringing **ESG ratings providers** into the regulatory perimeter (see here)	The Treasury consulted on whether to bring ESG ratings providers into the FCA's regulatory perimeter in March 2023. The Government's response had initially been expected in Q1 2024 and an update at the Spring Budget confirmed ESG ratings providers would be brought into the regulatory perimeter, but the timeline remains unclear.	During her August 2024 visit to the US and Canada, Chancellor Rachel Reeves announced a new law to regulate ESG ratings providers would be introduced in 2025. It was also widely briefed that the FCA will set and enforce the rule new regime's rules.	

GREEN FINANCE & ESG

Policy	Status	Impact of the new Government	On track?
Diversity and inclusion (see here)	In September 2023, the FCA and PRA published consultation papers on diversity and inclusion in the financial sector. The consultations closed in December 2023 and policy statements are expected in H2 2024. Despite being published separately, the consultations were developed in close alignment, with the proposals being complementary and covering broadly the same topics. The papers cover topics like firm-wide D&I strategies, diversity targets, board governance, and reporting requirements. Both regulators are taking the same approach, with reporting requirements being more rigorous for large firms of over 250 employees.	The timeline has likely been unaffected by the general election. There is a risk that the D&I proposals become politicised, in a similar way that the enforcement proposals have, but the proposed policy is seen by some as lacking teeth. Labour is supportive, and women in finance is a particularly important agenda for Rachel Reeves. Labour has pledged to support the FCA and PRA guidance on D&I, claiming that "increasing diversity in financial services broadens and deepens the talent pool, and delivers better outcomes for businesses".	

RETAIL BANKING & FINANCIAL SERVICES

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Policy	Status	Impact of the new Government	On track?
Ring-fencing (see here)	Following the implementation of the ring-fencing regime for large banks in the UK in January 2019, there was a legislative requirement for the Government to commission an independent review of the regime within two years of it coming into full effect. This review was undertaken by a panel of independent experts, led by Sir Keith Skeoch. The panel delivered its final report of recommendations in March 2022. The previous Government accepted six of the recommendations as beneficial to improve the operation of the regime without undermining financial stability. These include taking banking groups without major investment banking operations out of the regime, updating the definition of a relevant financial institution to remove barriers to SMEs accessing finance, and removing blanket geographical restrictions on ring-fenced banks. Aligned with this, the PRA published a related consultation setting out proposals to ensure that risks arising from ring-fenced banks overseas branches or subsidiaries are not material to the safety and soundness of the bank. Additionally, the previous Government published its response to the consultation on aligning the ring fencing and resolution regimes, with there being broad consensus that proposals to disapply ring-fencing where banks are deemed resolvable is likely to be difficult to operationalise. The ring-fencing taskforce facilitated discussion between the Government, Bank and the PRA to consider the benefits of ring-fencing that should be retained in future policy proposals.	The timeline has been affected by the General Election as it delayed the previous Government's statutory instrument to implement the changes to the ringfencing regime. It is understood that both parties support the measure, and it should be implemented now the election has concluded. In *Financing Growth*, Labour committed to upholding the ring-fencing regime to protect financial stability, and the work to align with the resolution regime, as recommended by the Skeoch Review.	

Policy	Status	Impact of the new Government	On track?
Implementation of the **Basel 3.1 standards** (see here)	The Prudential Regulation Authority (PRA) has published a near-final Policy Statement on the implementation of the Basel 3.1 standards which seek to address more fully approaches to credit risk and credit risk mitigation, the output floor and disclosure (Pillar 3). The PRA's work on SME / infrastructure lending may also follow in this second paper. The PRA has said that the requirements discussed now, however, will be "low" and result in an average increase in Tier 1 capital requirements for UK firms of around 3%, once fully phased in. The PRA intends to publish the final rule instruments, technical standards instrument, and policy in a single subsequent final PS covering the entire Basel 3.1 package, once HM Treasury has made the SI to revoke the relevant parts of the CRR that the final PRA rules will replace. Responses to CP16/22 suggested that firms would need a minimum period of 12 months to implement the Basel 3.1 standard sufficiently in advance of the implementation date. As a result, the PRA has decided to delay the implementation date for the Basel 3.1 standards by six months, to 1 July 2025.	The PRA originally intended to publish a second near-final Policy Statement providing feedback to the remaining chapters of CP16/22 in Q2 2024. That didn't happen due to the pre-election period. It will now do so on 12 September. The PRA decided to delay the implementation date for the Basel 3.1 standards by six months, to 1 July 2025; this date aligns with the date of the Treasury's revocation of the relevant part of the Capital Requirement Regulations, although ahead of the EU's implementation date of 1 January 2026. During the short campaign, a Labour spokesperson said, "Labour has always been clear the implementation of Basel III rules must be implemented in a way that considers the needs of the British economy and ensures our small businesses continue to have access to affordable finance". While implementation should be relatively straightforward, there has been no announcement as yet on when an SI will be introduced.	

RETAIL BANKING & FINANCIAL SERVICES

Policy	Status	Impact of the new Government	On track?
Buy-Now-Pay-Later (BNPL) (see here)	HM Treasury launched a consultation on draft legislation for BNPL in February 2023, which closed in April 2023 and is still awaiting a Government response. In January 2024, Chancellor Jeremy Hunt said that BNPL regulation has been delayed as the Government is being careful and trying not to be heavy-handed given the number of people using it during the cost-of-living crisis. The Chancellor said the Government was eager to be proportionate to not limit the number of people who are using BNPL responsibly.	Labour did not mention the issue in its manifesto but outlined in *Financing Growth*, a plan for regulation which it said had received broad support from the sector, and can be implemented quickly. On 25 July, a Treasury spokesperson said the Government would introduce regulation for BNPL "shortly… to deliver certainty for the sector". The implementation method for regulation remains, however, unclear.	
Consumer Credit Act (CCA) (see here)	In July 2023, the Government published its response to the initial consultation on reform of the CCA. The consultation was the first stage in the reform process in which the consultation acknowledges that CCA reform "will take a number of years to deliver". HM Treasury has acknowledged that reform will require primary legislation, alongside a detailed rulemaking process by the FCA (supported by a Cost Benefit Analysis), and appropriate transitional periods to allow industry to prepare and adapt to new rules.	As a next step, the previous Government was undertaking policy development to produce more detailed proposals, aiming to publish a detailed consultation document seeking views on an array of policy issues in H2 2024. In *Financing Growth*, Labour described the CCA as "failing consumers" and committed to updating it to "provide an outcomes-based approach which is fit for the digital age". However, with a substantial legislative agenda announced in the King's Speech, it is unclear when Parliamentary time will allow for reform of the CCA.	

RETAIL BANKING & FINANCIAL SERVICES

Policy	Status	Impact of the new Government	On track?
Open Banking (see here)	As part of the Retail Banking Market Investigation Order 2017 (the CMA Order), which established open banking in the UK, the nine largest UK banks and building societies were required to set up and fund a central standard setting body for open banking, which is known as the Implementation Entity. This Entity was established as Open Banking Limited (OBL).	The previous Government introduced the Data Protection and Digital Information (No 2) Bill to provide a new regulatory framework to facilitate open banking and open finance. The Bill was intended to allow the FCA to create a Smart Data scheme which would mandate financial institutions to share customer data with them and approved third-parties in real time. While the Bill did not complete its passage through Parliament pre-election, the new Government have introduced the Digital Information and Smart Data Bill in its first King's Speech. The draft Bill has not yet been published.	
Boundary between regulated financial advice and financial guidance (see here)	In December 2023, the FCA consulted on three proposals intended to "smooth the cliff edge" between holistic advice and information and guidance. The second 'targeted support' proposal was identified by the FCA as the preferred option. The deadline for views closed in February 2024, and a feedback statement and consultation paper with more detail on the chosen solution is expected later this year. However, the FCA may well issue a further call for input in 2025.	In *Financing Growth*, Labour committed to support a reform of the advice and guidance boundary and the ongoing consultation on the FCA's three proposals to address the advice gap. The FCA is set to launch a consultation into how pension providers could provide "targeted support" for customers (to be published Winter 2024), with a separate consultation for investment firms launching Spring 2025.	

RETAIL BANKING & FINANCIAL SERVICES

Policy	Status	Impact of the new Government	On track?
Objectives and implementation of a **UK ISA** (see here)	In March 2024, the Treasury launched a consultation on the introduction of a UK ISA with a new £5,000 allowance for people to invest tax-free in UK companies. The consultation was due to run until 6 June.	Labour's views on the UK ISA plans are unclear and it is hard to tell if the Party will back the proposals now elected. It has spoken about simplifying the ISA system and introducing a new £5,000 threshold that may not fit that ambition.	

PENSIONS & RETIREMENT

Policy	Status	Impact of the new Government	On track?
Options for DB schemes (see here)	In February 2024, the Department for Work and Pensions (DWP) consulted on options for DB schemes. The consultation put forward proposals to make pensions surplus extraction easier, including design, eligibility, safeguards, and the viability of a 100% Pension Protection Fund (PPF) underpin. The Government also confirmed it will establish a public sector consolidator by 2026 focusing on schemes that are unattractive to commercial providers.	The DWP consultation closed in April. Labour has announced a pensions and savings review, albeit focused on DC schemes and consolidation of Local Government schemes.	

PENSIONS & RETIREMENT

Policy	Status	Impact of the new Government	On track?
New **DB funding** code (see here)	A new DB funding code was published in draft form by The Pensions Regulator (TPR) in December 2022. Secondary legislation on the statement of strategy for trustees was laid in Parliament and confirmed that the final version of the new code will come into effect from 22 September 2024. The TPR was due to publish the final version in June 2024. The statutory instrument also requires trustees or managers to regularly prepare a funding and investment strategy with the aim of ensuring that pensions and other scheme benefits can be provided over the long term. The TPR is consulted on the statement of strategy in February.	The Government laid the TPR's new DB funding code in Parliament on 29 July. The new code sets out to trustees, sponsoring employers and advisers TPR's guidance and expectations on how to comply with the Funding and Investment Strategy requirements. Once in force, it will replace the existing DB funding code, introduced in 2014, for valuations with effective dates on or after 22 September 2024.	

PENSIONS & RETIREMENT

Policy	Status	Impact of the new Government	On track?
Local Government Pension Scheme asset pooling (see here)	In July 2023, the Government consulted on Local Government Pension Scheme (LGPS) asset pooling and proposed a 31 March 2025 deadline for when funds should transfer all assets to their pool. The consultation response in November 2023 confirmed the 2025 deadline would remain and that the Government would proceed with proposals for a preferred model of pooling and for an LGPS to invest 10% of its assets in private equity and 5% in levelling up. The previous Government was due to update investment strategy statement guidance to instruct funds to either transition assets by March 2025 or follow a 'comply or explain' regime for not doing so.	Labour is supportive of the push for LGPS asset pooling. The first phase of Labour's pensions and savings review will consider how best to "tackle fragmentation and inefficiency in the LGPS through consolidation and improved governance". The first phase of the review will report initial finds by the end of 2024, ahead of the introduction of the Pension Schemes Bill in 2025.	
Value for Money reforms (see here) and **Consolidation in Defined Contribution (DC) pension schemes**	On 30 January 2023, the DWP, FCA and the TPR launched a consultation on a value for money framework for DC pension schemes. The consultation covered the metrics, standards and disclosures to be made by schemes to determine whether they were providing value for money to scheme members. A joint response was published in July 2023, setting out proposals to proposals to facilitate consolidation, encourage investment in UK assets and stimulate competition.	The Pension Schemes Bill, featured in the King's Speech, includes measures to introduce a standardised test that trust based DC schemes will need to meet to demonstrate they deliver value (intended to result in consolidation of smaller schemes). The Bill is anticipated to progress in Spring 2025. On 8 August, the FCA published a consultation on its proposals for a value for money framework. These include requiring funds to disclose the proportion of UK assets they hold and the data points to be captured when making value for money assessments.	

PENSIONS & RETIREMENT

Policy	Status	Impact of the new Government	On track?
Expansion of **automatic enrolment** (see here)	A Private Members' Bill – the Pensions (Extension of Automatic Enrolment) Act 2023 – which expands automatic enrolment was passed in September 2023. It abolishes the lower earning limit and reduces the enrolment age to 18. DWP had committed to consulting on the expansion of automatic enrolment "at the earliest opportunity".	All parties supported this move, and the consultation should go ahead at some point in the new Parliament. Any regulations bringing into force the changes from the Pensions (Extension of Automatic Enrolment) Act will have to wait until after the summer recess. Labour was supportive of this expansion of automatic enrolment, and the second phase of its pensions review (expected to commence early 2025) will consider retirement adequacy.	
State Pension	The UK Government's state pension triple lock is a system that increases the state pension each April based on the highest of three measures: • Inflation: As measured by the Consumer Prices Index (CPI) in September of the previous year • Average wage increase: Across the UK between May and July • 2.5%: A fixed percentage	The election has not affected the state pension triple lock, which the Labour Government remains committed to.	

EU – UK DEVELOPMENTS

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	Previous Government	Labour Government
The future of **EU-UK regulatory divergence vs alignment**	The Conservative government had been seeking a competitive advantage where appropriate, but not pursuing 'divergence for divergence's sake'. Conversely, as the EU reviews and reforms its own policy, divergence will occur even when the UK does nothing. The Treasury's Edinburgh Reforms provided a shopping list of regulations where the UK was set to diverge from the EU, and it has already initiated policy reforms that have created divergence from the EU on the securitisation, prospectus, PRIIPs and short selling regulations, as well as the listings regime and the European Long Term Investment Fund (ELTIF). The Treasury routinely provided updates on its delivery of the Smarter Regulatory Framework and repeal of retained EU financial services legislation. The next phase (tranche 3) of onshored EU regulation that the UK is set to review over the next year was set to include organisational and transactional reporting requirements under MiFID. While the EU conducted its review of the MiFID II regulatory framework, the UK has also been carrying out its Wholesale Markets Review to see how its onshored regime can be adapted now that the UK has left the EU. Amendments under consideration in the UK are numerous, include removing requirements that limit firms' ability to execute transactions where they can get the best outcomes for investors, by removing the share trading obligation and double volume cap, and reviewing the commodities regime to ensure that market activity is not unnecessarily restricted, while ensuring that markets function efficiently. The EU MiFIR review also aims to create the conditions for establishing consolidated tape providers, another area where the EU and UK will develop their own approaches.	On financial services, Labour has pledged to 'make Brexit work' through cooperation with the EU in areas of mutual interest and the removal of unnecessary barriers. Its Financing Growth review includes warm language about making the most of freedoms outside the EU to ensure the UK's regulatory framework best supports the needs of our financial markets, although Labour also recognises the EU as one of the UK's largest trading partners for financial services. The Labour government is more likely to: • Seek to build on the UK-EU Financial Services MoU which established the regulatory dialogue to deepen cooperation in emerging areas of financial services, such as green finance, and identify opportunities to make our approaches compatible. • Work to secure comprehensive arrangements for mutual recognition of professional qualifications with the EU to facilitate greater sharing of expertise and cross-border trade. • Explore opportunities to reduce barriers to trade in areas where our regulations deliver similar outcomes, including finding a sustainable solution for cross-border clearing. • Take forward the UK Green Taxonomy (which has been stalled by the Government), learning the lessons from the EU version. Sustainability initiatives in general are more likely to see their time in the sun under a Labour administration. • Align on initiatives such as the Carbon Border Adjustment Mechanism (CBAM) and Emissions Trading Scheme (ETS). • Oppose changes to the Senior Managers & Certification Regime (SMCR) and Short-Selling Regulation. One area of potential similarity already emerging is the settlement of trades; the UK has backed the idea of moving to a T+1 settlement cycle, with the EU aligning with a 2027 transition date.

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2024

REDEFINING COMMUNICATIONS TO DELIVER MEANINGFUL CHANGE