

Financial and Professional Services Dinner

Mansion House

Tuesday 19th July 2022

The Rt Hon The Lord Mayor of London
Alderman Vincent Keaveny

Mr Chancellor, Governor, Your Excellency, my Lords, Aldermen, Sheriffs, Mr Recorder, Chief Commoner, ladies and gentlemen...

Good evening.

A very warm welcome to Mansion House for the Financial and Professional Services dinner – the first which we have been able to hold since 2019.

I hope the welcome is not too warm.

Thank you for coming in spite of the heat.

I look forward to hearing from the Governor of the Bank of England soon - I am very glad to welcome you back and we appreciate your stewardship through what are some very choppy waters.

And I am delighted that we are able to welcome the new Chancellor of the Exchequer here to give his first “Mansion House speech”
– we very much appreciate you coming here so early in your tenure as Chancellor.

No pressure;

But it is great to have you back:
during your time as Business and Industry Minister, you were a great supporter of the Taskforce for Socio-Economic Diversity in Financial Services, and you were instrumental in its launch.

I am also honoured to welcome Paschal Donohoe, the Irish Minister for Finance, and Adrian O’Neill, the Ambassador of Ireland, to the City of London.

As I am the first Irish citizen to hold this office, it has been important for me to support the very strong UK-Ireland relationship in financial and professional services.

I was delighted to be able to visit Dublin earlier this year and I look forward to the City of London Corporation hosting the UK-Ireland Financial Dialogue here in the autumn.

Paschal, you have my commitment to continue to work with you in the months and years ahead.

Adrian, you will shortly be returning to Ireland after your five years as Ambassador.

You leave with many friends here in London, and we wish you a very happy and productive retirement.

And I would also like to say a special thank you to John Glen for your great work as City Minister over the last four years – which everyone here appreciates.

We wish all the best to your successor, Richard Fuller.

The City Corporation works closely with the UK Government to support and promote UK financial and professional services.

These businesses contribute nearly £100 billion in tax every year and they support the British economy by creating jobs, encouraging investment, and facilitating trade.

They also support the government's levelling up agenda by employing 2.3 million people across the country

– two thirds of whom are outside of London.

The competitiveness of this industry is a critical national interest.

So it is vital that government continues investing in London's infrastructure, promoting innovation, and developing the UK's status as a leading financial centre.

And we stand ready to work with whoever leads the government to support a vibrant and thriving City, a diverse and sustainable London, and a globally successful UK.

One of the most important ways we have worked with the Treasury in recent months is in producing the first *State of the Sector* report, which we are launching tomorrow.

This was the first recommendation of Lord Hill's excellent UK Listing Review last year:

That there should be *an annual report on the State of the City, setting out the steps that are being taken to promote the attractiveness of the UK as a well-regulated global financial centre.*

I am delighted that tomorrow, Her Majesty's Treasury and the City of London Corporation will be publishing the first of these reports.

This is a reflection of the UK's ambition in financial and professional services.

Because it is not simply promotional.

This is not a case of blowing our own trumpet.

It is a full reflection of the state of the sector: where we are world-leading, and where we need to improve.

No other global financial centre has done this.

And crucially, this is an ongoing commitment.

As we shine this annual light on our competitiveness, this will be an opportunity to continue to improve our performance.

The 2022 report underlines how attractive the UK is as an open and global financial centre...

...not protectionist, not restrictive, not limited...

...and that we need to work constantly to maintain that competitiveness.

This includes our widely respected regulatory regime

– ensuring that we take the best of what works from all around the world, and also that we improve the speed of FCA authorisation turnaround times – which will require increased capacity and resources.

We hope to see a clear commitment to set out how the FCA and PRA will deliver an increased focus on growth and competitiveness following the changes to their objectives.

– in a way which cannot be misunderstood as a “race to the bottom” in regulatory standards.

The City of London Corporation recognises that strong, clear and transparent regulation is crucial to the UK's international standing – this must not change.

A bonfire of regulation would be a bonfire of our reputation and our access to other markets.

We support the Treasury's Future Regulatory Framework Review to ensure regulation in the UK stays agile, coherent and proportionate, while continuing to deliver better outcomes for consumers and businesses.

We very much look forward to seeing these measures in the new Financial Services and Markets Bill.

Alongside regulation, we must also ensure access to talent, by continuing to improve the visa regime and ensuring firms can bring their best people here.

The report shows the importance of an integrated financial ecosystem across the UK – where London connects with a network of cities around the country.

It underlines the status of the UK as a centre for innovation.

Figures released by Innovate Finance only this morning showed that investment in UK fintech continues to grow - with more than \$9billion invested over the last six months: a 24% increase from last year.

With market-leading ideas such as regulatory sandboxes and open banking, the UK has been a pioneer in embedding innovation in regulatory frameworks.

We hope to see even more innovation with the new Centre for Finance, Innovation and Technology – CFIT - put forward by Sir Ron Kalifa as part of the Kalifa Review of UK Fintech.

The *State of the Sector* report also emphasises the value to the UK and to the world of the UK's role as a centre for green and sustainable finance.

The UK remains the only financial centre that leads in both conventional and green finance rankings - and we are helping to green the global financial system.

We are proud to have worked with both the Government and the Green Finance Institute to mobilise private finance for Net Zero - including through the Green Horizon Summit at COP26 in Glasgow, and the follow-up Net Zero Delivery Summit here in Mansion House in May.

And yesterday we held the Finance for Impact Summit, again here in Mansion House - working with Dame Elizabeth Corley and the Impact Investing Institute, alongside Kay Swinburne and her team at KPMG.

This is where we put forward priorities for scaling finance that delivers positive and measurable social impact, and established a new coalition of the willing – institutions committed to ensuring that the investment for a transition to Net Zero is inclusive and socially beneficial.

I know from my international engagement that across the world, people are looking to London and the UK for leadership in financial services.

The question for us is how we respond to that global challenge and demonstrate that leadership.

As the *State of the Sector* report will show, we have a once-in-a-generation opportunity for our financial and professional services ecosystem to become more nimble, more agile and more competitive.

With the economic challenges we are facing as a country, we must do all we can to improve the competitiveness of our financial and professional services sector.

This is one of our strongest assets, recognised throughout the world – and will be vital for our economic recovery.

The *State of the Sector* report will help guide us and drive these improvements, now and in the years to come – whatever the weather.

Thank you very much.