

London:
Europe and
the world's
financial
centre



The number one concern across the EU is the state of the economy. The crisis still looms large in most citizens' memories and **we fully support the EU's efforts to make global financial markets stable and resilient.** However, the priority for the EU and national governments going forward is to **build a sustainable recovery that benefits all EU citizens.** The City of London Corporation shares this vision and believes that financial services and the City as Europe's financial centre can play an important role in achieving this goal.

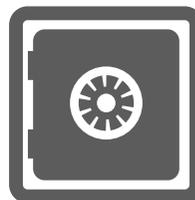
251 Foreign banks based in London



96%

of the EU emission trading scheme traded in London

\$19bn



The leading Western country and Europe's premier centre for Islamic finance with \$19bn of reported assets

588

Overseas companies quoted on markets in London

The world's Western hub for renminbi business



62% of RMB global payments outside of mainland China and Hong Kong take place in London



HOME TO THE LONDON METAL EXCHANGE

the world centre for industrial metals trading and price-risk management, with more than 80% of global non-ferrous business

A GLOBAL MEETING PLACE

The City of London's status as a world leader in financial services has led to London becoming a hub where companies and investors from around the world meet and do business.

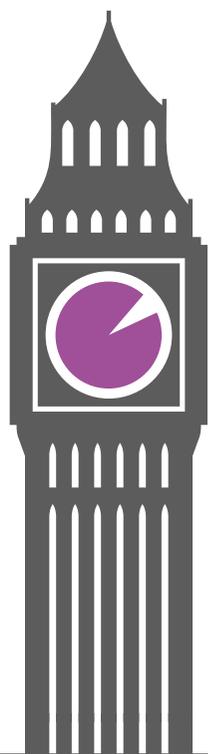
But this doesn't only benefit the UK. European businesses benefit from having the City on their doorstep as it allows them **access to a global market and expertise to grow their business globally.**

European governments also benefit from easy access to a deep pool of investors and expertise. For example, SAREB, Spain's bad bank turned to London when it wanted to sell its portfolio of assets. Similarly, the Slovakia Debt Management Office uses UK banks, amongst others, as primary dealers for its bond issuance.

A CENTRE FOR INNOVATION

Companies need access to finance to grow and generate jobs but traditional sources of funding, such as bank finance, are harder to come by so companies have to look for new ways to grow and raise finance.

The City of London has become a hub for innovative finance, such as private equity, venture capital, peer-to-peer lending and crowdfunding.



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We have a vision for London to be a global hub for social investment – a place where deals are done, social investors are represented, appropriate financial products are created and where best practice is exchanged internationally. We're also putting our money where our mouth is – the City of London Corporation has set up a fund of £20m to invest in social enterprise.

The UK is the largest European centre for the management of private equity investments and funds (it is second only to the US in terms of global importance) and private equity funds managed in the UK currently back around 3,800 companies, employing around 1.2m people across the world.

The UK is home to the most crowdfunding platforms in Europe (second only to the US globally) and it is an ever-expanding industry. For example, Seedrs, a UK-Portuguese venture, has 300 companies listed and has raised over £2m to date.



A COMPETITIVE AND OUTWARD LOOKING EUROPE

The City of London has always been an open and international centre and we believe that increasing trade and investment, not only within the EU but also with global trading partners is key for delivering sustainable growth in the future. For many investors around the globe, the UK is a gateway for trading and investing in the rest of the EU. This is why we believe **the UK should be fully engaged in EU policy making but also that the EU needs to become more open and competitive globally.**

The world's
Western
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The Single Market has benefited the EU and the City hugely and it is one of the most important assets of the EU. We believe **more can be done to deepen the Single Market to spur growth in the EU**, particularly in the area of wholesale financial services. We would also underline that, for the Single Market to thrive, there must be a level playing field between Eurozone and non-Eurozone member states.

Beyond the Single Market, we also need to make sure that **the EU works to open up trade and investment outside Europe.** Initiatives such as UCITS, EU SEF and EUVECA have been positive in creating a strong brand for European funds that have garnered international recognition. However, in other areas, regulation has led to regulatory barriers to trade and investment. We would therefore urge legislators to ensure that EU regulations do not restrict the flow of investment between the EU and the rest of the world and to work constructively with our international partners, in the US but also in Asia and around the globe to implement global standards in a consistent way to ensure that regulatory incoherence does not become a barrier to trade and growth.

ABOUT THE CITY OF LONDON CORPORATION

The City Corporation has a special role and wide remit that goes beyond that of an ordinary local authority. We look after the City of London on behalf of all who live, work and visit here and have three primary functions.

- We support and promote the City as the world leader in international finance and business services.



- We provide modern, efficient and high quality local services and policing within the Square Mile for residents, workers and visitors.
- We provide valued services to London and the nation as a whole, including our role as one of the most significant arts sponsors in the UK and our support for economic regeneration in the surrounding boroughs.

Many of these services are funded from our own resources at no cost to the public and benefit London and the nation.

The City of London Corporation works closely with practitioners, trade associations and other stakeholders in order to shape the future direction of financial services policy. It focuses on issues created by EU and international economic, legislative, fiscal and regulatory developments which may impact or threaten to impact on the open, efficient and competitive environment for doing business in the City.

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