



**The City of London Corporation:
support for financial and
professional services**

Foreword



William Russell
The Rt Hon The Lord Mayor
of the City of London



Catherine McGuinness
Chair of Policy and Resources,
City of London Corporation

Role of Financial and Professional services supporting recovery in the UK

The City of London Corporation works to both support and promote the UK's exceptional financial and professional services sector. We work with partners across industry and government to ensure that the UK remains the most innovative ecosystem, and a world leading environment for business. We champion the best in market access to secure global opportunities for UK firms.

Our programme of promotion, from trade visits to digital content secures global recognition of the UK's unparalleled offer for financial and professional services. We collaborate with key partners to maximise benefits to the sector: sharing expertise, maximising support to financial and professional services and drive trade and investment in the sector. All this is in support of the global trading relationships that will see the UK continue to thrive into the future.

The world is coming to terms with the exceptional challenge posed by the spread of COVID-19. Now more than ever, the UK's global outlook and reach, and understanding of major partner markets,

has significant value in connecting markets and supporting resilience. As we look ahead to global recovery, the depth and breadth of UK financial and professional services (FPS) expertise mean we will have a key role to play in supporting rebuilding and growth worldwide.

Supporting global recovery

To support and promote the UK's financial and professional services sector through the COVID-19 pandemic, we are undertaking an ambitious virtual engagement programme. We are talking to companies, investors and partner organisations in the UK to gather insight and intelligence to find global solutions to global challenges – and ongoing competitive strengths.

Supporting financial recovery across the UK, the UK's financial and professional services workers are one of the sector's biggest assets. It is the adaptability, creativity and resilience of workers that drives our success through the current crisis, and into the recovery. To ensure future success, investment in people to equip them with the necessary future skills must sit alongside investment in technology and digitisation.

Leadership in innovation

Recent events have spotlighted the value of tech in empowering resilience. The innovation sector is a key driver of growth in the UK. At the City of London Corporation, we recognise the need to invest in innovation even in such difficult times. It is important that we support firms that can help sow the seeds of our economic recovery in the months and years ahead. That is why we, alongside Innovate Finance, will be co-secretariat for an independent Strategic review into UK fintech. The review, led by Ron Kalifa, OBE, will help establish a transformative fintech national strategy that is, sustainable, inclusive and world leading.

London's global green finance leadership will be critical in greening the global recovery. High growth economies are the front lines of climate change and face a formidable green infrastructure investment gap. Mobilising private finance to close this investment gap is a priority ahead of COP26. The City of London Corporation has a long-established focus on developing partnerships with China and India to accelerate the global transition to low carbon future.

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Promoting global recognition of the UK's world-leading financial and professional services offer

The UK is home to one of the world's most global and outward looking financial centres. The depth and breadth of the offer provide unparalleled opportunities for growth. A culture of innovation has fostered an inspirational ecosystem, where business and investment can thrive.

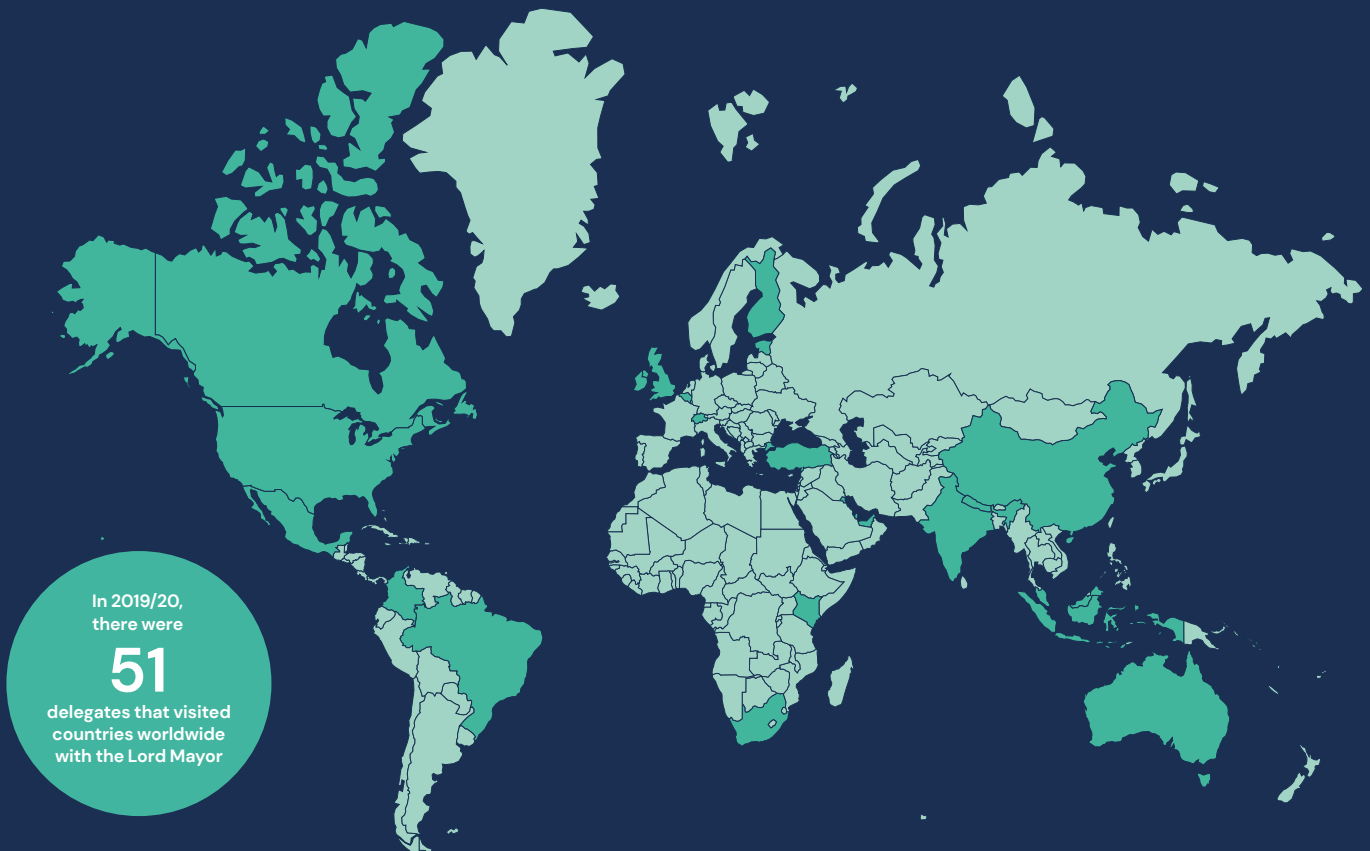
By far the largest net exporters of finance and insurance, the UK is the world's provider of choice for financial services. The UK is also a powerful magnet for international financial services investment. The report, *Providing Financial Services to the World*

demonstrates that investment stocks in the sector totalled £385bn at the end of 2017, meaning financial services account for almost 30% of all foreign direct investment (FDI) stocks in the UK. Both the highest growth and overall largest source of FDI was the US with stocks of £172bn. Combined stocks from Europe were the next largest, worth almost £120bn.

Building on these established strengths, the City of London Corporation's senior visits programme reaches key partner markets worldwide. Determined to maintain the pace of our engagement

work supporting and promoting the UK's financial and professional services sector through the COVID-19 pandemic, our visits have now turned into virtual visits, so we can continue to deepen trade links, unlock regulatory cooperation and support innovative collaboration. Through webinars, we can continue to help UK industry to forge connections with local partners, regulators and funders. Our talks with senior industry, government and regulatory bodies in priority markets open opportunities for collaborations, trade and help unlock barriers.

Countries visited by the Lord Mayor and Policy Chair in 2019–2020



- Africa (South Africa and Kenya)
- Australia
- Belgium (EU)
- Brazil (South America)
- Canada

- China
- Colombia (South America)
- Estonia (EU)
- Finland (EU)
- India
- Indonesia

- Ireland (EU)
- Kuwait
- Malaysia
- Mexico
- Nepal
- Qatar

- Switzerland
- Turkey
- United Arab Emirates
- United Kingdom
- United States

Promoting global recognition of the UK's world-leading financial and professional services offer

The Global City campaign

The Global City campaign is the City of London Corporation's overarching initiative to promote the UK as a world-leading international financial centre. It showcases the UK as a great place for financial and professional services firms to invest, locate and grow. The UK has a global leadership role to play in speeding economic recovery worldwide.

The campaign website offers a depth of content – factsheets, primary research, film, and case studies that offer the business voice demonstrating the benefit for firms of being in the UK. It sets out the genuinely UK-wide offer for financial and professional services, with detailed information for each industry subsector.

Partnership work is critical to achieving an inspiring 'one voice' story about the UK. The campaign profile has flourished

with support of partners including the Department for International Trade, London and Partners, TheCityUK and Innovate Finance, and we are always looking out for opportunities to explore collaboration.



THE GLOBAL CITY

theglobalcity.uk

The Global City campaign publications



Providing financial services to the world



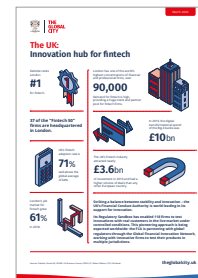
Working with you



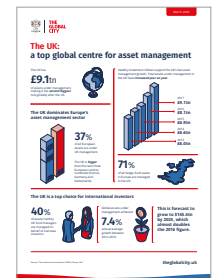
MIPIM report



Powering the fintech revolution



Fintech



Asset Management



Greening the belt and road



London as a centre for management of financial risks



London RMB business quarterly - January 2020



Green finance



Professional Service

Boosting UK-US relations

The UK-US financial and professional services relationship is a key driver of prosperity in both jurisdictions. The UK-US free trade agreement negotiations are a key pillar in recalibrating the relationship. The UK and US have a strategic opportunity to enhance alignment of financial markets and play a leadership role in an increasingly global sector.

As trade negotiations between the two nations began – the City of London stepped up their focus on future UK-US relations. The Policy Chair held calls with senior US policymakers in a ‘virtual visit’ in May 2020 to discuss the shape of the future relationship and explore potential for deeper UK-US cooperation.

City of London officers are working with HMG officials and representing the UK-based financial and professional services sector across the Government’s Expert Trade Advisory Groups and other policy fora as these negotiations continue. In December 2019, we produced a detailed analysis of the US financial regulatory framework in order to advance HMG objectives.

The Chair of Policy and Resources chairs TheCityUK’s Coalition of Trade Associations. Made up of both UK and US bodies, it develops and feeds sector recommendations into the UK-US regulatory dialogue. A key objective for 2020 is to embed this Coalition as the official mechanism for interaction with this dialogue in recognition of its capacity to deliver quick wins.

Alongside our trade policy work, we have continued supporting trade and investment opportunities between the UK and US with a specific focus on Fintech. We have identified key strengths in UK innovation such as Regtech, Payments, Artificial Intelligence and Tech for Good and through a series of engagements and visits, have been promoting these areas and the potential investment opportunities to a US VC audience.

As part of this engagement, the Lord Mayor visited San Francisco in

December 2019, accompanied by a delegation of UK Fintechs and UK VCs to build closer relationships with West Coast VCs. Alongside the focus on investment opportunities, The City of

London Corporation continues to work alongside HMG, London & Partners and others to support UK Fintechs looking to expand into the USA and US Fintechs looking at the UK.



Above: (From left to right)

Francesca Hodgson – GoodBox, Phil Cox – Silicon Valley Bank, Henry Alty – Gresham House Ventures, Matthew Hodgson – Mosaic Smart Data, William Russell – The Rt Hon The Lord Mayor of the City of London, Greg Becker – Silicon Valley Bank, Eleanor Hasler – Project Imagine, Joe Smart – Silicon Valley Bank, Aritra Chakravarty – Project Imagine, Patrick Molyneux – Acceleris, Tom Wood – Cazana, Ed Price – DIT North America

Testimonials from UK delegates who accompanied the Lord Mayor's visit to San Francisco in December 2019

“ This opportunity was truly phenomenal and will have lasting impact for a company such as GoodBox as we enter our scale and growth phase.”

Goodbox

“ We have generated strong leads for Pi1, our B2B platform proposition for financial institutions, as well as leads for a future series B. We would not have been able to put together this kind of programme and schedule ourselves and so really could not have asked for anything better.”

Project Imagine

Accelerating sustainable growth through innovation

Accelerating Green Finance

There is huge demand for green finance to support both countries and corporates on their path to net zero and to meet the UN Sustainable Development Goals. Greening the Belt and Road report was published by the City of London Corporation, highlighting the opportunities that exist for partnership between the UK and China in delivering the Belt and Road Initiative sustainably.

With China's Green Finance Committee, the City of London Corporation has launched the Green Investment Principles for the Belt and Road (GIP). The GIP – announced at the 2019 Belt and Road Summit in Beijing – asked financial institutions and project developers to factor environmental risk and climate resilience into infrastructure projects along the Belt and Road. Since their launch, the GIP has grown to 37 signatories, including all major Chinese banks.

Ahead of COP26 – November 2021, we are continuing, to refine the GIP, raising the minimum sustainability practices among signatory institutions and increasing capital flows towards green infrastructure along the Belt and Road.

Independent estimates suggest that by 2050, Belt and Road countries could account for

66%
of total global emissions

Untapped Potential: Supercharging Green Finance in India

India has high aspirations for clean growth, but its annual \$100bn green infrastructure financing gap is not closing fast enough. The UK and Indian governments called on the City of London Corporation to set up the UK-India Sustainable Finance Working Group to address this and welcomed the findings of the Group's first report.

Supercharging Green Finance in India was launched by the Policy Chair on her visit to India in January 2020. This report explores the barriers to flows of capital into viable green projects in India and the challenges that Indian companies face with raising finance. It makes recommendations on what should change to remedy this. The City of London Corporation continues to work with the British High Commission and the Indian Government to take these recommendations forward.



Maximising market access for UK based firms

UK-EU relationship/engagement

Throughout the difficult and highly charged exit negotiations with the EU in 2019, it was imperative that the City of London maintained a positive channel of communication with EU Member States. The City's Office team in Brussels was expanded in size and seniority following the referendum and in 2019 was joined by Nick Collier as Managing Director in March. In Brussels, high level engagement with Member States and the EU Institutions accompanied by an extensive programme of thought leadership events, has been complemented in London by high level engagement with ambassadors of EU Member States, other key third countries, and inbound visits of ministers.

A series of business roundtables with senior financial services industry representatives has ensured that business concerns around the transition to the new EU-UK relationship are well understood. The highlight of this engagement was a conference organised with the Prime Minister of Latvia in Guildhall, featuring European Commission Executive Vice President Dombrovskis in November. At this event, the Commissioner announced a crucial equivalence decision that was of significant importance to both UK and EU firms.

Throughout the year, representatives of Member States and financial services institutions have spoken of the key role that the City of London Corporation has played in ensuring dialogue is continuing despite the difficult political context.

Enhancing UK-China relations

With over 30 Chinese institutions in the City, and more in the pipeline, the City of London has a longstanding engagement with China.

Continuing this programme of engagement stretching back over a decade, the Policy Chair visited Beijing. Discussions centred on the UK's compelling offer as a centre for risk management for multinational firms and as an investment opportunity for firms expanding their holdings internationally. To coincide with these



Above: A conference organised with the Prime Minister of Latvia in Guildhall, featuring European Commission Executive Vice President Dombrovskis. (from left to right) CPR – Sir Roger Gifford, Chair, Green Finance Institute – Steffen Hoerter, Global Head of ESG, Allianz Global Investors, Commission VP Dombrovskis – HE Baiba Braže – Ambassador of the Republic of Latvia to the UK – Rebecca Self, Director of Sustainable Finance at South Pole

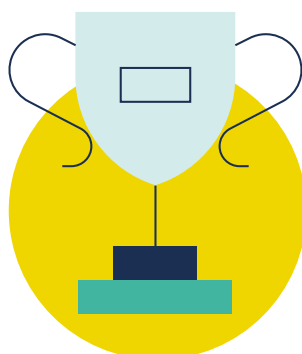
visits, a report, "The UK as a Centre for Financial Risk Management" was launched in partnership with PwC. The report highlights the UK's strength in financial risk management and the comprehensive eco-system of the UK financial services industry.

The Shanghai-London Stock Connect

The Shanghai-London Stock Connect marked a significant milestone to further open the two-way flows of investment in capital markets in both China and the UK. The City of London

Corporation supported the launch, which was formally rolled out in June 2019.

The City of London Corporation is working to boost the already strong growth of UK's RMB business volumes, and support mutually beneficial trade and investment between the UK and China. During the last year we have published 3 editions, these publications has shown the UK to be the leading offshore centre for renminbi. The UK topped the chart as the leading country in doing FX transaction in RMB, which has increased steadily in 2019.



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Boosting the competitiveness of the UK's world-class business environment

As attention turns to the role of finance in supporting recovery, the sector's role as an economic driver is more important than ever. The tax contribution of the UK financial services sector was £75.5bn in the year to March 2019: a stable contribution despite economic uncertainty, according to the Total Tax Contribution of UK Financial Services

report. The financial services sector employed 3.2% of the UK workforce, generating 7.1% of economic output and 10.5% of total UK Government tax receipts. Financial and professional services are UK wide industries – attracting investment, driving exports and employing 2.3 million people across the country.

We look forward to continuing to work with the sector on areas as diverse as future proofing the UK's financial services skills base, and international agenda setting on regulation. A focus on the future will help financial services to drive recovery and growth across the economy, in the months and years ahead.



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Corporation publications demonstrating the strength of UK Financial and Professional services



Financial services hubs around the UK



Total tax contribution of UK financial services

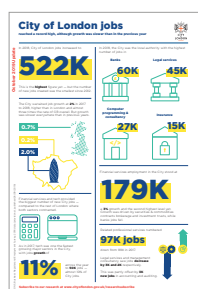


Streamlining the UK Visa system report

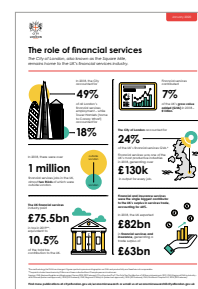
★★★★★
Award Winners!
EY and the City of London Corporation were winners at the Expat Awards in the category of Thought Leadership: Best Research Study of the Year for our report on streamlining the UK Visa system



The Global Future of Cyber Insurance and the London Market's Pivotal Role



Providing new analysis showing changes in employment in the City of London, London and Great Britain



City Statistics briefing

Deepening relationships with key centres of UK Financial and Professional services

Financial and professional services continue to grow in critical mass and sophistication in cities across the UK. With two-thirds of financial and professional services jobs in the UK situated outside London, the value of the sector nationally is established. The innovation flourishing in hub centres is key to driving that value. Several cities see populations of established large-scale firms sit alongside burgeoning, cutting-edge fintechs.

We work with partner cities on shared interests, convene business and public stakeholders, and represent UK interests and firms on trade delegations and to international investors. The City of London Corporation has worked proactively to deepen its relationships with partner cities across the UK over the past year, building on successful engagement to date.

The Lord Mayor and Chair of Policy and Resources have collectively visited 11 UK cities over the past year. These visits are vital for convening local and regional stakeholders, from Metro Mayors to start up firms around shared priorities and building our understanding of the financial and professional services strengths and complementarities of UK players. Across the country, they have brought together round tables of key business, institutional and government partners to address key topics and challenges, from fintech and green finance to trade promotion and inward investment. And this year, financial and professional services firms from outside London have accompanied the Lord Mayor on overseas trade delegations to the Gulf, China and the US, opening doors to new markets. The City has also played host to companies from across the UK: a London-based round table for Manchester-based fintechs with key VCs and 'Wales Week in London' are two notable examples.



Financial and professional services are employing

2.3m

people across the country

This programme of work drives closer collaboration across the UK, sharing of best practice and forming connections that drive innovation. In turn, this promotes the complementary strengths of the financial and professional sector across the country; and makes our global offer more compelling.

Cultivating strong, strategic, outcome-focussed relationships with key stakeholders

Green Finance Institute

The Green Finance Institute (GFI) was set up and co-funded by the UK government and the City of London Corporation. It is Chaired by Sir Roger Gifford and headed by Dr Rhian-Mari Thomas, OBE. In the UK, our built environment is responsible for almost 30% of total greenhouse gas emissions: the Institute established the Coalition for the Energy Efficiency of Buildings to stimulate action across the finance sector to support the decarbonisation of our homes.

In December 2019, the Institute published "Financing energy efficient buildings – the path to retrofit at scale". The report sets out financial, data and standards-based solutions to help plug the £65bn financing gap which will need to be overcome to meet the UK's national target for energy performance in homes by 2035.

TheCityUK

The City of London Corporation's relationship with TheCityUK is of strategic importance for the industry and has been strengthened by the new partnership agreement signed in

December 2019. Working together with TheCityUK's Chairman Mark Tucker, Sir Adrian Montague, Chairman of the Leadership Council and Miles Celic, CEO, has enabled strong co-operation in a number of key areas for the sector, including the industry's response to COVID-19.


Our joint virtual engagement programme with key Member States and Brussels-based stakeholders has already delivered enhanced benefits, as engagement with political and key officials has continued throughout the lockdown with key capitals, as well as with the EU diplomatic community in London, in parallel to the future relationship negotiations.

Financial Services Skills Taskforce

The COVID-19 pandemic is acting as a catalytic force on many of the global mega trends that have been driving change in the financial services sector. Digital transformations which may have taken a decade could now be driven forward in a matter of months. This will place even greater stress on the sector's existing pool of digital and tech talent

and make it even more urgent to reskill people and attract and retain new talent. As a result, competition for talent will intensify. Recruitment of new talent and reskilling existing workers in the sector, with an emphasis on technical skills and the personal attributes needed for future success, will be key to future recovery and competitiveness.

The City of London Corporation is a longstanding champion of ensuring the UK's financial services workers are future ready. The Financial Services Skills Taskforce, chaired by former City Minister Mark Hoban and led by TheCityUK with support from EY and the City of London Corporation, published a final report recommending measures to support 1.1 million UK-wide financial services workers to futureproof their jobs and the sector. An outcome from the Taskforce, is the newly established Financial Skills Services Commission (FSSC), committed to helping ensure that the UK Financial Services has access to the skilled workforce it needs. The FSSC will be led by its Chief Executive Officer, Claire Tunley, former Head of Skills Policy at the City of London Corporation.



The Financial Services Skills Taskforce recommended measures to support

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UK-wide financial services workers to future-proof their jobs and the sector.



Left: Sarah Gordon, Chief Executive officer speaking at the launch of the Impact Investment Institute



THE LONDON LIVING WAGE INDUSTRY CHAMPION AWARD WINNERS:



The City of London Corporation's campaign championing the London Living Wage won the Living Wage Industry Champion Awards in 2019. The campaign reached over 5 million people across the capital promoting the commercial and social benefits of paying the London Living wage.

The campaign celebrated businesses already paying the London Living Wage and encouraged firms not currently accredited to join them.

Launch of the Impact Investment Institute

Long before attention turned to 'building back better' from COVID-19, consumers and investors have been demanding to see societal benefits from their investments. Impact investments are made with the aim of generating positive, measurable social and environmental impact alongside a financial return.

The Impact Investing Institute, established in 2019, is co-funded by the City of London Corporation, government and financial services firms. The Institute, chaired by Dame Elizabeth Corley, actively engages across the spectrum of investors and investees – with individuals, asset owners, managers and intermediaries and with businesses, social enterprises and other organisations committed to making a social and environmental impact. The Institute's mission is to

accelerate the growth and improve the effectiveness of the impact investing market, so that more capital contributes to the well-being of people and the planet. To achieve that, the Institute aims to mobilise big pools of capital; to make capital more accountable; and to empower people to save and invest in line with their values.

A key project is clarifying how impact investing, within the current law, is compatible with pension trustees' fiduciary duty. With the support of a legal panel made up of five city law firms, the Institute will champion key existing legal principles on the compatibility of fiduciary duty and impact investing with pension trustees and their stakeholders.

The Institute's long-term goal is to expand fiduciary duty to include consideration of the future well-being of pension beneficiaries.

It's been a privilege to support the important work of the Institute in relation to its timely review of the law concerning occupational pension scheme investments. We hope this report will provide useful context for trustees regarding the ways in which they can approach impact investment in their schemes."

Rebecca Perlman,

Senior Associate at Herbert Smith Freehills LLP, pro bono member of the Institute's legal panel



About the City of London:

The City of London Corporation is the governing body of the Square Mile, dedicated to a vibrant and thriving City, supporting a diverse and sustainable London within a globally successful UK.

The Innovation and Growth Directorate works to strengthen the UK's competitiveness as the world's leading global hub for financial and professional services to support a thriving economy. It does this by:

1. Accelerating sustainable growth through financial and professional services innovation and the use of technology
2. Boosting the competitiveness of the UK's world-class business environment
3. Maximising market access for UK-based financial and professional services firms
4. Promoting global recognition of the UK's world-leading FPS offer in key markets
5. Cultivating strong, strategic, outcome focussed relationships with key stakeholders