

Speech: Chancellor's speech: International FinTech Conference

Thank you, it's great to be here for the second year running...

...and to welcome so many brilliant fintech leaders, entrepreneurs and investors from around the world.

When I look around this room I see the great strength of the British fintech community.

A community that is full of countless stories of incredible vision, groundbreaking innovation, and tireless hard work.

One such is the story of Ismail Ahmed.

Ismail began his life in Somaliland, in northern Somalia.

In 1991, civil war engulfed Ismail's hometown. His family, like so many others, lost everything. They became refugees in Ethiopia.

Ismail eventually made his way to the UK and became an economics student at the University of London.

He worked hard putting himself through university – and even as he was working, he would send money home to his family.

Every few weeks, he would trek across London to visit a money transfer agent, pay an exorbitant fee, and sent a very modest sum of money home.

During this time, Ismail thought a lot about money transfer systems and how to make payments cheaper and more efficient.

And in 2010, he founded a little company you may have heard of, called WorldRemit.

From its base here in London, WorldRemit raised \$220m from investors to make sending money abroad as easy as sending an instant message.

Today, millions of people use WorldRemit to transfer money quickly and affordably in more than 140 countries – and Ismail is one of the world's leading fintech entrepreneurs.

The reason I'm sharing his story isn't just because he deserves enormous respect or recognition, or because he makes many of us look like terrible underachievers.

It's because this is a story that exemplifies Britain's FinTech experience – and a story that is being repeated over and over again across Britain's fintech industry.

So much so that today, Britain is the global capital of fintech.
Fintech contributes nearly \$7 billion to the UK economy each year;
London is home to 17 of the top 50 international fintech firms;
And last year investment in UK fintech more than doubled...
...and UK firms attracted almost four times more funding than Germany...
...and more than France, Ireland and Sweden combined.

And I am pleased to welcome great examples of this success today:

Citi have announced London as the destination for their next Innovation Lab.

Next month NatWest will launch new fintech accelerators in London, Edinburgh, Bristol and Manchester.

Level 39 will soon expand into a 100,000 square foot building in Canary Wharf – making it one of the largest FinTech hubs in the world.

Augmentum have created a £100m fund for fintech investment, here in the UK.

And just last week Estonia's LHV Bank announced it was opening a UK branch to serve the fintech industry – a great sign of confidence that cross-European collaboration and investment will continue and grow beyond Brexit.

But none of this progress can be taken for granted.

The very nature of this industry means that it moves incredibly quickly and is fiercely competitive.

So let me restate my commitment and determination to ensure Britain remains the best place in the world to set up and grow a Fintech business...

...and to continuously build upon our unique strengths to offer the most attractive home for global fintech leaders.

Of course, we've been working on these strengths for quite some time.

In 1649, we were the first country to issue permanent banknotes...

...you might say the Bank of England is the original fintech unicorn.

We were the first to lay telegraph cables under the ocean...

...and by connecting France in the 1850s, and then the United States, we built the essential infrastructure for a global financial system.

We had the first ATM in the world, installed in 1967 – two full years before the United States caught up...

...in fairness, I should say they were busy landing on the moon that year...

...but, if you want to get on...

...you have to be able to multi-task.

And while the British inventor, Tim Berners-Lee is rightly credited with unlocking the digital revolution by inventing the World Wide Web...

...it was a much earlier British pioneer who kickstarted the computer age.

In 1823, Charles Babbage asked the then Chancellor of the Exchequer for £1,700 to build his 'Difference Engine,'...

...the first advanced mechanical computer – apparently sold it to the then Chancellor on the basis that it would cut down on the amount of paperwork officials did.

Mr. Babbage, can I say I'd like that money back.

And while we are at it, his collaborator Ada Lovelace, can probably claim to have pre-empted our Women in Finance initiative by nearly 200 years.

And now, on top of these deep historical foundations...

...we have built the best modern ecosystem in the world for innovation.

We are home to the English language, the global language of business. Our legal system is the jurisdiction of choice for international commerce.

Our world-class universities have pioneered many of the breakthrough discoveries powering today's digital revolution – with more Nobel Prizes than any country outside the United States.

And British cultural products and talent inspire huge global audiences – as witnessed by the 30 British Oscar nominations this year.

All of that makes London a Fintech-friendly pluriculture.

And when it comes to innovation, Britain is a workshop for the world – the innovation leader for Europe.

We have the greatest tech hub in Europe, Tech City.

We are home to more than a third of all Europe's billion-dollar tech firms – with a record £8.26 billion invested in UK startups last year.

London is home to more than 250,000 software developers – more than anywhere in Europe – and the UK is Europe's top destination for tech talent.

Every hour, a new tech business is founded in the UK.

And my ambition is to see that become every half-hour.

And my message to everyone in this room today is that...

...when it comes to building the Fintech companies of the future...

...you need never doubt that you are among friends in Britain.

Our doors will always be open to the innovators and inventors.

And we will keep working to support you – and ensure Britain remains the best place in the world for fintech.

First, we are committed to building the most pro-growth and pro-innovation regulatory environment in the world for fintech.

We've introduced new rules on open banking...

...and I'm delighted to see products here today made possible by this initiative.

We legislated to require big banks to share credit information on small and medium-sized businesses...

...helping more entrepreneurs to get the funding they need to grow...

...and helping to provide access to alternative funding sources.

The FCA's world-leading 'regulatory sandbox,' allows firms to test and refine their products with consumers in a safe environment.

And I know it's a great idea...

...because multiple other countries around the world have already copied it.

But there's more to do.

So today I'm proud to launch our new [strategy for the fintech sector](#).

As part of which, I'm pleased to announce that the FCA and Bank of England will take the first steps towards automating regulatory compliance...

...reducing costs for financial services firms, and removing a key barrier for fintechs as they enter financial services markets.

A new code of industry standards will make it easier and cheaper for fintechs to partner with established financial service providers...

...both boosting the ability of banks to offer new services, and helping fintechs to find a ready market for their products.

And we're appointing new envoys to England, Wales and Northern Ireland to promote the adoption of fintech by regional banks and building societies, complementing the work of the existing Scottish envoys.

Secondly, we're driving our global collaboration in fintech.

Before today we had signed four FinTech Bridges with Singapore, China, Korea,

and Hong Kong...

...committing governments and regulators to collaborate on supporting growth and investment in fintech across markets.

And today, I am delighted to announce that the Australian Treasurer, Scott Morrison and I have just signed an agreement for a new FinTech Bridge between the UK and Australia.

This is our most ambitious collaboration to date, bringing together regulators, policy-makers and private sector leaders to collaborate on growing our respective fintech markets in tandem.

But [our strategy](#) is about more than sector specific interventions.

It is about championing the UK's position as a pro-business, pro-innovation environment...

...about making it easier for knowledge intensive scale-up businesses to raise the funding they need...

...in short, about creating the best possible ecosystem for Fintech to thrive.

Last Autumn I announced the launch of an action plan to unlock over £20 billion of finance for high-growth innovative firms in the fintech sector and beyond.

And today I can set out some next steps:

From April, changes to the Enterprise Investment Scheme will take effect, significantly increasing investment in high-growth and knowledge-intensive firms.

And earlier this month, we published consultations on further extensions to this scheme and to Entrepreneurs Relief.

Alongside greater investment by individuals, greater institutional investment in venture funding is needed.

So alongside changes to tax relief, the British Business Bank will launch a new £500m programme in May that will invest in a series of funds to encourage co-investment by leading institutional investors in those businesses.

Later this year, the British Business Bank will launch a new 'British Patient Capital' investment fund— which will co-invest with the private sector to unlock £7.5 billion of public and private investment.

UK pension funds have relatively low allocations to patient capital and we are determined to fix that. The Pensions Regulator will clarify guidance on how trustees can invest in illiquid assets such as venture capital.

And as part of our plan to get the best Brexit deal for jobs, business and prosperity...

...we are discussing with the EU our future relationship with the European Investment Bank and European Investment Fund...

...and we will keep the financing needs of high growth businesses under continuous review as we leave the EU, and if necessary, we will use the British Business Bank to provide an alternative to the EIF, which has done great work in supporting the industry.

Britain is, and will remain, a great place to do business.

It is the global capital for Finance, Fintech, and a major hub of Fourth Industrial Revolution technologies...

...and my priority as Chancellor is to go on pushing us to do even better.

We will go on creating the conditions and providing the resources that have allowed pioneers from Charles Babbage to Ismail Ahmed to succeed.

Because fintech offers the chance to connect the world...

...to deliver financial services and innovations that can drive widespread growth and prosperity...

...create millions of jobs, and build stronger, fairer, faster financial services that serve the common interests of all the peoples of this interconnected planet.

My commitment to you is that Britain will continue to drive this agenda...

...will continue to be the best place for fintech to thrive.

Because, Fintech is the future of global finance...

...and working together, we have a chance to reach that future faster.

We look forward to continuing to welcome you, from wherever you come from around the world, to stay and build for many years to come – and we wait with baited breath, to see the astonishing innovations you are going to reveal next.

Thank you.