

Speech: Economic Secretary speech: FT Banking Summit

Introduction

Ladies and gentlemen – thank you for having me to speak this morning.

As the City Minister and your advocate in government – I fight your corner every day.

And looking out here today, the City's crucial significance to our future is beyond doubt.

I want to focus my remarks today on Brexit; how close we are to securing a deal, and why I believe the deal we've secured is good for the City. I am a Minister, an MP, but first and foremost I am a democrat.

And I have faith in the political system on which this country's prosperity rests.

One predicated on trust...

...trust in elected representatives...

...and trust that the system works.

The faith placed in this government on 23 June 2016 came with one test...

...and that was honouring the decision of the electorate.

Honour it we have – with unwavering dedication and determination to minimise disruption to the economy.

The deal that we have agreed with our EU partners will set us on a course for a brighter future...

...as Global Britain...outward looking...and unlimited in potential.

Brexit

What we have negotiated is the right Brexit deal for this country...

...that provides for an orderly exit...

...but also realises the opportunities presented by Brexit.

At its core, it honours the decision of the British people by taking back control of our borders, our laws and our money...

...all the while protecting jobs, security and the integrity of our precious union.

I understand that people want Brexit to be settled...

...they want the deal sealed...

...so they can get on with their business.

The deal that will enable us to do that is now within our grasp...

...and we will do everything possible to deliver it.

...I am confident and hopeful that my colleagues understand...

...that rejecting this deal will take us back to square one.

It would prolong the uncertainty and turbulence which threatens the unity of our country and stability of the City.

Brexit and Financial Services

In all my engagement on Brexit with the financial services sector, I have urged business leaders to have faith that we will negotiate a deal that works in their interests.

I am pleased to stand in front of you today to confirm that this is within reach.

We have successfully negotiated an agreement on the future relationship for financial services when we leave the EU.

The relationship will be of greater depth than any other the EU currently has with a third country in financial services.

This joint position respects both sides' autonomy and reflects the full ambition of our proposal set out in the White Paper.

It improves on the existing equivalence regime to allow for a continued close relationship, in recognition of the fact that the UK financial services hub is a European asset, as much as a British one.

Crucially, the UK and EU intend to take decisions on granting equivalence at least 6 months before the end of the Implementation Period – giving the critical time and certainty to businesses.

This acknowledges our unique starting point, and is unprecedented.

The deal establishes a basis on which to review and improve equivalence as part of the future relationship negotiations, including in areas such as timeframes, information exchange and scope.

The joint position also includes a commitment to establishing processes to ensure close cooperation on regulatory and supervisory matters and structured cooperation around the adoption, suspension and withdrawal of equivalence.

This will help to stabilise the arrangement, helping to ensure strong ties to

preserve market integration, financial stability and investor protection.

What we have delivered is a strong and credible basis for moving our negotiations with the EU forward into the Implementation Period to achieve a deal that works in our mutual interest.

Building our international strategy

The financial sector is the lifeblood of the real economy, providing the capital for people and firms across the UK and around the world to thrive.

That's why I have been fighting the City's corner, to ensure we get the best possible deal for the sector.

The UK has long been the global capital of banking, with a unique and dynamic ecosystem...

... an ecosystem characterised by innovation and openness.

And this will not change after March next year.

Once we leave the EU, our traditional strengths will remain.

...But as our horizons broaden, and we throw open our arms to the world...

...new vistas of opportunity will present themselves.

It's already the case that 56% of our financial services exports are to countries outside the EU.

And the fact is that this is where the world's fastest growing economies lie.

Many of us in this room have been eager to make the most of this golden opportunity – soon we will be able to.

At the Treasury, one of my central priorities has been to build the UK's international strategy. This is what I wanted to better understand during my trip to Malaysia, Indonesia and Japan.

And our Global Financial Partnerships will be key to this...

...helping to propel capital and connections across the globe.

This strategy brings together the full international toolbox with the aim of solidifying London's position as the deepest, most liquid, and most globally connected wholesale market.

For the banking sector, this means better access to clients and trading venues around the world...

...facilitating lower compliance costs and more efficient capital structures...

...as well as leveraging UK leadership to shape global standards.

This will support resilience and our standing as the foremost global financial centre.

Channelling industry expertise into an effective strategy is critical. This is the start of an ongoing dialogue as we will continue to seek input as detailed negotiations get off the ground.

Conclusion

We will continue to build on our assets...

and strengthen our ties with economies beyond our shores.

There will be no complacency

...no limits to our ambitions for this sector or for our country.

Our success has always been based on having the deftness to constantly innovate and adapt.

So as we push forward with an eye to the future

...we must look beyond Brexit...

... continuing our efforts to maintain and further the UK's position as a leading global financial hub...

...and fostering rich and open markets in the years to come

As the City Minister I am committed to doing anything and everything I can to develop the framework for the future of the sector.

Thank you very much.