

Chancellor sets out ambition for future of UK financial services

Following the UK's departure from the EU, the government's approach to financial services will be guided by what is right for the UK and one of its most productive and innovative sectors.

Hailing the start of a new chapter for UK financial services, the Chancellor set out plans to bolster the dynamism, openness and competitiveness of the sector – including issuing the UK's first ever Sovereign Green Bond, becoming the first country in the world to make TCFD-aligned disclosures mandatory, reviewing the UK's listings regime to attract the most innovative firms, and leading the global conversation on new technologies like stablecoins and Central Bank Digital Currencies.

Rishi Sunak, Chancellor of the Exchequer, said:

We are starting a new chapter in the history of financial services and renewing the UK's position as the world's pre-eminent financial centre. By taking as many equivalence decisions as we can in the absence of clarity from the EU, we're doing what's right for the UK and providing firms with certainty and stability.

Our plans will ensure the UK moves forward as an open, attractive and well-regulated market, and continues to lead the world in pioneering new technologies and shifting finance towards a net zero future.

Positioning the UK at the forefront of green finance

Recognising that financial services are a critical enabler in the drive for net zero, the Chancellor outlined new proposals to support sustainable financial flows and extend the UK's global leadership in green finance ahead of hosting COP26.

To help the UK meet its 2050 net zero target and other environmental objectives, the government will issue its first Sovereign Green Bond in 2021 subject to market conditions – and intends to follow up with a series of further issuances to meet growing investor demand for these instruments. These bonds will help finance projects that will tackle climate change, finance much-needed infrastructure investment and create green jobs across the country.

The Chancellor also announced the introduction of more robust environmental disclosure standards so that investors and businesses can better understand the material financial impacts of their exposure to climate change, price climate-related risks more accurately, and support the greening of the UK economy.

The UK will become the first country in the world to make Task Force on Climate-related Financial Disclosures (TCFD) aligned disclosures fully mandatory across the economy by 2025, going beyond the 'comply or explain' approach.

The joint Government Regulator TCFD Taskforce will today publish its interim report with a roadmap for implementing mandatory disclosures, many of which will come into force by 2023. The upcoming rules and regulations will capture a significant portion of the economy including listed commercial companies, UK-registered large private companies, banks, building societies, insurance companies, UK-authorized asset managers, life insurers, FCA-regulated pension schemes and occupational pension schemes.

The UK will also implement a green taxonomy – a common framework for determining which activities can be defined as environmentally sustainable – which will improve understanding of the impact of firms' activities and investments on the environment and support our transition to a sustainable economy.

The UK taxonomy will take the scientific metrics in the EU taxonomy as its basis and a UK Green Technical Advisory Group will be established to review these metrics to ensure they are right for the UK market.

And to support and benefit from the development of common international standards on taxonomies, the UK also intends to join the International Platform on Sustainable Finance.

Extending the UK's leadership in financial technology

The UK has long been a pioneer in financial services and will remain at the forefront of technological innovation.

New technologies such as stablecoins – privately-issued digital currencies – could transform the way people store and exchange their money, making payments cheaper and faster.

To harness the potential benefits of stablecoins, whilst managing risks to consumers and financial stability, the Government will propose a regulatory approach for relevant stablecoin initiatives that ensures they meet the same minimum standards we expect of other payment methods.

And as the UK takes a leading role in the global conversation on Central Bank Digital Currencies, the Chancellor welcomed work by HM Treasury and the Bank of England to consider whether and how central banks can issue their own digital currencies as a complement to cash.

Equivalence and openness

The UK's attractiveness as a global financial centre is underpinned by its openness to international markets and robust regulatory standards.

Equivalence is one of the UK's one of the central mechanisms for managing cross-border financial services activity with the EU and beyond.

To provide certainty and reassurance to firms and international partners, the Chancellor today announced the publication of a guidance document setting out the UK's approach to equivalence with overseas jurisdictions – a technical outcomes-based approach that prioritises stability, openness and transparency.

The Chancellor also announced the UK will be granting a package of equivalence decisions to the EU and EEA member states.

By announcing as many decisions as possible before the end of the transition period, the UK is delivering on its commitment to be open, predictable and transparent, even in the absence of clarity from the EU on their approach, and providing certainty to firms in both the UK and EU.

The government is not ruling out further equivalence decisions where these are in the UK interests and remains open to further dialogue with the EU about their intentions.

The UK's approach to regulation outside the EU

As the UK builds a global role outside of the EU, it has a unique opportunity to ensure its regulatory approach to financial services is tailored for UK markets and allows it to seize opportunities on the world stage.

The Financial Services Bill, which will be debated in the House today, is an important step in the process of adapting the UK's regulation to reflect its new position and boost the competitiveness of the sector, whilst demonstrating that the UK remains committed to the highest international standards of regulation.

The government is undertaking a series of reviews to ensure regulation enhances the UK's attractiveness to business and position as global financial hub.

As part of this, the Chancellor today set out plans to boost the number of new companies who want to list in the UK. This includes establishing a taskforce that will propose reforms to the UK listings regime to attract the most innovative and successful firms and help companies access the finance they need to grow.

The government will also launch a Call for Evidence on the UK's overseas regime to ensure it supports the UK's position as an open global financial centre.

To further enhance the UK's attractiveness for asset management, the government will soon publish a consultation on reforming the UK's funds regime.

And to encourage investment in long-term illiquid assets, such as infrastructure and venture capital, the Chancellor announced his ambition to have the UK's first Long-Term Asset Fund launch within a year.

[Supply chain engagement continues](#)

Published 9 November 2020

Last updated 16 November 2020 [+ show all updates](#)

1. 16 November 2020

We have removed the link to apply for an 'i2i' session as the deadline has now passed.

2. 10 November 2020

We have added a link to a Youtube video.

3. 9 November 2020

We have added the presentation slides from the event.

4. 9 November 2020

First published.

[South Yorkshire defences repaired one year on from floods](#)

One year on from the November 2019 floods, the Environment Agency has checked 650 kilometres of flood defence embankments across South Yorkshire, inspected over 3,000 flood defences, and identified over 100 individual repairs that were required at a cost of £12.8 million, protecting around 6,000 properties.

Work in South Yorkshire is due to be complete by the end of March 2021. This work is part of a wider £32 million package of repair works across Yorkshire and part of the £120 million national investment to repair defences.

Around 1,600 properties were impacted by the November 2019 floods, with the majority in Bentley and Fishlake in Doncaster. 1,200 homes were evacuated and key road and rail infrastructure was also affected. Despite the river levels being similar to those back in the 2007, the damage to properties was less

widespread, with 7,000 properties protected by flood defences.

Helen Batt, flood risk manager at the Environment Agency said:

The November 2019 floods had a devastating impact on communities in South Yorkshire, and the coronavirus pandemic only made it more difficult to recover.

Since then we have been working closely with all partners to reduce flood risk in the future, using a catchment-wide approach which uses nature-based solutions, as well as hard engineered flood defences, to help local communities be more resilient to flood risk and climate change. We are completing a programme of repairs to ensure that all flood defences will be restored by winter, or will have sufficient temporary measures in place.

Environment Minister Rebecca Pow said:

The flooding we saw last November had a terrible impact on people's lives.

The Environment Agency has been working to improve flood defences in and around Fishlake and Doncaster, and refurbish the Bentley Pumping Station. This is part of the government's £120 million investment in flood recovery and repairs, and will help prepare the area for this winter. Families affected by last year's flooding can still apply for £5,000 grants to help pay for repairs to make their homes more resilient for the future.

In the long term, we are taking the risk of flooding extremely seriously, investing a record £5.2 billion over six years in 2,000 new flood defences, and the Environment Agency is working with local representatives in South Yorkshire to ensure the area receives its share.

Works to improve flood defences in Fishlake, which was badly hit by the November 2019 floods, started last month. Repairs and improvements are being made to flood defence embankments and other flood defence structures in the village. This includes returning the embankments to their designed height, and making other improvements which will ensure the flood defences in the area are more resilient.

Work recently completed includes £2 million repairs to a 40 metre bank slip at Mile Thorn in the Wheatley Park area of Doncaster, which was badly damaged in the floods. Rock bags in engineered bays have been used to make the bank much more resistant to erosion.

In Bentley, an £14 million refurbishment project is underway to make improvements to Bentley Pumping Station, to help better protect 1,669

properties and 698 businesses.

In Sheffield, a major upgrade of the Sheaf screen in Sheffield city centre is underway. This trash screen is used to collect debris and reduce the risk of flooding to Sheffield city centre and a £3million project will improve the screen and replace the mechanical arm used to clear it.

The Environment Agency is ready to take action this winter wherever needed. As well as extensive flood defence repairs, high volume pumps are available and trained staff across the country are ready to respond around the clock. This is always part of a huge response effort, involving many partner organisations and our networks of community flood wardens who provide vital support during a flood.

One important thing you can do is to take 5 minutes to [check your flood risk this winter](#). You can sign up for our free flood warning service and find out how you can be prepared.

New Office for Investment to drive foreign investment into the UK

Today Prime Minister Boris Johnson announced a major addition to the UK Government's ability to attract foreign investment, in the form of a newly established Office for Investment.

The new Office will support the landing of high value investment opportunities into the UK which align with key government priorities, such as reaching net zero, investment in infrastructure and advancing research and development.

Its creation comes in response to the Government's extensive engagement with investors, who have indicated that as global competition intensifies, a more structured approach will better support existing investors and land high-value, high-impact investment. In turn, this will help maximise the positive role investment plays in the UK economy.

Staffed by highly experienced individuals with both private sector and cross-government experience, the Office will be based in the Department for International Trade (DIT), with Minister for Investment Gerry Grimstone leading its work in close partnership with No10, under sponsorship of the Prime Minister and Chancellor of the Exchequer.

The most strategic investments are often the most complex and require a joined-up approach across Government and the private sector. The Office for Investment will look to resolve potential barriers to landing these 'top

tier' investments, including regulatory constraints and planning issues.

Driving inward investment into all corners of the UK through a 'single front door' and boosting economic recovery across the country, this major operational transformation is designed to ensure the UK is the most attractive destination in the world to invest.

It will also ensure the UK is well positioned to maximise the benefits that flow from free trade agreements with international partners, like that recently signed with Japan, one of the UK's largest foreign investors.

International Trade Secretary, Liz Truss said:

Now is the time to be bold and ambitious in how we trade with partners around the world. Our more strategic approach to inward investment will help level up the UK, creating more jobs and prosperity across the country.

The Office will build our reputation as a world leader in industries of the future such as tech, services, advanced manufacturing and clean growth.

Minister for Investment, Gerry Grimstone said:

If we are to build back better from this pandemic, we need to refocus and re-double our efforts to attract foreign investment, which will increase productivity, economic growth across the country, boost our exports and better our research and development environment.

We must sharpen our priorities and transform our investment offer accordingly to meet the demands of a changing global economic outlook – whether that be in greener or increased digitally-led opportunities.

The Office for Investment will make it easier for international investors by bringing the very best of the UK directly to them.

The announcement follows the [second round of the High Potential Opportunities programme](#), and the cohort of Investment Champions for the Northern Powerhouse revealed last month. Both measures have been designed to help level up the UK and identify key investable opportunities in all corners of the UK.

Notes to Editors

- Inward investment stimulates economic growth in every part of the UK. In 2019/20, over 39,000 jobs were created in England thanks to foreign direct investment (FDI) projects, with over 26,000 coming outside London. Almost 3,000 were created in Scotland, and more than 2,500 in

Wales and 2,000 in Northern Ireland respectively.

- FDI also promotes job creation across the economy. In 2019/20, 10,224 jobs were created in the software and computer services sector thanks to FDI projects, 4,750 jobs in the food and drink sector, 5,109 jobs in electronics and communication, 2,225 jobs in the advanced engineering and supply chain sector, 3,212 jobs in the automotive sector, and 1,522 jobs in the aerospace sector.
- The ONS found that foreign owned businesses in the UK spent more on Research & Development (R&D) (£13bn) than domestically owned businesses (£12bn) in 2018.
- The ONS also found that foreign owned businesses in the UK accounted for nearly 51% of all the exports in goods between 2016 and 2018.

UK and Greenland strengthen cooperation on fisheries

The UK has today signed a Memorandum of Understanding (MoU) with Greenland to boost cooperation on fisheries matters.

It signals another step forward as the UK prepares to leave the EU's Common Fisheries Policy at the end of December. The UK and Greenland both have a long history as fishing nations and the agreement will enable the countries to cooperate on a range of issues, including fisheries management, processing, research, marketing and distribution.

The MoU, which follows the [recent agreement with Norway](#) and the [agreement with Faroe Islands](#), will come into effect on 1 January 2021. It was signed via video conference by Fisheries Minister Victoria Prentis and Greenlandic Minister of Fisheries, Hunting and Agriculture Jens Immanuelson.

Fisheries Minister Victoria Prentis said:

The UK and Greenland both have a proud history as outward-looking countries who have benefited from the wealth of our seas. I thank Greenland for their constructive approach to these negotiations.

As we regain our position as an independent coastal state, we are committed to working with our North-East Atlantic neighbours, like Greenland, for the benefit of our fishing industries and our marine

environment.

Greenland's Minister of Fisheries, Hunting and Agriculture Jens Immanuelson said:

I am very pleased that I can sign the Memorandum of Understanding between Greenland and the United Kingdom of Great Britain and Northern Ireland today.

It is an important step in developing our relations. I am looking forward to developing the cooperation within areas such as fisheries management, science and hopefully between our industries. It is my belief that our signature today will be the first step towards a strong partnership between Greenland and the United Kingdom.

The UK and Greenland have agreed to work through the Fisheries Dialogue to support bilateral cooperation at international fisheries meetings, which provide a space for coastal states to meet and discuss the management of shared fish stocks based on the latest scientific advice.

In the agreement, the UK and Greenland also recognise the need to promote responsible fisheries to ensure the long-term conservation and sustainable use of marine resources, and endeavour to use a science-based approach to fisheries and aquaculture management in order to minimise the impacts on the marine environment.