

# Key facts

about the UK as an international financial centre 2021



# About TheCityUK

TheCityUK is the industry-led body representing UK-based financial and related professional services. We champion and support the success of the ecosystem, and thereby our members, promoting policies in the UK, across Europe and internationally that drive competitiveness, support job creation and ensure long-term economic growth. The industry contributes over 10% of the UK's total economic output and employs more than 2.3 million people, with two thirds of these jobs outside London. It is the largest taxpayer, the biggest exporting industry and generates a trade surplus exceeding that of all other net exporting industries combined. It also makes a real difference to people in their daily lives, helping them save for the future, buy a home, invest in a business and protect and manage risk.

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# Key facts about the UK as an international financial centre



THE UK'S TRADE SURPLUS  
IN FINANCIAL AND RELATED  
PROFESSIONAL SERVICES IS

**£79.3BN**



THE UK HAS  
**43%**  
OF THE GLOBAL TOTAL OF  
FOREIGN-EXCHANGE TURNOVER



THE US IS THE LARGEST SINGLE DESTINATION FOR THE  
UK'S FINANCIAL SERVICES EXPORTS,  
ACCOUNTING FOR **34.2%** OF EXPORTS.  
AS A BLOC, EU MEMBER STATES ACCOUNTED FOR **30%**



OVER 240 ACTIVE SUSTAINABLE  
BONDS WERE LISTED ON THE LSE  
FROM OVER 60 ISSUERS IN 2020,  
WHICH HAVE RAISED AROUND

**£50BN**



AROUND **2.5 TIMES** AS MANY US DOLLARS ARE TRADED IN THE UK AS IN THE US



**352**  
FOREIGN COMPANIES WERE LISTED ON THE  
LONDON STOCK EXCHANGE (LSE)\*, ACCOUNTING  
FOR **15.5%** OF TOTAL EMEA AND **7.6%** AND  
GLOBAL FOREIGN LISTINGS

\*September 2021



THE ISLAMIC BANKING AND FINANCE  
INDUSTRY IN THE UK IS RANKED **18TH** OUT  
OF **48** COUNTRIES AND **1ST** IN EUROPE AND  
AMONG NON-MUSLIM-MAJORITY NATIONS



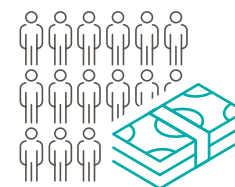
THE LSE HAD A **4.4%** SHARE  
OF GLOBAL EQUITY MARKET  
CAPITALISATION AND **2%**  
OF GLOBAL EQUITY TRADING  
BY VALUE



AROUND HALF OF FINANCIAL SERVICES  
EXPORTS ORIGINATE OUTSIDE LONDON

THE UK PRIVATE EQUITY MARKET IS THE MOST DEVELOPED IN THE  
WORLD OUTSIDE THE US. UK PRIVATE EQUITY FUNDS INVESTED

**£29.5BN** THE LARGEST AMOUNT IN EUROPE, IN 2020



THE UK FINTECH MARKET GENERATED REVENUE WORTH **£6.6BN**  
AND EMPLOYED **76,500** PEOPLE AS OF THE FIRST HALF OF 2020

# Foreword

Although economic activity has recovered this year, the full extent of the economic impact of Covid-19 remains unknown—not least because the pandemic has yet to run its course. Nevertheless, nearly two years after the onset of the pandemic, some trends are clear. The latest edition of our annual report highlighting the UK's international strengths in financial and related professional services demonstrates the relative resilience of that industry even as trade and consumption shifted, in broad terms, away from services and towards goods.

Financial and related professional services remained one of the UK's most successful industries even in an extraordinary year. The financial services trade surplus totalled \$80.6bn (equivalent to £62.9bn) in 2020, keeping the UK in pole position among net exporters of such services. UK private equity funds invested \$37.8bn (equivalent to £29.5bn), the largest amount in Europe, in 2020. The UK FinTech market generated revenue worth £6.6bn as of the first half of the year. In mid-2020 the London Stock Exchange Group launched its Sustainable Bond Market Advisory Group, bolstering London's credentials as a centre for green finance. Moreover, the UK retains the leading share of trading in many international financial markets, such as foreign exchange trading, cross border bank lending and international insurance premium income. Metrics and developments such as these are a testament to the UK's global competitive advantage in financial services, and this report demonstrates the country's role as one of the world's leading international financial centres.

**Anjalika Bardalai**

Chief Economist & Head of Research, TheCityUK

# Executive summary

- The UK is one of the world's leading international financial and related professional services hubs, with London central to this position. This report uses the latest available annual data to highlight a number of measures and markets that demonstrate the UK's role as an international financial centre.
- The UK's trade surplus in financial and related professional services is estimated to be \$101.7bn (£79.3bn). The magnitude of exports relative to imports indicates that the industry is highly competitive globally.
- Financial services trade is conducted primarily with other advanced economies. The US is the largest single destination for the UK's financial services exports, accounting for 34.2% of total financial services exports. As a bloc, EU Member States accounted for 30% of total sector exports.
- The UK maintains a globally leading share of a number of financial markets. For example, it has 16% of the global total of cross-border bank lending. London is a centre for foreign banks, with around 200 foreign banks or branches in the city.
- Around 2.5 times as many dollars are traded in the UK as in the US. Overall, the UK has 43% of the global total of foreign-exchange turnover.
- The UK insurance sector is the biggest in Europe and fourth largest in the world. UK insurance premiums represented around one-fifth of premiums in advanced European economies and 5.4% of global premiums.
- London's importance as a centre for global equity trading is illustrated by the 352 foreign companies listed on the London Stock Exchange (LSE) at as of September 2021, accounting for 15.5% of listings in Europe, Middle East and Africa (EMEA) and 7.6% of global listings. The LSE had a 4.4% share of global equity market capitalisation and 2% of global equity trading by value.
- The UK private equity market is the most developed in the world outside the US. UK private equity funds invested \$37.8bn (equivalent to £29.5bn), the largest amount in Europe, in 2020.
- The UK plays a leading role in a number of specialist areas of financial services. Green finance, Islamic finance and maritime financial services are all sectors where the UK has been at the forefront of development.
- London's role as the world's leading international financial hub and the presence of a strong and fast-growing technology sector have helped boost the UK's position as a global FinTech leader. The UK FinTech market generated revenue worth £6.6bn and employed 76,500 people as of the first half of 2020. The average amount of capital UK FinTechs received from investors was £20.1m in 2019, up from £15m in 2017. The total investment in FinTech in the UK in 2019 was £3.6bn.
- The UK is a major centre for the professional services that support financial services, such as legal, accounting and management consulting. Together, these sectors comprise the financial and related professional services ecosystem that is integral to the UK's global competitiveness.



# The central role of UK financial and related professional services

The UK is a major global hub for international wholesale finance, and as such, the financial and related professional services industry is a strategic national asset for the UK.

Within the UK, the importance of London is core to its international position, but other cities such as Edinburgh and Glasgow in Scotland; Birmingham, Bristol, Leeds, Liverpool, Manchester and Sheffield in England; Cardiff in Wales; and Belfast in Northern Ireland are also important financial centres.

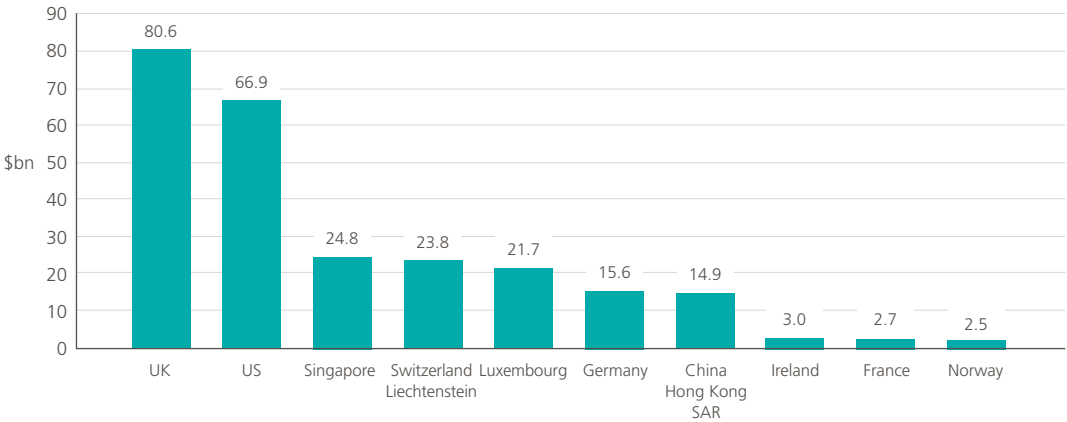
A strong London is good for the economies across the UK, but it is very much a symbiotic relationship. Strong regional and national centres increase the global appeal of London by widening the talent pool and offering growth opportunities for financial and related professional services firms. Indeed, research by TheCityUK shows that just under half of the industry's exports originated in regions and nations outside London.<sup>1</sup>

## The UK – the leading net exporter of financial services across the world

The UK's financial services trade surplus of \$80.6bn (£62.9bn)<sup>2</sup> in 2020 was nearly the same as the combined surpluses of the next two leading countries (the US and Singapore, whose combined surplus was \$91.7bn);<sup>3</sup> for more information see Figure 1. When the estimated trade surplus for related professional services – legal services, accountancy and management consultancy – is also taken into account, the industry total figure climbs to around \$101.7bn (equivalent to £79.3bn).<sup>4</sup>

**Figure 1:** Largest global net exporters of financial services, \$bn, 2020

Source: TheCityUK calculations based on UNCTAD data



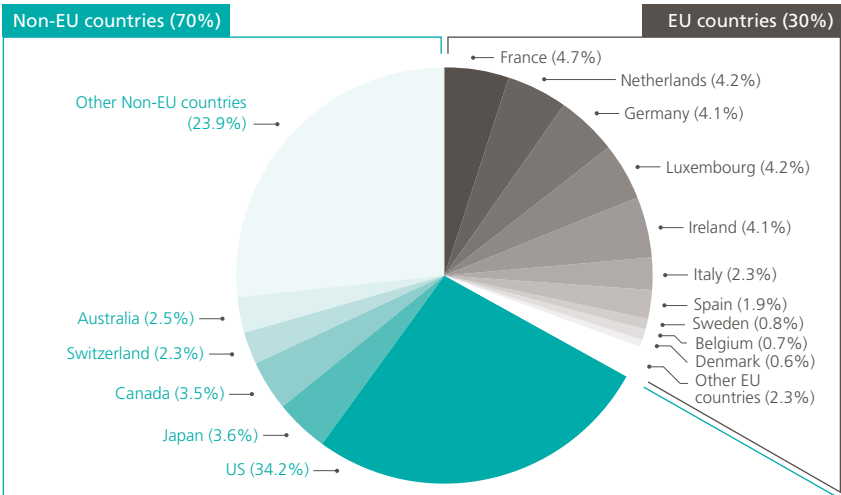
The UK's largest trading partners are the US and EU Member States. The US and EU combined account for 64.2% of the UK's total financial services exports (Figure 2).<sup>5</sup>

<sup>1</sup> TheCityUK, 'Exporting from Across Britain: financial and related professional services 2020', (November 2020), available at: <https://www.thecityuk.com/assets/2020/Reports/45688b5f40/Exporting-from-across-Britain-Financial-and-related-professional-services-2020-v2.pdf>  
<sup>2</sup> All currency conversions for data referring to years prior to 2021 have been made using the average annual exchange rate for the relevant year, available at: <https://data.worldbank.org/indicator/PA.NUS.FCRF?locations=GB>  
<sup>3</sup> TheCityUK calculations based on UNCTAD, 'Data Centre', (October 2021), available at: <http://unctadstat.unctad.org/wds/ReportFolders/reportFolders.aspx>  
<sup>4</sup> TheCityUK estimates based on Office for National Statistics, '03 Trade in services, the Pink Book', (29 October 2021), available at: <https://www.ons.gov.uk/economy/nationalaccounts/balanceofpayments/datasets/3tradeinservicesthepinkbook2016>

<sup>5</sup> TheCityUK calculations based on Office for National Statistics, 'UK trade in services: service type by partner country, non-seasonally adjusted', (26 October 2021), available at: <https://www.ons.gov.uk/businessindustryandtrade/internationaltrade/datasets/uktradeinservicesservicetypebypartnercountrynonseasonallyadjusted>

**Figure 2:** UK financial services exports by major countries, % of world, 2020

Source: TheCityUK calculations based on ONS data

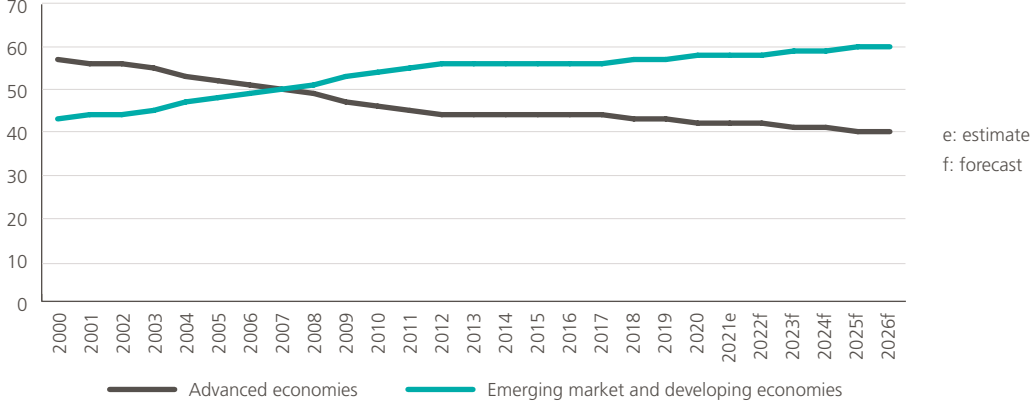


The UK has a strong record in managing financial and related professional services business from developed economies. Developing economies also require financial services to achieve further progress in industrial development, infrastructure investment, poverty reduction and promotion of financial inclusion. The volume of trade with these countries has significant potential for growth due to the rise in the importance of emerging markets to the global economy (Figure 3).<sup>6</sup> The UK has been able to support them through its leading role in many international financial markets.

6 International Monetary Fund, 'World Economic Outlook Databases', (13 October 2020), available at: <https://www.imf.org/en/Publications/SPROLLS/world-economic-outlook-databases#sort=%40imfdate%20descending>

**Figure 3:** World GDP (based on purchasing power parity) %

Source: TheCityUK calculations based on International Monetary Fund data



### Rankings of global financial centres

London is generally considered one of only two full-scale international financial services hubs globally—the other being New York. For example, according to Z/Yen's Global Financial Centres Index<sup>7</sup>, a widely accepted source for ranking financial centres globally, London currently ranks second as an international financial services centre, after New York. The UK ranks second, after the US, in the Global Financial Centres Index published by New Financial.<sup>8</sup> London's role as a hub is based in large part on the co-location of banking, insurance, fund management, securities, derivatives, foreign exchange expertise, and skilled labour, along with its developed market infrastructure.

The number of financial centres conducting international business is growing. While London and New York are long established international financial centres, Asian centres such as Singapore, Hong Kong, Shanghai, and Tokyo have evolved into well-developed regional hubs with deep and broad markets.

At the next level, there are a few relatively broad global markets such as San Francisco, Seoul and Dublin, and a number of global specialist markets such as Dubai, Beijing, Luxembourg, and Moscow. A well-targeted specialist local or regional offer can bring success for emerging international financial centres as they seek to develop niches or provide a particular set of products. For example, Dublin and Luxembourg have defined their business by successfully pursuing a focused strategy.

7 Z/Yen, 'The Global Financial Centres Index 28', (September 2021), available at: [https://www.longfinance.net/media/documents/GFCI\\_30\\_Report\\_2021.09.24\\_v1.0.pdf](https://www.longfinance.net/media/documents/GFCI_30_Report_2021.09.24_v1.0.pdf)  
8 New Financial, 'Driving Growth – the New Financial global financial centres index' (June 2021) available at: <https://newfinancial.org/report-driving-growth-the-new-financial-global-financial-centres-index-2/>

Regional and specialist international financial centres have challenged larger ones to be more innovative and to respond to competitive dynamics. Part of the constant challenge to remain competitive comes from a re-definition of the basis of competitive advantage. While factors such as language, rule of law and culture are important components of a competitive offering, they do not tell the full story. Regulatory and supervisory coherence, tax policy, deep pools of talent, and political recognition and support are also part of the mix and may create a differentiated momentum over time. As global trade and investment grows in new directions, international financial centres will adapt to reflect new needs and opportunities.

Working with other financial centres has helped develop the international networks of UK-based firms, allowing them to expand their international business. In return, the UK has provided access to its markets and expertise for overseas companies, and has acted as a template for many developing centres. This is helping to build a stronger and more prosperous global economy.

**Figure 4:** Financial centre indicators, share by country (%)

Source: The CityUK calculations based on Bank for International Settlements, Willis Towers Watson, Investment Company Institute, and OECD data

	UK	US	Japan	France	Germany	Singapore	Hong Kong	Others
Cross-border bank lending (Q2 2021)	15.9	9.9	13.0	13.0	7.1	2.4	4.9	34.0
Foreign exchange turnover (2019)	43.1	16.5	4.5	2.0	1.5	7.7	7.5	17.2
Interest rate OTC derivatives turnover (Apr 2019)	50.1	32.2	1.8	1.6	0.8	1.6	6.0	5.9
International debt securities outstanding (Q1 2021)	12.5	9.1	1.9	5.5	5.0	0.7	1.4	64.0
Insurance premium (end-2020)	5.4	40.3	6.6	3.7	4.1	0.6	1.2	38.3

**Figure 5:** UK share of financial markets (%)

Source: TheCityUK calculations based on data from Bank for International Settlements, Willis Towers Watson, Investment Company Institute, Insurance Europe, The General Insurance Association of Japan, The Life Insurance Association of Japan, Insurance Information Institute and International Monetary Fund

	2001	2004	2007	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Cross-border bank lending	19	20	20	18	19	19	17	18	17	16	17	17	16	15
Foreign exchange turnover	32	32	35	37	--	--	41	--	--	37	--	--	43	--
Interest rate OTC derivatives turnover	35	42	44	47	--	--	50	--	--	39	--	--	50	--
Conventional fund management	8	8	9	8	8	8	8	7	7	7	6	6	5.4	--

The World Alliance of International Financial Centres

TheCityUK is a member of the World Alliance of International Financial Centres (WAIFC), a new grouping of international financial centres from both developed and developing countries. The WAIFC provides an important forum through which different international financial centres can exchange insights and best practices, pursue cooperation and explore how international financial centres can best support economic growth.

WAIFC members include international financial centres from Europe, North America, Eurasia, Asia Pacific, the Middle East and Africa. Together, members have worked on a series of projects which explored how international financial centres are facilitating the development of FinTech solutions, green investment and infrastructure projects, funding for SMEs and the role of financial centres in financing the economy.

Since the onset of Covid-19, the WAIFC has begun work on a project to explain how international financial centres can best contribute to a global economic recovery, whether by supporting sustainable growth, SMEs, or by pushing for more regulatory co-operation to remove regulatory barriers to trade and encouraging more international trade and investment. The WAIFC provides an important opportunity to draw together the diverse expertise and capabilities located within IFCs worldwide to promote broader economic development objectives.

# International financial markets in London and the UK

## Banking

Indicators of the UK’s strong international position include:

**Size of the industry:** UK banking sector assets totalled \$14.3trn (£10.3trn) at the end of the first half of 2021, the third largest in the world and the largest in Europe, ahead of France (\$13.2trn) and Germany (\$11.2trn) and Italy (\$4.8trn); for more information, see Figure 6.<sup>9</sup> Around 40% of UK banks’ assets are denominated in sterling; the remainder are foreign currency based.<sup>10</sup>

**Figure 6:** Largest banking centres’ assets, \$bn, 2021

Source: National central banks

Banking centre	Bank assets, \$bn, Q2-2021
China	57,400
US	21,500
UK	14,300
France	13,200
Japan	12,100
Germany	11,200
Italy	4,800

**Cross-border banking:** the UK is the world’s largest centre for cross-border banking, with 15% of the outstanding value of international bank lending in the fourth quarter of 2020. It was also the largest centre for cross-border borrowing (18%); for more information see Figure 7.<sup>11</sup> London is a centre for foreign banks, with around 200 foreign banks or branches in the city.<sup>12</sup>

9 All values in 2021 were converted to US dollars using the average exchange rate of the relevant period of 2021, available at: <https://fred.stlouisfed.org/categories/95>  
10 TheCityUK calculations based on Bank of England, ‘B1.4 monetary financial institutions’ (excluding central bank) balance sheets’, (October 2021), available at: <https://www.bankofengland.co.uk/statistics/tables>  
11 TheCityUK calculations based on Bank for International settlements, ‘A2: Cross-border positions, by location of reporting bank and sector of counterparty’, (October 2021), available at: <https://www.bis.org/statistics/bankstats.htm?m=6%7C31%7C69>  
12 TheCityUK estimates based on Association of Foreign Banks, (October 2021), available at: <http://www.foreignbanks.org.uk/>

**Figure 7:** International bank lending and borrowing, % share, Q4 2020

Source: TheCityUK calculations based on Bank for International Settlements

Country	Lending	Borrowing
UK	15	18
France	13	15
Japan	12	5
US	9	12
Germany	7	6
HK	5	4
China	4	5
Netherlands	3	3
Canada	3	3
Switzerland	3	3
Singapore	2	2
Spain	2	1
Luxembourg	2	2
Cayman Islands	2	2
Australia	2	3
Others	16	16

**Private and investment banking:** London is one of the most important centres for private and investment banking. Many international banks have their private and investment banking business in the UK, including Bank of America, Credit Suisse, Goldman Sachs, J.P. Morgan, Morgan Stanley, RBC Capital Markets and UBS.

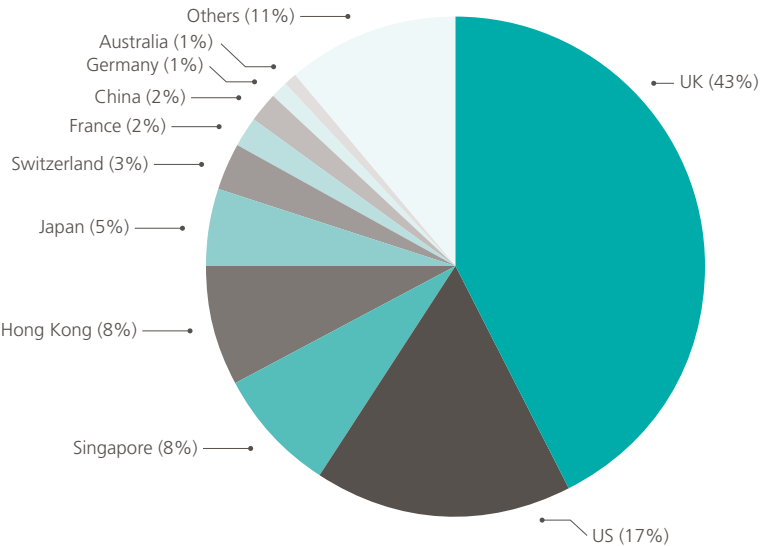
According to the latest available data from the Bank for International Settlements, the UK accounted for 43% of global foreign exchange trading in April 2019, well ahead of the US (17%), Singapore (8%), Hong Kong (8%) and Japan (5%); for more information see Figure 8. The bulk of the UK’s daily turnover averaging \$3.6trn (equivalent to £2.8trn) in April 2019 was transacted in London. Around 2.5 times as many US dollars are traded on the foreign exchange market in the UK than in the US.<sup>13</sup> London is also a global leader in offshore renminbi trading, and remains the biggest renminbi foreign exchange and payments centre outside of Greater China. While London accounted for 34.4% of total offshore renminbi transactions in July 2020, down from 43.3% in November 2019, London remains a global leader in offshore renminbi trading.<sup>14</sup>

13 TheCityUK calculations based on Bank for International Settlements, ‘Triennial central bank survey of foreign exchange and over-the-counter (OTC) derivatives markets in 2019: Foreign exchange turnover: D11.2 by country, 1986-2019’, (8 December 2019), available at: <https://www.bis.org/statistics/rpfx19.htm?m=6%7C381%7C677>  
14 City of London Corporation and People’s Bank of China, ‘London RMB Business Quarterly: Issue 8’, (October 2020), p.7, available at: <https://www.cityoflondon.gov.uk/assets/Business/london-rmb-business-quarterly-october-2020.pdf>



**Figure 8:** Foreign exchange trading, % share, April 2019

Source: TheCityUK calculations based on Bank for International Settlements data



## Insurance

The UK insurance industry is the largest in Europe and fourth largest in the world, with around \$338bn (equivalent to £264bn) in premiums in 2020 (Figure 9).<sup>15</sup> It consists of insurance companies (including the specialist London Market); the Lloyd's market; intermediaries; and various specialist support professions and services.

The UK insurance market's strong international position is indicated by the fact that:

- The UK is the largest source of pension funds in Europe, with \$3.6trn (equivalent to £2.8trn) in assets under management in 2020.<sup>16</sup> The country is also the third largest source of insurance funds in Europe, with \$2trn (equivalent to £1.6trn) in assets under management (France has \$2.9trn (equivalent to £2.3trn) and Germany has \$2.3trn (equivalent to £1.8trn)).<sup>17</sup>

<sup>15</sup> Swiss Re Institute, 'SIGMA No 3/2021: World insurance: the recovery gains pace', (14 July 2021), p.31-36, available at: <https://www.swissre.com/dam/jcr:ca792993-80ce-49d7-9e4f-7e298e399815/swiss-re-institute-sigma-3-2021-en.pdf>

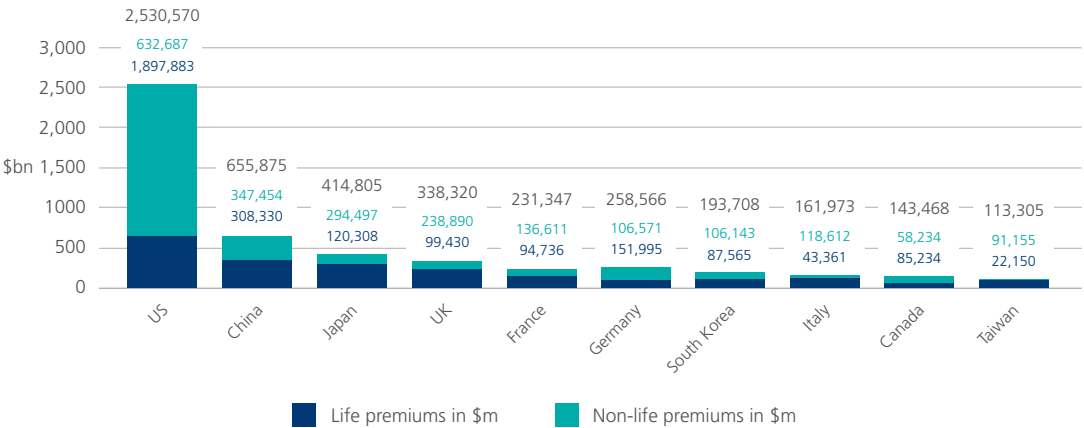
<sup>16</sup> Willis Towers Watson, 'Global Pension Assets Study 2021', (2021), p. 14, available at: [https://www.thinkingaheadinstitute.org/content/uploads/2021/02/GPAS\\_\\_2021.pdf](https://www.thinkingaheadinstitute.org/content/uploads/2021/02/GPAS__2021.pdf)

<sup>17</sup> Insurance Europe, 'Statistics: Investment portfolio', (October 2021), available at: <https://www.insuranceeurope.eu/statistics>

- UK companies feature prominently in rankings of the world's largest insurance companies.
- The UK accounted for 5.4% of global premiums and around one-fifth of premiums in advanced EMEA economies in 2020.<sup>18</sup>

**Figure 9:** Largest insurance markets, \$bn, 2020

Source: Swiss Re Institute



The London Market is a separate part of the UK insurance and reinsurance sector based in central London. The London Market consists mostly of general insurance and reinsurance and predominantly involves high exposure risks.

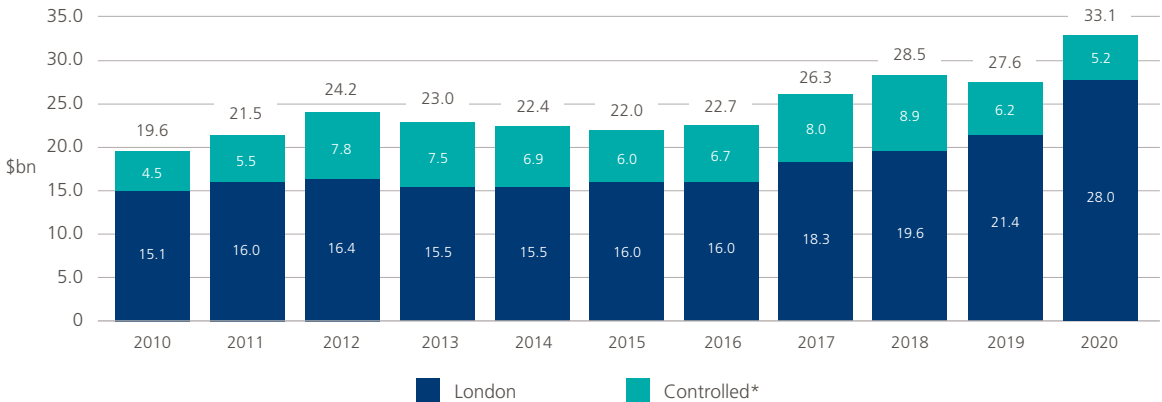
According to data from the International Underwriting Association of London (IUA, the representative body for insurance and reinsurance firms in London), the London company market—which comprises non-Lloyd's international and wholesale insurance and reinsurance companies operating in London—saw average annual premium growth of 5.7% over 2010-20, reaching around £33.1bn (equivalent to \$42bn) (Figure 10).<sup>19</sup>

<sup>18</sup> Swiss Re Institute, 'SIGMA No 3/2021: World insurance: the recovery gains pace', (14 July 2021), p.31-36, available at: <https://www.swissre.com/dam/jcr:ca792993-80ce-49d7-9e4f-7e298e399815/swiss-re-institute-sigma-3-2021-en.pdf>

<sup>19</sup> International Underwriting Association of London, 'London company market statistics report 2021', (September 2021), p.5, available at: [https://www.iua.co.uk/IUA\\_Member/Publications/London\\_Company\\_Market\\_Statistics\\_Report.aspx](https://www.iua.co.uk/IUA_Member/Publications/London_Company_Market_Statistics_Report.aspx)

**Figure 10:** London company market's premium, £bn

Source: International Underwriting Association of London



\*'Controlled' refers to premiums generated outside London, but for London-based insurance companies (i.e. London company market).

Lloyd's of London is a corporate body and marketplace for insurance and reinsurance business in London. Lloyd's gross written premium income reached £35.5bn (equivalent to \$45.5bn) in 2020. Average annual growth of Lloyd's gross premiums has been 4.5% over the past five years.<sup>20</sup>

## Equity and bond markets

### Equity markets

London's importance as a centre for global equity trading is illustrated by:<sup>21</sup>

- The 352 foreign companies listed on the LSE as of September 2021, behind CEESG in Vienna (791), Nasdaq (739), and New York Stock Exchange (NYSE) (586), and ahead of Moscow Exchange (269), Euronext (249) and Singapore Exchange (230); for more information see Figure 11.
- During the first ten months of 2021, 93 companies raised capital through new issues and IPOs equivalent to £5.9bn (equivalent to \$8.2bn).<sup>22</sup>

20 Lloyd's of London, 'Lloyd's annual report 2020, (31 March 2021), p.34, available at: <https://www.lloyds.com/annualresults2020>

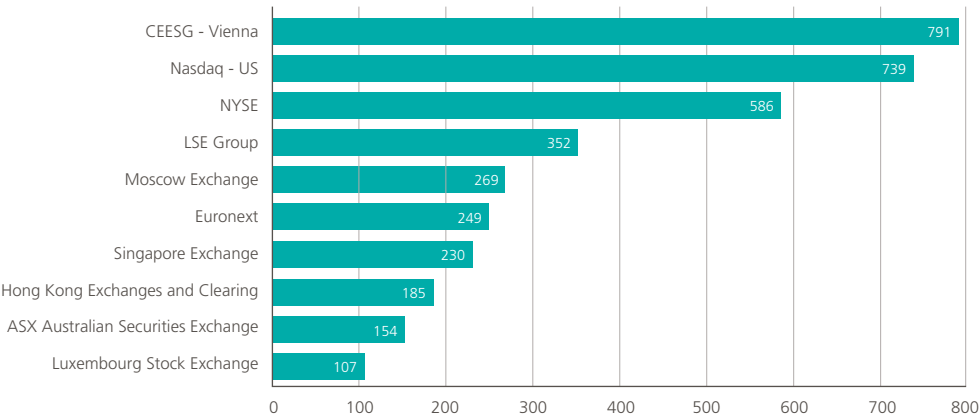
21 World Federation of Exchanges, 'Market statistics – Nov 2021', (Nov 2020), available at: <https://focus.world-exchanges.org/issue/november-2021/market-statistics>

22 London Stock Exchange, 'New issues and IPOs', (November 2021), available at: <https://www.londonstockexchange.com/reports?tab=new-issues-and-ipos>

- Its 4.4% share of global equity market capitalisation and 2% of global equity trading by value.
- The UK having one of the highest equity market capitalisation in relation to GDP of the largest countries – 148% at the end of 2019.
- The Alternative Investment Market (AIM), a sub-market of the LSE, supports smaller growth firms to raise capital through the equity market. 3,800 companies have been listed on the AIM since the sub-market's inception in 1995. These companies are from 79 countries, raising £117.8bn since then. Sixty percent of capital raised through IPOs and follow-on issuance on European growth markets were from AIM in 2019.<sup>23</sup>

**Figure 11:** Number of foreign companies listed, September 2021

Source: World Federation of Exchanges



### Bond markets

The UK's substantial domestic market in bonds is complemented by London's continuing role as a major centre for issuance and trading of international bonds. The UK's outstanding value of international bonds was the largest in the world at the end of Q1 2021, totalling around \$3.4trn (equivalent to £2.5trn), equivalent to 12.5% of the global total.<sup>24</sup> Eurobonds accounted for 61.7% of this.<sup>25</sup>

23 London Stock Exchange, 'Celebrating 25 years of AIM: ambition growth resilience', (17 June 2020), p.4 and 16-17, available at: [https://docs.londonstockexchange.com/sites/default/files/documents/AIM\\_25-report\\_v3.pdf](https://docs.londonstockexchange.com/sites/default/files/documents/AIM_25-report_v3.pdf)

24 Bank for International Settlements, 'C1: Summary of debt securities outstanding', (14 September 2020), available at: <https://www.bis.org/statistics/secstats.htm?m=6%7C33%7C615>

25 TheCityUK calculations based on Bank for International Settlements, 'United Kingdom: Debt securities issues and amounts outstanding', (2021), available at: <https://stats.bis.org/statx/srs/table/c3?c=GB&f=pdf>

Fund management

The UK is one of the largest markets in the world for fund management. The sector has a strong international orientation reflected in the institutional presence of a broad mix of UK and foreign firms; equity and bond investments of 70.7% and 50.2% respectively in overseas markets; and management on behalf of overseas clients of funds totalling \$4.6trn (equivalent to £3.6trn) among The Investment Association (IA) members.<sup>26</sup> Some of the key indicators of the UK’s international position include:

- **Pension fund assets:** UK pension assets accounted for 6.8% of global pension assets in 2020, which was well ahead of other European countries. At 135.1%, the UK’s pension assets-to-GDP ratio was among the highest in the world in that year.<sup>27</sup>
- **Mutual funds:** \$2.3trn (£1.7trn) is managed by UK mutual funds,<sup>28</sup> the fourth-highest amount globally after the US, France and Japan
- **Insurance funds:** the UK insurance industry has the third largest funds under management after the US and Japan.

Figure 12: Conventional investment management assets, \$bn

Sources: Willis Towers Watson, OECD, and Investment Company Institute

	Pension funds (Dec 2020)	Insurance assets (Dec 2019)	Mutual funds (Jun 2021)
US	32,567	7,398	32,485
Japan	3,613	3,899	2,412
UK	3,564	2,606	2,310
France	166	865	2,525
Canada	3,080	-	1,820
Others	9,532	21,688	26,997
Total	52,522	36,456	68,549

Hedge funds

London is the world’s second-largest centre for hedge fund management, after New York. The UK had around £350bn

26 Investment Association, ‘Asset Management in the UK 2020-2021, The Investment Association Annual Survey’, (2021), p.9, 19, 20 & 104, available at: <https://www.theia.org/sites/default/files/2021-09/IMS%20report%202021.pdf>

27 Willis Towers Watson, ‘Global Pension Assets Study 2021’, (2021), p.14, available at: [https://www.thinkingaheadinstitute.org/content/uploads/2021/02/GPAS\\_2021.pdf](https://www.thinkingaheadinstitute.org/content/uploads/2021/02/GPAS_2021.pdf)

28 Investment Company Institute, ‘Supplement: Worldwide Public Table, Second Quarter 2020, Data in US Dollar (xls)’, (24 September 2020), available at: <https://www.ici.org/research/stats/worldwide>

(\$448bn)<sup>29</sup> in assets under management (around 14% of global assets)<sup>30</sup> in the hedge fund sector in 2020. The UK remains by far the largest centre for hedge funds in Europe. The UK is also the leading centre for hedge fund services such as administration, prime brokerage, custody and auditing.

Private equity

The UK private equity market is the most developed in the world outside the US, whose private equity sector invested \$650bn (equivalent to around \$507bn) in 2020.<sup>31</sup> UK private equity funds invested \$37.8bn (equivalent to £29.5bn), the largest amount in Europe, in 2020. Target companies based in the UK received \$24.4bn (equivalent to £19bn) in that year (Figure 13).<sup>32</sup> London is the largest European centre for the management of private equity investments and funds.

The UK private equity industry invested £90.3bn (\$116.8bn) in 5,635 firms worldwide between 2017 and 2020. The UK private equity industry invested in 1,695 firms in 2020 alone.<sup>33</sup>

Figure 13: Private equity investments, top 10 European countries, \$bn, 2020

Source: TheCityUK calculations based on Invest Europe data

	Investments (location of the private equity firm)	Investments (location of the portfolio firm)
UK	37.8	24.4
France	21.5	19.3
Germany	11.5	17.0
Spain	4.6	8.7
Italy	4.0	7.3
Netherlands	7.1	7.6
Sweden	3.3	4.4
Luxembourg	0.9	0.3
Norway	0.9	2.7
Belgium	1.4	1.6

29 Investment Association, ‘Asset Management in the UK 2020-2021, The Investment Association Annual Survey’, (September 2021), p.19, available at: <https://www.theia.org/sites/default/files/2021-09/IMS%20report%202021.pdf>

30 TheCityUK calculations based on Barclay Hedge, ‘Hedge fund industry assets under management’, (October 2020), available at: <https://www.barcleyhedge.com/solutions/assets-under-management/hedge-fund-assets-under-management/>

31 American Investment Council, ‘Top states & districts for private equity investment’, (2020), p.2, available at: <https://www.investmentcouncil.org/wp-content/uploads/2020aictopstatesdistricts.pdf>

32 TheCityUK calculations based on Invest Europe, ‘Investing in Europe: private equity activity 2020’, (12 July 2021), p.53 & 57, available at: [https://www.investeurope.eu/media/4004/investing-in-europe\\_private-equity-activity\\_2020\\_invest-europe\\_final.pdf](https://www.investeurope.eu/media/4004/investing-in-europe_private-equity-activity_2020_invest-europe_final.pdf)

33 TheCityUK calculations based on British Private Equity & Venture Capital Association, ‘BVCA Report on Investment Activity 2020’, (September 2021), p.20, available at: <https://www.bvca.co.uk/Portals/0/Documents/Research/Industry%20Activity/BVCA-RIA-2020.pdf>

Derivatives trading

A derivative is a contract whose value and method of payment and delivery are agreed by two or more parties, and whose value is based on that of an underlying asset. The underlying assets of a derivative include stocks, bonds, commodities and currencies, among others.

The UK is one of the world’s leading derivatives centres. For example, the latest data available from the Bank for International Settlements indicate that the UK had a 50.1% share of trading in OTC interest-rate derivatives in 2019. The US is the only other major location for OTC interest- rate derivatives trading, with 32.2% of trading (Figure 14).<sup>34</sup>

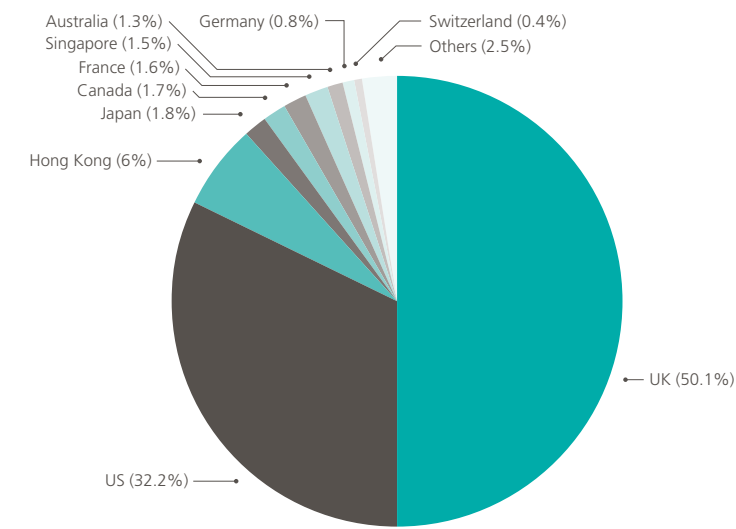
There are a number of derivatives exchanges operating in the UK. For example:

- NYSE Liffe, the leading exchange for trading in short-term euro interest rates contracts. Liffe is part of the Intercontinental Exchange group.
- London Metal Exchange, a major non-ferrous metals exchange.
- ICE Futures Europe, the largest regulated energy futures exchange in Europe, and the second largest in the world. ICE Futures Europe is part of the Intercontinental Exchange group.
- Several derivatives markets hosted by the London Stock Exchange Group, including, for example, for interest-rate futures.

34 TheCityUK calculations based on Bank for International Settlements, ‘OTC interest rate derivatives turnover, D12.2 by country, 1995-2019’, (8 December 2019), available at: <https://www.bis.org/statistics/rpfx19.htm?m=6%7C381%7C677>

Figure 14: Location of OTC interest rate derivatives daily average turnover, % share, April 2019

Source: TheCityUK calculations based on Bank for International Settlements data



Commodities trading

The UK is home to a number of international commodity organisations such as the International Coffee Organization, the Grain and Feed Trade Association and International Sugar Organisation. As one of the world’s leading international financial centres, London benefits from being the preferred location for many international firms trading in commodities as well as investment banks and other financial institutions that trade in commodities derivatives.

Bullion markets

A large proportion of trading in precious metals takes place on the OTC market in London. The average daily volume of gold cleared at the London Bullion Market Association in 2020 was 20m ounces (worth \$35.4bn, equivalent to £27.6bn).<sup>35</sup> The average daily volume of silver cleared was 200m ounces (\$4.1bn, equivalent to £3.2bn). London is also a leading centre for energy brokers operating in energy and carbon markets.<sup>36</sup>

35 All precious metal prices were converted to US dollar and Sterling in this report using the average annual price, available at: <https://www.lbma.org.uk/prices-and-data/precious-metal-prices#/>  
36 London Bullion Market Association, ‘Clearing Statistics’, (October 2020), available at: <https://www.lbma.org.uk/prices-and-data/clearing-data>

# The UK's role in specialist financial services

## Green finance

Green finance matches sources of funding to new capital and operating expenditures that generate measurable progress towards the achievement of a well-recognised environmental goal.<sup>37</sup> According to TheCityUK's analysis based on data from Refinitiv, green finance activity in the UK (green bond issuance, green IPOs and green private equity investment) totalled \$37.8bn cumulatively over 2011-20.

The LSE's dedicated Sustainable Bond Market (SBM) replaced its Green Bond Segment in October 2019. It is the first major exchange to launch a dedicated segment for green bonds. The SBM includes green, sustainability and social bonds. There were more than 240 active sustainable bonds listed on the LSE from over 60 issuers in 2020, which have raised around £50bn (equivalent to \$64bn). The LSE launched the Sustainable Bond Market Advisory Group (SBMAG) in July 2020. The SBMAG is an advisory forum that encourages development of the LSE's Sustainable Bond Market.<sup>38</sup>

There were also more than 125 green funds and Exchange Traded Funds (ETFs) listed on the LSE as of October 2021.<sup>39</sup> According to data from Morningstar, there are 20 green bond open-ended investment companies and unit trusts available in the UK; key players include Allianz, AXA, BNP Paribas, Credit Suisse, iShares, JSS and Mirova.<sup>40</sup>

## Islamic finance

The UK's profile as the leading Western centre for Islamic finance has continued to grow in recent years. Institutions in London and other UK cities have now been providing Islamic finance and related professional services for around 40 years. The Islamic Finance Country Index, published by Edbiz Consulting, ranks the Islamic banking and finance industry of countries globally. The latest (2020) Index ranks the UK 18th out of 48 countries. This puts the UK top in Europe, and first among non-Muslim-majority nations.<sup>41</sup>

Islamic finance assets under management in the UK increased by 27% in 2019. In particular, the value of Islamic funds' assets rose by 41% in that year.<sup>42</sup> TheCityUK estimates that assets of UK-based institutions that offer Islamic finance services totalled \$7.3bn (equivalent to £5.7bn) in 2019.<sup>43</sup>

37 TheCityUK and Imperial College Business School, 'Growing green finance', (September 2017), p.7, available at: <https://www.thecityuk.com/assets/2017/Reports-PDF/21ef6f5fef/Growing-Green-Finance.pdf>

38 London Stock Exchange Group, 'Debt capital markets update Q3 2020', (22 October 2020) p.13, available at: <https://www.londonstockexchange.com/discover/news-and-insights/debt-capital-markets-update-q3-2020>

39 London Stock Exchange Group, 'London leads the world's sustainable finance ecosystem', (October 2020), available at: <https://www2.lseg.com/sustainablefinance>

40 Morningstar, 'Fund Screener', (October 2020), available at: <https://www.morningstar.co.uk/uk/funds/default.aspx>

41 Edbiz Consulting and Cambridge Institute of Islamic Finance, 'Islamic Finance Country Index 2020', (2021), p.60, available at: <https://www.gjfr.net/publications/gjfr2020/ifci.pdf>

42 Salaam Gateway, 'State of the global Islamic economy 2020/21 report', (November 2020), p. 18, available at: <https://www.salaamgateway.com/specialcoverage/SGIE20-21>

43 TheCityUK estimates based on Islamic Financial Services Board, 'Islamic Financial Services Industry Stability Report 2020', (August 2020), p.12, available at: <https://www.ifsb.org/sec03.php>

There are currently three fully Sharia compliant banks licensed in the UK. TheCityUK estimates that total Sharia-compliant banking assets in the UK were \$5.3bn (equivalent to £4.2bn) in 2019.<sup>44</sup> The LSE had issued 68 sukuk, raising more than \$50bn (equivalent to £36bn), as of October 2021. A total of three Sharia-compliant exchange-traded funds are listed on the LSE.<sup>45</sup>

## FinTech

FinTech represents the intersection of innovative technology and financial services. The companies in the FinTech sector are generally start-ups founded with the purpose of replacing and challenging traditional financial systems and corporations that are less reliant on software. London is the world's leading international financial hub and offers a wealth of talent and expertise. This, combined with a network of FinTech centres throughout the country, a strong venture capital base, tax breaks for start-ups and hubs such as Tech City, have helped boost the UK's global position as a global FinTech leader.

The UK FinTech market generated revenue worth £6.6bn<sup>46</sup> and employed 76,500 people as of the first half of 2020.<sup>47</sup> According to the UK FinTech Census report 2019 from EY, Innovate Finance and HM Treasury, the average amount of capital UK FinTech firms received from investors was £20.1m in 2019, up from £15m in 2017.<sup>48</sup> A recent EY report noted that the total investment in FinTech in the UK in 2019 was £3.6bn. The UK attracts a significant amount of FinTech investment (Figure 15) indeed, FinTech investment in the UK is second only to such investment in the US.<sup>49</sup> For example, there are more 186 accelerators and around 205 incubators.<sup>50</sup>

44 Ibid

45 London Stock Exchange, 'Islamic finance', (October 2020), available at: <https://www.londonstockexchange.com/raise-finance/debt/our-products/sukuk>

46 TheCityUK and Moscow Innovation Cluster, 'UK-Russia FinTech working group, insights and recommendations', (April 2020), p.4, available at: <https://www.thecityuk.com/assets/2020/Reports/25f21beb0a/UK-Russia-FinTech-Working-Group-insights-and-recommendations.pdf>

47 TheCityUK and PA Consulting, 'Enabling the UK's approach to innovation in financial services', (May 2020), p.10, available at: <https://www.thecityuk.com/assets/2020/Reports/2a57f69ecb/Enhancing-the-UKs-approach-to-innovation-in-financial-services.pdf>

48 EY, Innovate Finance and HM Treasury, 'UK FinTech Census 2019: A snapshot: two years on', (November 2019), p.11 & 15, available at: [https://assets.ey.com/content/dam/ey-sites/ey-com/en\\_uk/topics/banking-and-capital-markets/uk-fintech-census-2019/ey-uk-fintech-census-2019.pdf](https://assets.ey.com/content/dam/ey-sites/ey-com/en_uk/topics/banking-and-capital-markets/uk-fintech-census-2019/ey-uk-fintech-census-2019.pdf)

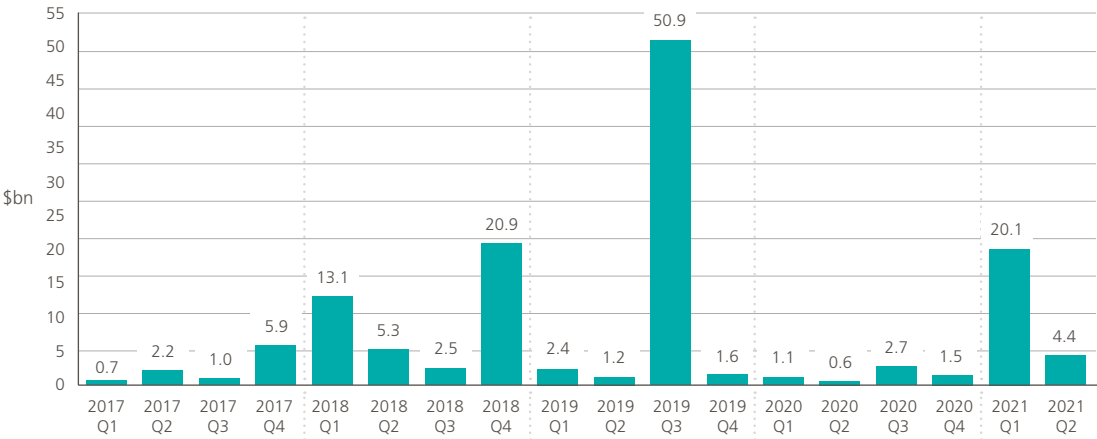
49 'KPMG, 'Pulse of FinTech H1 '21' (August 2021); available at: <https://assets.kpmg/content/dam/kpmg/xx/pdf/2021/08/pulse-of-fintech-h1.pdf>

50 EY, 'UK FinTech: moving mountains and moving mainstream', (3 March 2021), P4, 5 and 15, available at: [https://assets.ey.com/content/dam/ey-sites/ey-com/en\\_gl/topics/emeia-financial-services/ey-uk-fintech-2020-report.pdf](https://assets.ey.com/content/dam/ey-sites/ey-com/en_gl/topics/emeia-financial-services/ey-uk-fintech-2020-report.pdf)



Figure 15: Total FinTech investment activity (VC, PE and M&A) in the UK, deal value, \$bn

Source: KPMG



## Maritime business services

The UK maritime business services sector provides services to the international shipping industry which, through the movement of cargoes, is vital in enabling the world economy to function. London is the world's leading centre for the supply of a wide range of financial and related professional services to the international shipping industry including: banking, insurance, shipbroking, legal services, accounting services, ship classification, education and publishing.

The latest available research from Menon Economics, a consultancy, ranks London as the fifth leading maritime capital in the world by five measurements: shipping, finance and law, maritime technology, ports and logistics, and attractiveness and competitiveness (Figure 16). Notably, London holds the top spot in the 'finance and law' metric, a testament to its particular strength in financial and related professional services.<sup>51</sup>

Figure 16: Leading maritime capitals of the world, 2019

Source: Menon Economics

	Overall rank	Shipping	Finance and law	Maritime technology	Ports and logistics	Attractiveness and competitiveness
1	Singapore	Singapore	London	Oslo	Singapore	Singapore
2	Hamburg	Athens	New York	London	Rotterdam	Copenhagen
3	Rotterdam	Hamburg	Oslo	Hamburg	Hong Kong	London
4	Hong Kong	Hong Kong	Hong Kong	Busan	Shanghai	Rotterdam
5	London	Shanghai	Singapore	Tokyo	Hamburg	Hamburg

Shipbrokers in the UK operate at the centre of the international shipping business, bringing together ship owners, charterers and other related parties. Shipbrokers are represented by the Baltic Exchange, the world's only independent source of maritime market information for the trading and settlement of physical and derivatives contracts. Baltic members are also involved in the sale and purchase of over half the world's new and second hand tonnage.

## Infrastructure investment

The private sector plays a vital role in infrastructure investment. The majority of projects in energy, utilities and digital infrastructure, for example, have been financed privately. Nearly 50% of the infrastructure pipeline is expected to be financed by the private sector in the coming years. The financial services sector is a key player in this private financing: pension funds and insurers are expected to invest £150bn-£190bn in infrastructure in the UK in the next decade.<sup>52</sup> More broadly, the UK-based financial and related professional services industry builds a bridge linking private investors and infrastructure investment. For example, the industry supports infrastructure investment by providing capital, as well as legal and advisory services.

The UK government published a new National Infrastructure Strategy in November 2020, which commits £27bn of funding to economic infrastructure investment in 2021/22. The strategy is also explicit about the need to encourage private investment in infrastructure by giving investors clarity about government policy. November 2020 therefore also saw the announcement of the establishment of a new UK infrastructure bank "to co-invest alongside the private sector in infrastructure projects".<sup>53</sup> The over-arching aims of the infrastructure investment supported by the new bank will be around post-pandemic economic recovery, reducing regional economic inequality, and meeting the UK's goal of net-zero carbon emissions by 2050.

51 Menon Economics, 'The Leading Maritime Capitals of the World 2019', (10 April 2019), p.5, available at: <https://www.menon.no/leading-maritime-capitals-of-the-world-report-2019/?lang=en>

52 HM Treasury, 'National Infrastructure Strategy', (25 November 2020), available at: <https://www.gov.uk/government/publications/national-infrastructure-strategy>

53 Ibid

# The role of London and the UK as a global provider of professional services

## Legal services

The UK is the largest legal services market in Europe (valued at £36.8bn in 2019) and is second only to the US globally. It accounts for a third of Western European legal services fee revenue and around 7% of global legal services fee revenue. The UK is home to a wide range of international law firms with more than 200 foreign law firms from around 40 jurisdictions now operating in the country and all of the world's top 50 law firms having an office in London. Five of the 20 largest law firms, based on number of lawyers in 2019/20, have their main base of operations in the UK, and four of the top 20 revenue generating law firms are based in the UK. The largest international law firms in London have between 45% and 65% of their lawyers abroad, and many other London-based firms have between 10% and 20% of lawyers overseas. Net exports of UK legal services stood at £5.6bn in 2020.<sup>54</sup>

The UK's position in legal services is helped by the international prestige of English common law, which forms the basis of the legal systems for some 27% of the world's 320 jurisdictions (American common law is by contrast used by around 20% of the world's jurisdictions). Meanwhile, the UK's reputation as the leading centre for international dispute resolution is a strong driver for commercial parties to frequently opt for their contracts to be governed by English law.

## Accounting services

The UK occupies a key position in the delivery of accounting services worldwide, with many of the largest global firms headquartered here. For example, all of the 'Big Four' accounting firms—Deloitte, EY, KPMG and PwC—have offices and businesses in the UK. Net exports from UK accounting services totalled £544m (equivalent to \$697m) in 2020.<sup>55</sup>

## Management consultancy

Management consulting has been one of the fastest growing industries in the UK in recent years. A key feature of management consultancy in the UK is the concentration of activity among a few large and medium-sized international firms at one end of the scale, and a large number of specialist smaller firms which have specific expertise or skills at the other end.

The UK is a significant exporter of management consulting services. According to the Office for National Statistics, which uses a wider sector definition than TheCityUK does, business management and management consulting net exports totalled £20.7bn (equivalent to \$26.5bn) in 2020.<sup>56</sup>

54 Office for National Statistics, The Pink Book: 2021, (29 October 2021), available at: <https://www.ons.gov.uk/economy/nationalaccounts/balanceofpayments/datasets/3tradeinservicesthepinkbook2016>

55 Ibid

56 Ibid

## Financial services education and training

A range of UK-based organisations provides education and training in financial and related professional services internationally.

Universities and business schools have a key role in attracting foreign students to the UK. 485,645 non-UK students (or 20.7% of all higher-education students) were studying at the tertiary level in the UK in 2018/19, according to the latest data available from Universities UK International.<sup>57</sup>

Specialised training services are offered by a variety of providers including exchanges, specialist training firms and industry associations. For example, the LSE offers its training and academy to support market participants.<sup>58</sup> UK Finance also runs its own training workshops on various topics, such as compliance, risk management and presentation skills for practitioners.<sup>59</sup>

A number of sustainable finance-related initiatives have also been launched in recent years. The Green Finance Institute runs a Green Finance Education Charter that aims to equip finance professionals with the knowledge, skills and attitudes needed to accurately assess climate-related risk and opportunities; it also aims to help incorporate sustainable finance principles and practices in the financial and professional services sector.<sup>60</sup> The Chartered Banker Institute also offers a certificate in Green and Sustainable Finance that aims to increase the learner's knowledge of climate change and its impact, climate risk, the evolution of green products and services in different sectors, and the role of the financial sector in supporting the transition to a low-carbon world.<sup>61</sup>

The Financial Services Skills Commission is the independent, non-partisan, member led body, representing the UK financial services sector on skills. Representing 32 firms, employing over 300,000 people, the Commission works with members to increase and diversify the supply of skills in the sector.<sup>62</sup>

Meanwhile, UK-based professional institutions play a key role in the development of accounting skills throughout the world. For example, according to data from the Financial Reporting Council, there are over 380,000 members in seven main accountancy bodies in the UK and the Republic of Ireland. These qualifications represent a global standard, as well as providing a training ground for the next generation of business leaders.<sup>63</sup>

57 Universities UK International, 'International facts and figures 2020', (8 October 2020), p.4, available at: <https://www.universitiesuk.ac.uk/sites/default/files/field/downloads/2021-07/International-Facts-and-Figures-2020.pdf>

58 London Stock Exchange Group, 'Training with academy', (November 2020), available at: <https://www.lseg.com/markets-products-and-services/business-services/academy/academy-course-calendar>

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61 Chartered Banker Institute, 'Certificated in Green and Sustainable Finance', available at: <https://www.charteredbanker.com/qualification/certificate-in-green-and-sustainable-finance.html>

62 Financial Services Skills Commissions, available at: <https://financialservicesskills.org/about-us/>

63 Financial Reporting Council, 'Key Facts and Trends in the Accountancy Profession', (October 2021), p.2, available at: <https://www.frc.org.uk/getattachment/e976ff38-3597-4779-b192-1be7da79d175/FRC-Key-Facts-Trends-2021.pdf>

# Our international programme

In September 2021, TheCityUK published 'Making the UK the leading global financial centre: An international strategy for the UK-based financial and related professional services industry.' The strategy, developed by TheCityUK's International Trade and Investment Group (ITIG) sets out how to make the UK the world's leading international financial centre (IFC) within five years.

The strategy is clear that the industry, government and regulators in the UK should prioritise strengthening the UK's international competitiveness and seek to:

## Make the UK's IFC more open and competitive by:

- Strengthening capital markets by adopting the recommendations of Lord Hill's review
- Boosting inward investment by amending the tax regime and clarifying investment screening rules
- Attracting global talent through streamlining visa processes
- Adopting a dynamic, agile approach to regulation

## Grow the UK's share of key global financial and related professional services opportunities by:

- Liberalising trade with developed and emerging markets
- Concluding regulatory agreements that support services trade
- Securing recognition overseas for UK qualifications and improving labour mobility

## Build new global markets around future demand, so making the UK:

- A global hub for financial and professional services data and technology
- A world-leader in global sustainability finance markets
- The leading gateway for international investment
- A global centre for risk management and risk advisory services

The strategy sets out a number of policy recommendations for how to achieve these goals and provides a framework for the industry's international engagement and policy advocacy work, which covers the following key areas:

**Multilateral trade and investment policy:** Through our Liberalisation of Trade in Services (LOTIS) Expert Advisory Group we work to reduce global trade and investment barriers and strengthen the rules-based global trading system. TheCityUK works with a range of intergovernmental organisations, overseas businesses and partner alliances, including at bodies such as the WTO and OECD, to shape more integrated global services markets.

**Bilateral trade and investment policy:** Through our country and region-specific Market Advisory Groups (MAGs) and the India-UK Financial Partnership (IUKFP), we build financial and related professional services ties between the UK and its key trading partners in the developed and developing world. Our groups provide a platform for industry to advocate for policies that will boost trade and investment with the US, Switzerland, Japan, China, India, ASEAN, Eurasia and New Markets. They also provide a forum for the UK-based industry to deepen co-operation with its key international business partners, including on key future looking issues such as sustainable finance and digital governance. We also work closely with HM Treasury to foster closer regulatory cooperation with key counterparts, including serving as industry partners in key bilateral milestones such as the Economic and Financial Dialogues with China and India, as well as the Financial Dialogues with Japan and Singapore.

**Regulatory coherence:** Some of the biggest trade barriers affecting financial and related professional services businesses are regulatory in nature. All of TheCityUK's international workstreams seek to foster more global regulatory coherence, including, for example, through seeking more financial services deference agreements, greater scope for the mutual recognition of professional qualifications, and more globally consistent rules around green finance disclosure standards.

**Sector specific advocacy:** Through our Sector Advisory Groups – including our Legal Services Group and our Islamic Finance Group, we focus on ensuring the continued international competitiveness of the UK's offering in these sectors and promoting UK expertise.

# Sources of information

[American Investment Council](#)  
[Association of Foreign Banks](#)  
[Bank for International Settlements](#)  
[Bank of England](#)  
[Barclay Hedge](#)  
[British Private Equity & Venture Capital Association](#)  
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[City of London Corporation](#)  
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