

TheCityUK's Mansion House submission

Mansion House provides an important opportunity to demonstrate delivery against the Financial Services Growth and Competitiveness Strategy and to increase confidence among investors, firms and markets.

The UK remains a globally significant and competitive centre, but the pace of change in international markets is increasing amid a more turbulent geopolitical environment. **The priority must now be on pace, clarity and coordinated delivery, rather than incremental reform.** While the strategic direction is positive, significant new UK-specific capital commitments often remain on hold until legislative and regulatory changes are in place and demonstrating tangible impact.

As set out in our 'No time to lose' report, launched by the Economic Secretary to the Treasury this year, there are five priority areas or clear asks from TheCityUK's members - where clear and consistent actions from government can accelerate investment, support growth and reinforce the UK's global position. This report, produced in partnership with PwC is the product of the largest industry listening exercise in recent years, drawing on insights from more than 300 senior leaders across industry, government, regulators and academia, underpinned by PwC's economic modelling and international benchmarking.

1. Lead at the frontier of financial technology

Set out a clear ambition for the UK to lead in next-generation financial markets, supported by rapid deployment of tokenised and digital infrastructure at scale. The UK has a genuine opportunity to lead the next era of global financial markets, but it will only do so with clear ambition, confidence from the highest levels of government and regulation, and practical, real-world implementation. Our 'No time to lose' report makes the case that decisive leadership, regulatory and legal certainty, and real-world deployment at scale are needed to protect UK leadership across trading, fund management and market infrastructure.

Mansion House should therefore send a signal that the UK intends to move from experimentation to deployment, particularly in tokenisation and the evolution of digital wholesale markets, which are emerging as defining features of future financial systems. A clear articulation of the UK's direction, coupled with visible progress on implementation, will be critical to attracting investment and anchoring activity domestically. As part of this, the UK should engage proactively with other major jurisdictions to ensure the UK vision is understood globally and that the UK regime remains interoperable and competitive with other leading markets.

Alongside this, there is a strong productivity case for fixing broken financial processes and accelerating digitisation across the system. High-friction areas such as homebuying and SME lending continue to impose costs on firms and customers alike. Similarly, the absence of a

universal digital identity framework in financial services limits efficiency, access and innovation. Mansion House should therefore signal that government will use its convening power - bringing together regulators and industry, something that is fundamental to TheCityUK's existence - to unlock these barriers and drive coordinated delivery.

Recommendations for leading at the frontier of financial technology:

- Set out a clear UK ambition and delivery pathway for tokenised and digital markets, backed by regulatory and legal certainty.
- Deliver at pace the UK's national digital ID ensuring it is designed to be interoperable across and within sectors.
- Prioritise the digitisation of high-friction processes (e.g. homebuying and SME lending) to drive productivity and improve access.

2. Reset regulation and tax for the future of finance

Signal a decisive shift towards a more predictable, proportionate and materially simpler regulatory and tax environment that actively supports growth. A competitive financial centre depends on a regulatory and tax framework that firms can rely on - one that is stable, internationally competitive, and proportionate to risk. The approach to regulation needs to include both the conduct and prudential aspects. While there has been positive direction of travel, firms' experience on the ground is that the cumulative cost and complexity of compliance continues to weigh on investment and growth.

There is a strong case for moving beyond incremental reform to deliver changes with tangible impact. A clear commitment to material simplification, reducing duplication, streamlining reporting and improving the pace and quality of regulatory decision-making would send the strongest signal. Regulators have made meaningful progress, but more significant rollbacks will require clearer political backing and a stronger steer from government. More broadly, government should set clearer boundaries around the risks businesses are expected to carry and ensure these obligations remain proportionate, supported by cross-government alignment to prevent new initiatives adding unnecessary bureaucracy and cost. Achieving this requires alignment across government, as firms continue to face a steady flow of new initiatives that add bureaucracy and cost, undermining the UK's competitiveness. Practical steps such as regulator-industry compliance and reporting sprints, supported by machine-readable inputs and AI, could accelerate progress in areas where firms currently face significant friction.

At the same time, there is a need for greater clarity and consistency in the broader policy framework. This includes reinforcing the importance of predictable tax policy in supporting investment decisions, as well as ensuring that the direction of regulatory travel is aligned with the UK's growth objectives. Clear signals on the distinction between wholesale and retail regulation, and ongoing work to review and amend prudential capital frameworks in an agile and proportionate manner to ensure they support lending and investment, will also be important.

Recommendations for resetting regulation and tax for the future of finance:

- Commit to a programme of material regulatory simplification, focused on measurable reductions in cost and complexity.
- Launch regulator–industry “compliance and reporting sprints” to accelerate simplification and improve efficiency.
- Reinforce the UK’s commitment to a stable, internationally competitive tax framework that supports long-term investment.
- Increase differentiation between wholesale and retail regulation, including removing unnecessary regulatory overlap.

3. Deepen international trade and investment

Reaffirm the UK’s role as an open, globally connected financial centre and prioritise international cooperation to unlock new flows of trade and investment. The UK’s global position is underpinned by its openness and connectivity. In a more fragmented and protectionist global environment, maintaining and strengthening these characteristics is, and will continue to be, essential. Mansion House offers an opportunity to make a confident statement that the UK remains outward-looking, engaged and committed to facilitating cross-border activity.

This includes deepening financial services trade relationships, strengthening regulatory cooperation, and ensuring that UK frameworks remain interoperable with key international partners. There is also a clear opportunity to position the UK at the forefront of emerging areas, including digital assets and next-generation market infrastructure, as noted in the first priority area.

As highlighted through our engagement across the industry, a particularly relevant example is the role of the UK/US Transatlantic Taskforce for Markets of the Future in removing barriers and enabling innovation in capital markets and digital assets. Highlighting this type of initiative would send a strong signal that the UK is not only open to global markets, but actively shaping them.

Recommendations for deepening international trade and investment:

- Reaffirm the UK’s commitment to openness and global financial connectivity as a core pillar of competitiveness.
- Prioritise international regulatory cooperation and interoperability, particularly with key partners such as the US.
- Use Mansion House to signal action on removing barriers to cross-border capital markets and digital asset activity.

4. Connect capital with national priorities

Set out a clear plan to mobilise private capital at scale into UK growth priorities, supported by a stronger pipeline of investible opportunities. Mobilising capital effectively is central to

delivering the UK's long-term economic objectives. The UK has deep and sophisticated capital markets, but there remains a gap between available capital and investible opportunities at scale. Addressing this gap is one of the most important ways in which Mansion House can support growth, with a focus on facilitating and attracting investment rather than mandating.

The key is to move from ambition to execution: ensuring there is a clear pipeline of projects in areas such as infrastructure, energy, defence and regional development, structured to meet the needs of long-term investors. Government also has a key role in coordinating delivery, aligning public and private capital and helping to address blockers on the ground. As set out through our engagement with firms and market participants, our members remain committed to the objectives of the Mansion House Compact, Accord and Sterling 20, however there is a need for specific investment vehicles and increased pace on the Strategic Investment Opportunities Unit to mobilise capital.

The geopolitical and national security environment has changed drastically, and our industry remains keen to support the Government implement its defence and security objectives in the UK's national interest. However, we remain profoundly concerned at the continued delay in announcing a Defence Investment Plan that is necessary to help our industry facilitate the growth and investment in the UK's defence and related dual use industries. The longer this is delayed, the greater the risk that this investment will move to other countries in North America and Europe, which would further undermine both the UK's industrial strategy and national security objectives.

To ensure the UK remains an attractive destination for investment in the infrastructure required to deliver a just transition, the government must also set out a clear, coherent and long-term strategy for the net zero transition, underpinned by sector-specific strategies and policy instruments. This must be matched by a strong focus on delivery, including enabling projects to secure timely planning approval and grid connections within commercially viable timeframes.

Recommendations for connecting capital with national priorities:

- Signal a clear commitment to mobilising long-term private capital into UK growth priorities at scale and strengthen the pipeline of investible opportunities across infrastructure, energy, defence and regional growth.
- Accelerate delivery of the UK's net zero transition through sector-specific strategies and by creating the conditions for green investments to be realised on the ground.
- Build on the Mansion House commitments to deliver specialist vehicles and increased pace on the Strategic Investment Opportunities Unit to drive further pension investment into domestic assets.
- Announce the Defence Investment Plan, and engage with our industry on its delivery.

5. Build a nation of investors

Set out a clear “north star” for retail investment, backed by effective delivery of reforms already in train and a commitment to reforms that increase participation in UK capital markets. A stronger culture of retail investment is essential to the UK's long-term economic

success. Encouraging greater household participation can deepen domestic pools of capital, improve financial resilience, and support the wider economic agenda. Mansion House is an ideal platform to move from policy intent to practical delivery.

As reflected in member feedback, there is a strong case for articulating a long-term vision for retail investment, alongside a small number of tangible measures, high impact measures to enhance the competitiveness and attractiveness of UK markets. These include reforms to improve the functioning of UK equity markets and modernising the infrastructure through which individuals invest. The key is to frame these measures as part of a coherent strategy, as advocated in our ‘From cash to confidence report’: one that makes it easier for individuals to participate in markets, while also strengthening the wider ecosystem that supports growth, investment and innovation.

Recommendations for building a nation of investors:

- Set out a clear long-term “North star” for retail investment, focused on increasing participation, improving outcomes and embedding a culture of investing.
- Commit to abolishing stamp duty on UK shares to enhance the competitiveness of UK capital markets and remove a longstanding friction for UK listed companies.
- Continued progress toward dematerialisation and a coherent single digital register framework for public equities, helping underpin more efficient capital markets infrastructure, improved interoperability and future tokenised market development.
- Complete the remaining capital markets reforms, including the consolidated tape, investment research reforms, and measures to improve market attractiveness and put the UK on a level-footing with its peers.
- Engage with industry to ensure ISA reforms deliver a simple, clear option for individuals, maintain momentum on the Advice & Guidance Boundary Review (AGBR), provide clear direction on digital engagement practices and the responsible use of AI.

From ambition to delivery

The UK begins from a position of strength, but the global environment is unforgiving: capital and activity will continue to move towards jurisdictions that provide the clearest signals, the most predictable operating environments, and the fastest delivery. Mansion House is a key opportunity to reinforce confidence by showing not only ambition, but credible follow-through with government, regulators and industry aligned behind a focused set of priorities. Policy interventions must be grounded in a clear assessment of market realities, supply-chain dynamics and long-term productivity impacts, as interventions that do not reflect these fundamentals risk creating unintended consequences and may weaken economic resilience.

We would welcome the opportunity to continue working in close partnership to advance these imperatives, translating strategy into tangible outcomes for growth, competitiveness and investment across the UK.