
Press release

AFME publishes paper 'Priorities for UK Financial Markets'

23rd July 2024

The Association for Financial Markets in Europe (AFME) today published a paper titled 'Priorities for UK Financial Markets', which outlines AFME's vision for the UK's capital markets, focussing on three key elements: the overarching principles for better financial regulation; tackling current issues; and revising the relationship between the UK and the EU.

AFME welcomes the new Government's commitment to UK capital markets and supports the view that the UK can only achieve significant economic growth with well-functioning, deep and liquid capital markets. AFME outlines principles that will help create markets that serve the needs of companies and investors alike, and also explores the specific challenges and opportunities that lie ahead, including the implications of recent regulatory developments. Finally, AFME considers a key ambition of the government: revising and shaping the relationship between the UK and EU.

AFME and its Members take a substantial interest in the future relationship between the UK and EU, wishing to see both markets develop in tandem and address collaboratively the global issues that both jurisdictions face. AFME would like to see the new Government continue to build on the UK-EU Financial Services memorandum of understanding (MoU).

AFME and its members await the first Budget of the new Government, and in its paper, AFME outlines how a stable and favourable tax and investment environment in the UK can help both the financial sector and the wider economy. The new Government should focus on encouraging long-term investments for the net-zero transition and consider removing the Stamp Duty Reserve Tax (SDRT) to promote capital market investment.

In conjunction with its policy paper on Priorities for UK Financial Markets, AFME will also publish an accompanying paper outlining its priorities for sustainable finance given the emphasis that the new government has placed on the transition to net-zero.

Commenting on priorities for the UK Government, **AFME's CEO, Adam Farkas**, said, *"The Government should aim to ensure that the regulatory framework for financial services is clear, keeps business compliance costs proportionate, and ensures high standards across UK markets.*

AFME and its members would welcome, under the new Government, a clear focus on some of our main policy areas including, a rethink on the proposed FCA guide to enforcement, the recognition that the financial sector's ability to support the transition will depend largely on whether the conditions are in place to enable the real economy to transition, a stable and favourable tax environment, a commitment to developing DLT based securities and a joined-up approach to accelerated settlement with the EU and Switzerland. We would also welcome a renewed conversation around securitisation to unlock lending to SMEs and to help finance the transition to net zero."

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Notes:

1. AFME (Association for Financial Markets in Europe) promotes fair, orderly, and efficient European wholesale capital markets and provides leadership in advancing the interests of all market participants. AFME represents a broad array of European and global participants in the wholesale financial markets. Its members comprise pan-EU and global banks as well as key regional banks, brokers, law firms, investors and other financial market participants. AFME participates in a global alliance with the Securities Industry and Financial Markets Association (SIFMA) in the US, and the Asia Securities Industry and Financial Markets Association (ASIFMA) through the GFMA (Global Financial Markets Association). For more information please visit the AFME website: www.afme.eu
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