
Press Release

Mansion House 2025: A clear long-term vision for UK financial markets

15 July 2025

The Association for Financial Markets in Europe (AFME) welcomes the wide range of reforms announced today as part of the UK Government's ambitious 10-year strategy for financial services.

AFME strongly supports the Financial Services Growth and Competitiveness Strategy, which recognises the importance that UK financial services play, not only in financing the real economy, but also in driving service exports.

Adam Farkas, Chief Executive of AFME, commented: *"AFME welcomes the UK Government's renewed focus on capital markets as one of the priority sectors and supports the view that the UK can only achieve significant economic growth with well-functioning, deep and liquid capital markets. Achieving the benefits of this clear long-term vision will depend on close collaboration between the Government, regulatory bodies, and the financial services sector."*

"AFME has long called for a stable and predictable regulatory environment, and we welcome the sector strategy as well as the requirement for regulators to produce long-term strategies with clear goals and priorities. We also strongly support the focus on removing operational burdens, where appropriate, to make the sector more competitive."

International cooperation and simplification

"We are pleased to see a commitment to prioritising reforms in areas where the UK remains an outlier internationally. AFME has consistently emphasised the importance of regulatory cooperation and convergence, especially between the EU and the UK, and we support efforts to simplify the UK landscape where the level of complexity is out-of-sync with other markets, for example, on cyber resilience reporting. We also strongly welcome the Government's commitment to uphold international standards and to work with global standard setting bodies."

Digital Markets

"We welcome the Wholesale Financial Markets Digital Strategy, especially the commitment to removing paper processes. These reforms, if implemented correctly, will not only improve operational efficiency and reduce risk but also support the UK's broader goals around digital innovation and competitiveness. AFME has been a longstanding advocate on the need for full dematerialisation of shares, and already proposed several further measures, including encouraging electronic payments as default (e.g. for dividends), greater use of e-signatures, and the promotion of electronic communication methods as default. These modernisation measures are a critical foundation for the development and adoption of digital markets in the UK."

"A cross-sectoral approach to Distributed Ledger Technology (DLT), including the commitment to drive market adoption more broadly is an important step-forward. As part of this the UK Government should look towards a longer-term commitment to gilt issuances as part of the Debt Management Office's regular issuance programme. The longer-term strategy for both the issuance of DLT based gilts and the creation of a regulatory framework

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that accommodates at-scale DLT-based capital markets is essential for the UK to become a leader in this technology.”

Sustainable Finance

“We strongly support the strategy for sustainable finance, including the commitment to prioritise policies that will have the greatest impact, . AFME looks forward to continuing our engagement with the UK Government to create an effective regulatory framework for sustainable finance, including the development of Sustainability Reporting Standards, transition plans and through our involvement with the Transition Finance Council. We agree that these measures, in conjunction with work to put in place the policies for companies to have the information, the tools and the incentives to adapt their businesses, should be prioritised over the development of a taxonomy.”

Tax

“The tax system has a vital role to play in supporting economic growth and competitiveness. A stable regime for financial services tax is important in this regard. The Government should consider removing disincentives to investing in capital markets, with the abolition of stamp taxes on shares as a long-term goal to encourage investment in capital markets.”

Securitisation

“Among all the measures announced today which aim to make a positive contribution to UK Growth, AFME and our members strongly believe that strengthening the securitisation market would have a significant impact on the UK economy - enabling increased lending to SMEs, facilitating infrastructure spending, and helping finance the net-zero transition. The inclusion of this sector, therefore, in the strategy would have been a valuable addition. However, we recognise the positive progress made so far on the UK securitisation framework, and since more consultations are currently pending, we look forward to continued engagement with regulators and remain committed to advocating for a robust securitisation market.”

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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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