



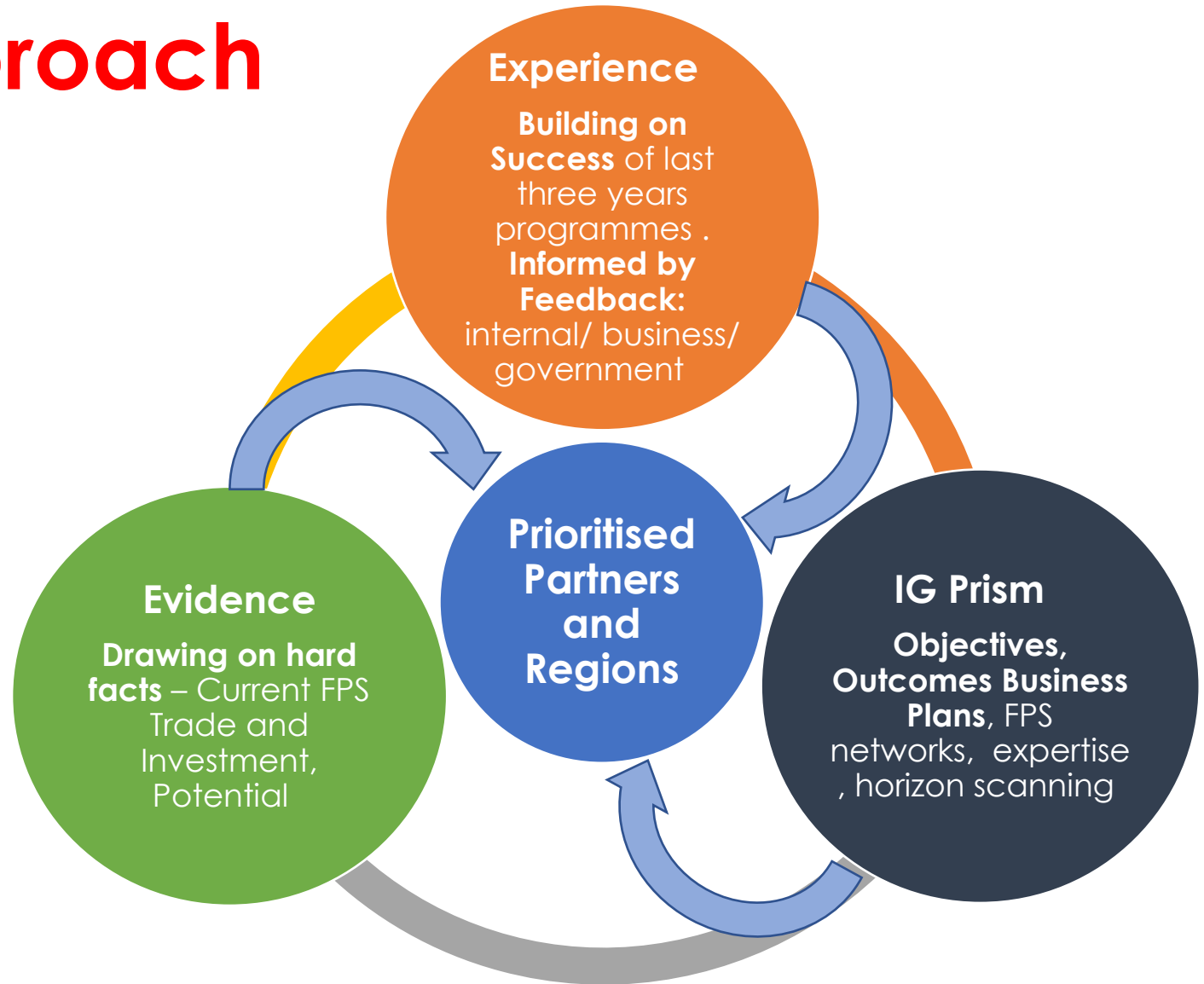
International Prioritisation

Part Two: Turning our Priorities into action and outcomes

October 2020

Part 1: our **approach** was built on three pillars ...

- **Experience**
- **Evidence**
- **IG Prism**

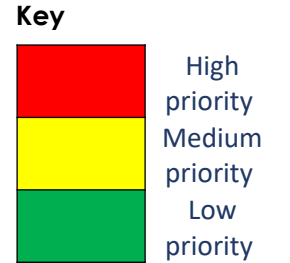


...to identify
priorities
across
the world

CATEGORY	PARTNERS	CHARACTERISTICS	Impact/ contribution
Strategic Partners	USA Europe Strategic Japan	High volumes of FPS trade; major stake in City; global influence; room to grow	Impact/ contribution
High-Growth Partners	China India	Smaller current volumes, but huge potential	
Established Partners	Europe Established Australia Singapore Gulf Canada	Steady volumes, especially in key sectors, stakeholders in City	
Global Region Partners	Europe Global Asia-Pacific Latin America Africa	Low volumes and small stake currently, but growth potential	
Niche Partners	Various	Around niche opportunities topics or networks	

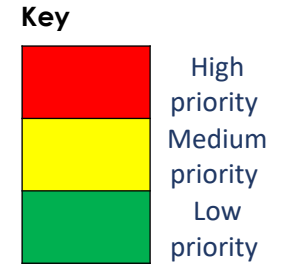
Resource

Part 2: We have collected **feedback** from **business** on these priorities...



		Banking/Capital Markets	Asset Management	Insurance	VC/PE	Fintech	Prof. Services	TCUK
Strategic	US	High	High	High	High	High	High	High
	European Strategic	High	High	High	High	Medium	High	Medium
	Japan	High	High	Medium	Low	High	Low	High
High Growth	China	Medium	High	High	High	Medium	High	High
	India	High	Low	Medium	Medium	Medium	Medium	Medium
Established	Australia	High	High	High	High	High	Medium	Low
	Singapore	Medium	High	Medium	Medium	High	Low	High
	European Established	High	High	High	High	High	High	Medium
	Gulf	Medium	High	Medium	High	Medium	Low	Medium
	Canada	Low	Medium	High	High	High	Low	Low
Global Regional	European Global	Medium	High	Low	High	High	Low	Medium
	Africa	Low	Low	Low	Medium	Low	Medium	High
	Asia-Pacific	Medium	Low	Medium	Low	Low	Medium	High
	Latin America	Low	High	Medium	Low	Low	Medium	Low

... the **themes** they would like us to work on...



		Promotion	Export	Investment	Regulation	Innovation	Green/ESG
Strategic	US	High	Low	High	High	High	Medium
	European Strategic	High	High	High	High	Medium	High
	Japan	Medium	Medium	Medium	Medium	Low	Medium
High Growth	China	Medium	High	Medium	High	Medium	High
	India	Medium	High	Medium	Medium	High	Medium
Established	Australia	High	Low	Medium	Medium	High	Medium
	Singapore	Medium	Low	Medium	Medium	High	Low
	European Established	Medium	High	High	High	High	High
	Gulf	High	Medium	High	Low	Low	Low
	Canada	High	Low	Medium	Low	High	Medium
Global Regional	European Global	Low	High	Medium	Medium	Low	Medium
	Africa	Low	Medium	Low	Low	Low	High
	Asia-Pacific	High	Medium	Low	Medium	Low	Medium
	Latin America	Medium	Low	Low	Low	Low	High

...and consulted **DIT, HMT and FCO/DFID**

ALL

Noted our **rigorous and evidence-based** approach
Welcomed the effort to prioritise resources around **key longer-term partnerships**
Felt our **geographical prioritisation** made sense....
..... and to a great extent **aligned with their work** on financial services

DIT

Welcomed grounding in **trade stats** and **business feedback**

May have some different priorities – reflecting HMG views on **impact**

Would like to work with us to **'unpack' fintech and green** into specific commercial opportunities

Two parallel themes: **dealflow** and **market building**

HMT

Top priorities align (US, Japan, EU, Switzerland, also China)

See early wins with **Switzerland**, and renewed potential with **India**

Alongside (active) priority work, UK also needs (responsive) **'six continents' capability**

Global **growth markets** of interest: Indonesia, Malaysia, Nigeria, South Africa

FCO

Welcome **focus on Europe**, including engaging with competing financial centres

How are we looking to engage European partners on green finance on road to COP26?

For US engagement, 'elephant in the room' is **EU market access** via UK

US/Asia: desire for focus on clear **outcomes** as well as activity

DFID

Africa region offers competitive advance for CoL, no major regional competitors

Support global emphasis on **free trade and global standards**

Could we co-develop **'finance for development'** offer for Global Region partners?

Key points from the business / HMG consultation

Three major areas of agreement and support

- 1 **endorsement** of general approach and evidence base
- 2 **alignment** on high priority countries and regions
- 3 **recognition** of COLC role in promotion, regulation, investment, export and innovation

Three smaller questions of emphasis

- 1 CoLC/HMT/DIT **prioritise India** more than business
- 2 business (and FCO) **prioritise Europe Established** (Spain, Italy, Scandinavia etc) in the highest category
- 3 Business values CoLC role in promotion, investment, regulation and innovation, but **less emphasis on export** than HMG

We are now reflecting the priorities in the **country/ regional plans**...

The Big Picture:

- What we are trying to achieve,
- the key reasons for engagement,
- the wider context



Country Plan for US

Objective

With the largest volume partner for UK FPS, to help **maintain and defend current FS exports and investment**, while setting the **right regulatory frameworks** for future growth, especially in fintech.

Key Facts

- The US is the UK's largest single export market
- US and UK are each other's largest source of foreign direct investment
- US is the UK's leading FS partner for both export (26% of total) and investment (48%)
- US investors are the largest international employers in UK FS, covering banking, asset management, insurance and law.

External factors

- Brexit:** Will US investors still look to access/service EU from UK?
- US Elections:** potential read across on FTA, global regulation, ESG (plus appointee changes across depts)
- Covid-19:** Impact on US market, and UK FS trade. US role in global recovery agenda, including ESG.
- Trade Tensions with China:** Impact on UK trade in FS with both US and China, on global regulation, on tech/data.
- Innovation:** US tech giants moving into FS, domestically and globally.

Key Workstreams.....

Workstream	Objective	One Year Outcome	Three Year Outcome	Delivery / Activity
Market Access	Through engagement in FTA discussions and regulatory dialogue, to ensure current business defended, new business enabled	CoLC feeding into FTA and regulatory dialogue, through strong networks and through engaging business stakeholders	CoLC embedded in evolving future arrangements, through expertise, reputation and network	Look into election impacts (appointees & policy) BANA CPR chairing – paper released next week (focus on reg cooperation) Developing paper on market access / reg cooperation / data issues across FPS (publish in Dec as part of CPR's DC visit)
Fintech	To benefit / support the growth of the UK Fintech sector (capital and market access)	Ensure Fintech sector needs / asks relating to market access are included within wider FTA (as well as digital trade). Increase in US investment into UK FinTech / funds (VC and institutional investors)	UK Fintech firms recognise support of CoLC in enabling growth / access to networks & markets.	Market access paper (data etc) Capital focused Lord Mayor virtual visit in October (delegation of UK VCs and FinTech) – VCs and institutional investor engagement Promotional "fireside chat" between OTTP and ComplyAdvantage, hosted by Lord Mayor Collaboration with DIT on capital investment work

lengthen existing relationships and build sound management plans for top sectors that covers key policy areas and port in market access / trade.
CoLC has identified market access barriers UK firms in the US and sought to address list championing and enabling solutions
CoLC has held numerous discussions with US investors about ESG and supported prominent of firms with relevant riskstreams
CoLC has established a formal relationship in NYC (M&U) that supports trade opportunities between the 2 cities and ps to drive global standard setting
CoLC has recognised relationships with a tier of US states/cities and stronger relationships with the associated regulators vectors, wider stakeholders

Resources to deliver

Stakeholders	Strong Foundations	Resources	Milestones and Review
UK Government and	Clear alignment with HMG, secondary on FTA discussions, regulatory dialogue and attracting re US capital investment	People: In IC 50% each of two senior officers (T&I, Reg), 25% of four more junior officers (T&I, Reg, 2&SRM), Ad-hoc in other teams. In MH 25% of Senior PM Programme: 1-2 major set-piece hosted events in MH/GH annually, plus 10-12 smaller events and roundtables. IC/MH budgets for senior travel, IC programme budget: VC Campaign, Comms, US Research In country: ad-hoc support from posts on visits Financials:	Key milestones over next year: Embed BANA as formal mechanism to influence bilateral regulatory dialogue Technical work: Universal view of FTA 'asks' / market access barriers / tech US VC campaign also now focusses on institutional investor engagement and co-investment opps. Subsequent increase in capital from US into UK seen. Virtual visits delivered (capital investment focus led by LM in Oct and regulatory focus led by CPR in Dec) New structures for governance, planning and review - Refresh after 1 year

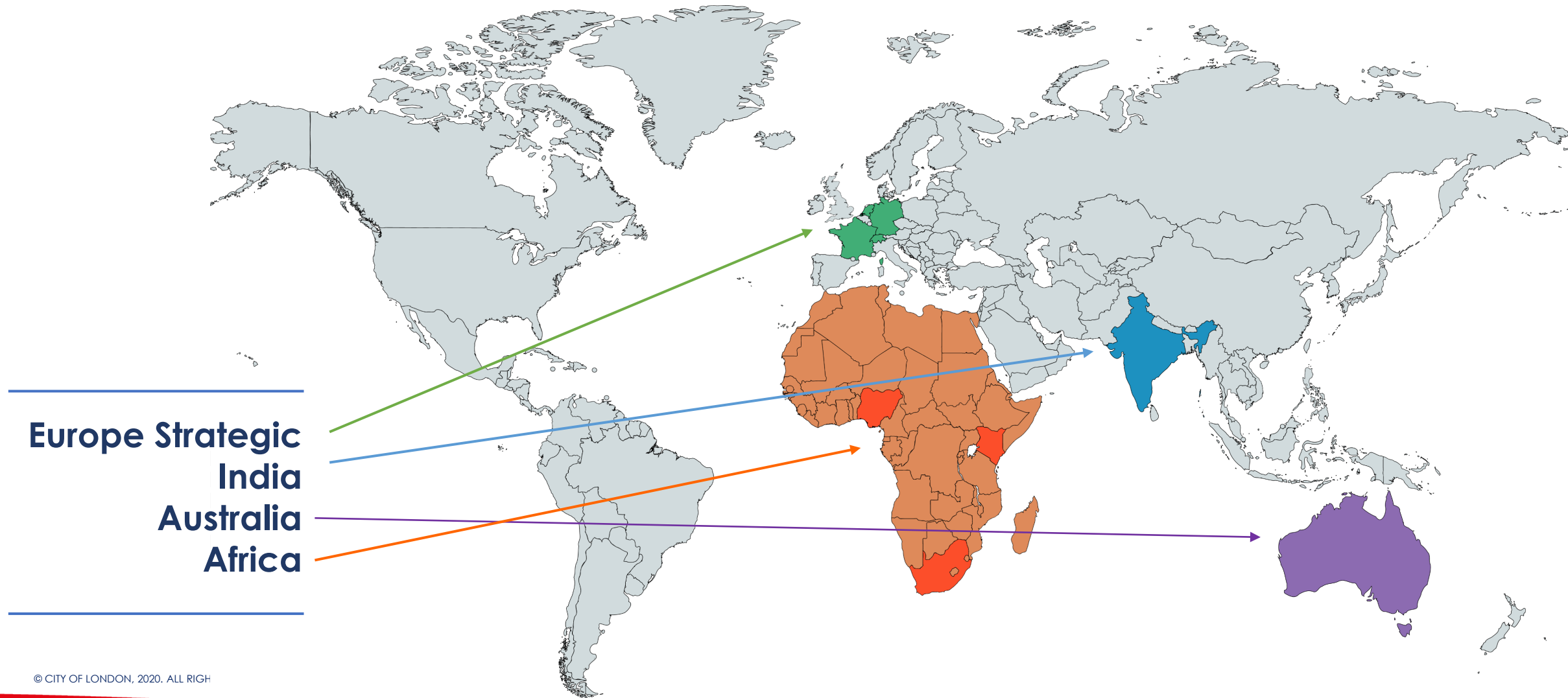
Delivery:

- Mapping stakeholders, relationships;
- identifying resources
- indicating milestones for review.

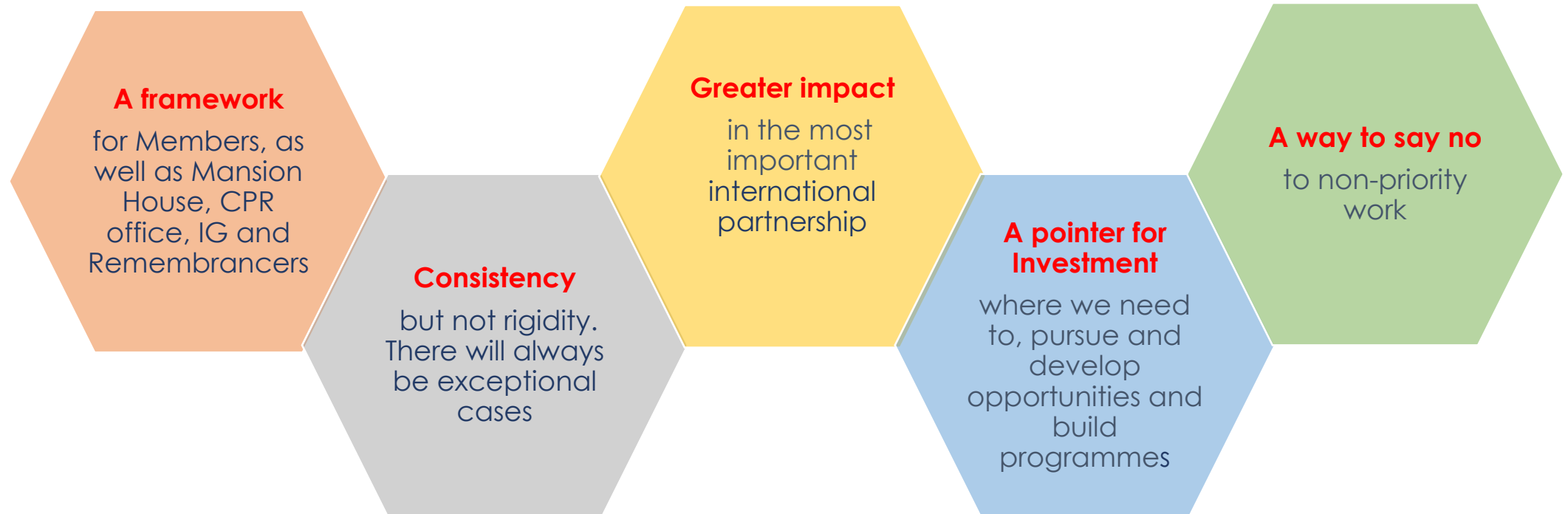
Workstream focus:

- 4-5 key CoLC workstreams
- eg, Market access, Innovation, Investment etc,
- 1-year and longer term 3-year outcomes.

Examples attached in **annex A**



Building a strong and clear **Operating Model** will help CoLC focus time and resources, bringing:



Our Operating Model sets the right framework....

Partners	Approach
Strategic	<ul style="list-style-type: none"> • Big Picture: our Key Stakeholders • Integrated Market Planning • 3-5 Years perspectives • Closely aligned with and supporting HMG
High-Growth	<ul style="list-style-type: none"> • Big Picture: Building our Stake • Specialist Market Planning • 3-5 Year perspectives • Working through and with HMG
Established	<ul style="list-style-type: none"> • Big Picture: Maintaining our Position • Light-Touch Market Planning • 2 Year perspectives • Consulting HMG
Global Region	<ul style="list-style-type: none"> • Big Picture: Horizon Scanning and Global Reach • Planning at regional level • Flexible year-on-year perspectives • Leveraging HMG
Niche	<ul style="list-style-type: none"> • Case-by-case, no long-term commitments



...shapes **how we work** with partners...

Partners	Workstream
Strategic	<ul style="list-style-type: none">• Bespoke Programmes• Proactive Partnerships, including with Financial Centres• Setting Global Themes and Standards• Co-created content, inc with investors
High-Growth	<ul style="list-style-type: none">• Bespoke Programmes• Proactive Partnerships, including with Financial Centres• Binding them into Global Themes and Standards
Established	<ul style="list-style-type: none">• Bespoke Programmes• Reactive Partnerships• Allies on Global Themes and Standards
Global Region	<ul style="list-style-type: none">• Standard Programmes• Partnerships at regional level
Niche	<ul style="list-style-type: none">• Can involve in standard programmes• Manage expectations around partnerships (MoUs etc)



...and how we deploy our **resources**

Partners	Delivery
Strategic	<ul style="list-style-type: none">• LM and CPR both engaged; multiple visits• Strong stakeholder network inc TCUK partnership• Dedicated IG expertise and resource
High-Growth	<ul style="list-style-type: none">• LM and CPR both engaged; multiple visits• Strong specialist stakeholder network inc TCUK partnership• Specialist IG expertise and resource (inc in-market)
Established	<ul style="list-style-type: none">• One senior lead; annual visits• Drawing on established stakeholder network• IG market expertise and resource
Global Region	<ul style="list-style-type: none">• One senior lead; annual visits to region• Stakeholder network around events/visits• IG expertise and resource at regional level
Niche	<ul style="list-style-type: none">• Ad-hoc, as required



Next steps...

