

**Membership Proposal between Innovate Finance and the City of London
Corporation in support of Continued Sponsorship of Innovate Finance**

February 2018

Membership Proposal for the City of London Corporation

MEMBERSHIP SUBSCRIPTION

Membership by way of Continued Sponsorship of Innovate Finance as a Lead Sponsor is held at a corporate level and is for three years, subject to review annually after years 1 and 2, from 1st April 2018.

The Membership fee for the above level of activity is £250,000 per annum, payable quarterly in advance, on the following dates of each year:

Date due	Amount
30 th June	£62,500.00
30 th September	£62,500.00
31 st December	£62,500.00
31 st March	£62,500.00
Total	£250,000.00

To note: this level of corporate membership represents an overall reduction in our contribution to Innovate Finance year-on-year when compared to previous agreements to sponsorship.

Membership will be reviewed annually, and any issues resolved between the Director of Economic Development, City of London Corporation and CEO of Innovate Finance, and both parties to devise an exit strategy from CoLC's current status as Lead Sponsor by March 2021.

Details of the benefits of membership are laid out below in the Appendix

SIGNED:

DIRECTOR OF ECONOMIC DEVELOPMENT, CITY OF LONDON CORPORATION

CEO, INNOVATE FINANCE

DATE

The City of London Corporation membership of Innovate Finance

In many ways, the UK is still at the start of the FinTech journey, with the next 2-3 years potentially being the most critical. Brexit and associated policy issues are challenging for the sector, requiring a stronger voice than ever. In response to this, Innovate Finance have prepared a strategy for the year ahead, which builds on existing success, but seeks to focus more clearly on a few core priorities, all of which support the City Corporation's objectives for financial services and continued membership of Innovate Finance. These are:

- **Retaining a strong policy voice for the sector** – particularly focusing on talent issues, inward investment, and the changing regulatory requirements of the sector. Innovate Finance will do this in partnership with CoLC and other member bodies and trade associations to maximise impact, while recognising that Innovate Finance remains the only body representing the whole sector.
- **The creation of an Advisory Council to engage members, government and regulators.** Based on the format of the City Corporation / TheCityUK-led *International Regulatory Strategy Group* (IRSG), the *Innovate Finance Advisory Council* will draw together senior engagement from across key stakeholders to ensure Innovate Finance and key partners are able to support strategic initiatives. With proposed senior representation from banks and FinTechs and attendance from government and regulators – *and two places for CoLC representatives* - this Council will consider key issues, respond to government requests for the sector and support Innovate Finance's ambitions to drive real change. This Council will also be used as a sounding board for proposed industry initiatives from government or third parties, such as the proposed Industry Sandbox.
- **Supporting start ups and scale ups to create real success stories for the UK.** Innovate Finance is clear what members want and need to grow, and providing this support could make the difference between success and failure. Innovate Finance's support for members aligns to CoLC objectives in supporting scale ups in London and the UK via our own export and investment programmes.
- **Attracting inward investment and talent.** Innovate Finance's members consistently report that continued access to skills and talent (both domestic and overseas) remains of critical importance considering the ongoing Brexit negotiations. As such Innovate Finance is producing an in-depth economic analysis of the impact of future migration policy on UK FinTech. This key piece of work - which supports CoLC's policy objectives re Brexit and immigration issues - will deliver new insights into UK FinTech, help shape UK Government policy (through the MAC, HMT and Home Office), and highlight the importance of highly skilled talent to the sector - to ensure that with proportionate policy the UK can remain the leader for FinTech post-Brexit.
- **Promoting the achievements of the UK FinTech sector, to build confidence in the sector.** As FinTechs grow and provide real services, their success stories provide an opportunity to demonstrate the value of the sectors to the public, opinion formers and overseas investors. Compellingly, these stories are not just around value creation, but also around wider financial inclusion, lower cost consumer services, and a stronger customer focus.
- **Creating a vehicle for step change transformation.** Innovate Finance is in active discussion with the FCA and key stakeholders about creating an Industry Sandbox. Innovate Finance has already taken the lead on developing the concept, and there is significant excitement about taking this to the next stage of development which subject to appropriate governance, could allow the potential development of common

standards and support key industry initiatives to continue to drive competition in financial services. For note - separate financial support (from HMT, FCA etc) would be required to industrialise this, as the scale of this would dwarf the Innovate Finance team.

Innovate Finance is also supporting the **CoLC Value of FinTech report's key recommendation** in support of a Sector Deal. This has already led Innovate Finance into productive conversations with HMT and BEIS, and Innovate Finance has already identified potential board members to support a bid.

To note: HMT has also recently responded to a request from Innovate Finance to support Fintech more publicly. HMT is considering a strategy document to be released in UK Fintech week around the key issues within Fintech and how HMT, government and industry will take ownership to develop responses. This is in a formative stage but has resulted from meetings over recent weeks, originating from the **Value of FinTech** report launch.

Based on the above, CoLC also receive several additional benefits as a Founding Member of Innovate Finance. These are highlighted in the Appendix below.

The City of London Corporation's offer to Innovate Finance

The City Corporation is keen to be an active partner to Innovate Finance and coordinate resources and opportunities that enable a bigger impact to the benefit of UK based financial and professional services.

These resources include: access to established City networks; access to wider industry; access to senior domestic and international policy makers, including ministers and senior officials; knowledge, expertise and capacity in the City Corporation teams; international reach through export and investment programme, and overseas offices; research programme; Special representative to the EU; Special Envoy to Asia; venue (applied at the City rate) and events; expertise in complementary policy areas such as planning, infrastructure and education; and as a non-membership organisation, the City Corporation can sometimes speak more freely on particular issues.

When combined with Innovate Finance's strengths, this should make for an effective partnership that benefits fintech and the UK's financial services industry.

APPENDIX:

Current Membership Benefits for CoLC	Additional Membership Benefits 2018 for CoLC
<p>Active engagement in the full calendar of Innovate Finance programmes and events. This includes regular invitations and speaking opportunities at our Member Peer Working Groups, our Transatlantic Policy Working Group, our CXO breakfast series, and our Capital Connections series.</p> <p>Active engagement in the work of the All Party Parliamentary Group on FinTech (of which Innovate Finance is the Secretariat), helping to raise the profile of FinTech across Parliament.</p> <p>Opportunity to connect and engage with the IF membership to support CoLC initiatives. In the past, this has consisted of invitations sent to the IF membership on behalf of CoLC for CoLC events and programmes as well as the facilitation of direct connections and introductions to our members.</p> <p>Access to the most relevant knowledge and intelligence to help navigate the changing financial services landscape through ongoing consultations, podcasts, webinars and collaborative industry reports.</p> <p>Invitations to and speaking opportunities at the Innovate Finance Global Summit. This also includes guaranteed seats for policy roundtables (previous roundtable partners have included: The Omidyar Network, WEF, Chatham House, and Nesta, amongst others).</p> <p>Invitations to and speaking opportunities at the Innovate Finance Growth Forum.</p> <p>Opportunity to engage in Innovate Finance promotion and communication across major trade, national and international media outlets.</p> <p>Invitations to attend executive Board events.</p>	<p>Two seats on the <i>Innovate Finance Advisory Council*</i>, alongside senior representation from our FinTech and incumbent members, and government representatives, to shape future FinTech policy on issues such as a FinTech Sector Deal, Industry Sandbox, and Digital Identity etc.</p> <p>[*The <i>Advisory Council</i> will follow the template of the <i>IRSG</i> by way of format]</p> <p>One seat on the <i>Innovate Finance Policy Committee</i>, helping to ensure FinTech remains at top of the political agenda, and feeding into the policy priorities of IF.</p> <p>Invitations to a private lunch and dinner series convening the key CEOs/Founders of the high growth FinTechs and Heads of Innovations at the banks.</p> <p>Invitation to an annual institutional dinner, an exclusive roundtable discussion on FinTech and the macro environment. Last year IF welcomed Daniel Franklin, Executive Editor of the Economist, as our speaker for the evening.</p> <p>Collaboration on forthcoming cross-sector work, including our upcoming report on the impact of migration policy on UK FinTech undertaken to support the work of the Migration Advisory Committee (MAC).</p> <p>IF to work in close partnership with the CoLC Secondee (from Q1 2018) to develop policy briefings, engage senior domestic and international policymakers, respond to consultations, and horizon-scan FinTech policy issues.</p> <p>Dedicated regular monthly briefings by the Innovate Finance CEO, to include an overview of all upcoming pieces of work before they are shared with the wider membership community.</p> <p>IF to work with the CoLC Policy and</p>

	<p>Resources Committee on developing a regional approach to driving FinTech across the UK.</p> <p>Dedicated twice-yearly with both the CoLC Chairman of Policy & Resources, and the Lord Mayor</p> <p>Annual meeting between all Innovate Finance and relevant CoLC teams to broaden networks and mutual collaboration.</p>
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