

THE GLOBAL CITY

WORKING WITH YOU: THE UK'S GLOBAL OFFER FOR FINANCIAL AND PROFESSIONAL SERVICES

www.theglobalcity.uk







HOW THE UK CAN WORK FOR YOU

The UK is the world's most global financial centre. Our international outlook means we understand your business needs. The depth and breadth of our offer mean unparalleled opportunities for you to grow with the best access to capital, clients and collaborators. With a history of innovating that stretches back centuries, innovation is what we do – creating an inspirational ecosystem where your business can thrive.

THE UK: A COMPELLING OFFER

“ With a centuries-long tradition of innovation, the UK is embracing emerging tech platforms, accelerating its leadership in the sectors of tomorrow, and forging a future as a global financial hub. Locating and doing business here gives firms genuine competitive edge on the international stage.

Peter Estlin,
The Rt Hon The Lord Mayor,
The City of London Corporation

“ A gateway to global capital, advice and clients, the UK has much to offer in providing financial and professional services to the world. Firms here benefit from a combination of unmatched connectivity, exceptional business environment, international talent, and a thriving and diverse financial services ecosystem.

Catherine McGuinness,
Chair of Policy and Resources,
The City of London Corporation

“ The UK is a world leader in providing financial services. The UK hosts 250 foreign bank branches. It is the world's largest hub for specialty insurance and the second biggest global centre for assets under management. As we become an independent trading nation, the UK will continue to thrive in growth areas such as fintech and green finance, and it is our ambition to remain the financial capital of the world post-Brexit.

The Rt Hon Elizabeth Truss, MP,
Secretary of State for International Trade

“ The UK is the world's leading international financial centre, holding a top-five position in almost all financial and related professional services sectors, reinforced by world-leading financial and capital markets infrastructure, English law, and dispute resolution. This unique ecosystem delivers significant competitive benefits to customers and clients at home and around the world.

Miles Celic,
CEO,
TheCityUK

“ The UK invented modern finance and tomorrow's finance is being invented here too. We have scale and strength, but we also have something less tangible, the pull of the UK as a place to live. Global firms that move here – large or small, institutions or disrupters – soon find that their brightest talent is knocking on the door to move to the London office.

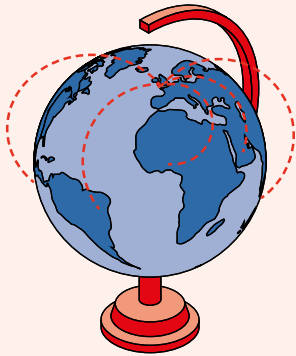
Laura Citron,
CEO,
London and Partners

“ The UK is at the heart of the global fintech revolution. Fintechs have benefitted from the UK's supportive environment which has enabled startups, entrepreneurs and businesses to thrive. Innovation within the sector aims to create a future of finance that is better for all.

Charlotte Crosswell,
CEO,
Innovate Finance

UK FINANCIAL AND PROFESSIONAL SERVICES: IN NUMBERS

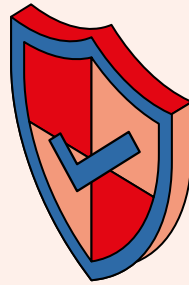
The UK supplies financial services to the world



£61bn

The UK has the **largest trade surplus** of financial services of any country¹

Home to the world's largest **specialty insurance market**²

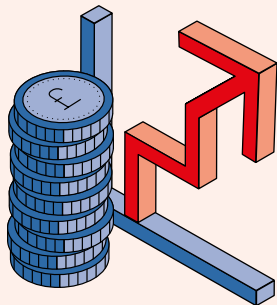
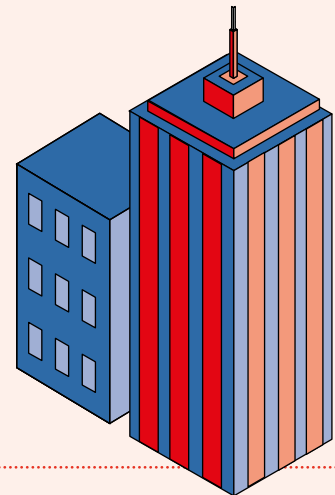


More dollars and euros traded in the UK

than in the US and the euro-area respectively²

£9.1tn

in assets under management⁴



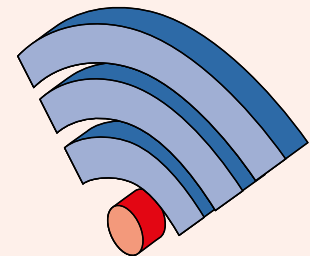
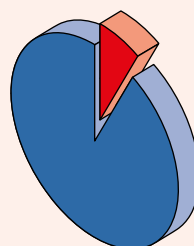
\$2.7tn

in forex managed through the UK daily — more than the next four largest centres combined⁴

2.3m

workers in financial and related professional services⁶

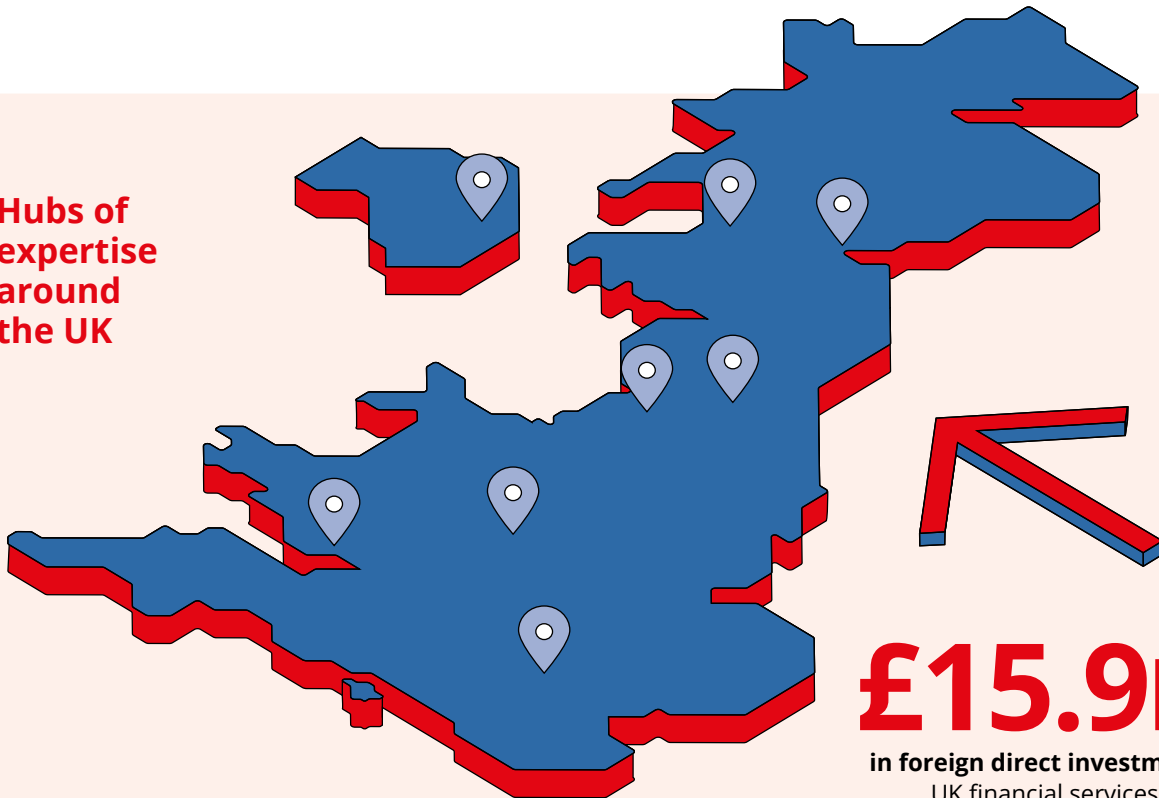
1 in 14 UK jobs



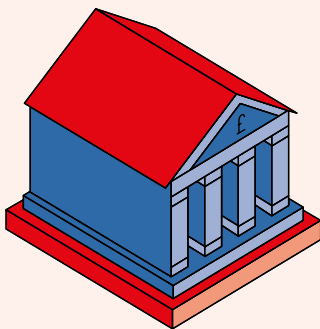
97%

superfast broadband coverage in 2020⁷

Hubs of expertise around the UK

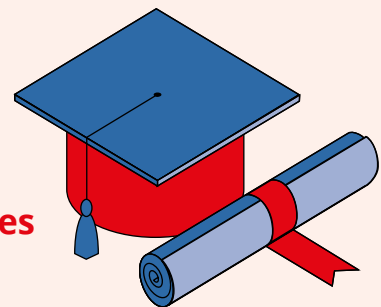


£15.9bn
in foreign direct investment into UK financial services in 2017⁸



Around **250** foreign banks present in the UK, servicing business and retail customers worldwide⁹

Four of the world's top ten universities are in the UK¹⁰



¹ Source: ONS, Pink Book, 2018 and UNCATD, Services: Exports and Imports by Service Category and by Trade Partner, 2019

² Source: The London Market Group, Why London Overview

³ Source: Bank of International Settlements Triennial Central Bank Survey of Foreign Exchange, 2016

⁴ Source: The Investment Association, Asset Management in the UK 2017-2018

⁵ Source: Reuters, 2018

⁶ Source: TheCityUK, Key Facts about UK Based Financial and Professional Services, 2019

⁷ Source: <https://www.gov.uk/government/news/need-for-speed-drives-9-billion-superfast-broadband-boost>

for-speed-drives-9-billion-superfast-broadband-boost

⁸ Source: ONS, Pink Book, 2018

⁹ Source: TheCityUK, Key Facts about the UK as an International Financial Centre, 2019

¹⁰ Source: Top Universities, University Rankings, 2019

CASE STUDIES

INNOVATION IN REGULATION

The Innovate programme, from the Financial Conduct Authority (FCA), enables regulated and unregulated businesses to bring innovative ideas into financial services. It tests new products in the real market through its regulatory sandbox, whilst protecting consumers. 80% of firms successfully tested in the sandbox are still operating.

Seen as global pioneers in regulating to support innovation, the FCA work in partnership with 38 international regulatory organisations through the Global Financial Innovation Network. The network supports innovative businesses to navigate between countries, test in multiple jurisdictions concurrently, and scale innovation across borders.¹¹

CHAMPIONING SUSTAINABLE INVESTMENT

The UK has a longstanding international reputation for spearheading impact investment. It has an established culture of impact enterprises, and there is a strong trend towards supporting sustainable, inclusive growth through investment among many major and mainstream players.

The establishment of the new Impact Investment Institute, supported by the City of London Corporation and the UK Government, consolidates the UK's initiatives around responsible investing. Bringing together investors, investees, asset owners, managers and intermediaries, social enterprises and business, the Institute will connect investors more closely with the social impact of their investments, and help to deepen the culture in the UK of investment in line with sustainable principles.

INTERNATIONALISING GREEN FINANCE

A pioneering forum for public and private collaboration in green finance, the Green Finance Institute's overarching mission is to accelerate the domestic and global transition to a zero-carbon and climate-resilient economy through mobilising capital.

The Green Finance Institute convenes and leads mission-led coalitions of UK and international partners to identify and unlock barriers to deploy capital at pace and scale towards impactful, real-economy outcomes.

The UK is also home to Moody's Green Bonds Assessment, S&P's Green Evaluation Service, and the London Stock Exchange's world leading Global Sustainable Investment Centre, as well as green finance audit and compliance services.

INSURING ANY ACTIVITY ANYWHERE

Benefitting from a vast concentration of experienced specialists in insurance and risk management, and deep capital pools, the London Market is the world's largest specialty risk market.¹² The specialism and reach of the Market makes it possible to insure virtually any risk in any location through London.

From insuring large scale solar energy projects and supporting global transition away from non-renewable energy, to writing the cyber insurance that is helping to future-proof the digital world, London is helping to enable the development of products and services of the future — worldwide.

With an international reputation for innovation, the UK specialises in working in partnership and leading global solutions.

GREENING THE BELT AND ROAD

The Belt and Road Initiative (BRI) is an ambitious undertaking to strengthen connectivity, infrastructure and trade across 65 countries. It is estimated that it will touch 69% of the world's population and 29% of the world's economy.¹³ The UK's global reach, expertise and deep capital markets will play a key role in both securing capital, and providing specialist advisory services to facilitate BRI projects.

As a global leader in green finance standards and practices, the UK is also playing a unique role in 'greening' the BRI. In 2018, the UK and China jointly published the Green Investment Principles for the Belt and Road. These voluntary principles aim to harmonise green infrastructure standards along the BRI, to increase the use of green financial products, and ultimately to vastly reduce the emissions footprint of the BRI.

FINTECH BRIDGES

A flagship of the UK's fintech policy, the network of fintech bridges formalises partnerships between the UK and key trade partner economies, and ensures that innovative firms in both partner countries can mutually access one another's markets. By collaborating on information sharing, regulation, best practice and horizon scanning, the agreements smooth bilateral trade flows, support international growth and enable access to international capital for firms in the sector.

The UK currently has fintech bridge agreements with Australia, Hong Kong, Singapore, China and Korea.

A NETWORK OF SUPPORT

The UK has a rich and dynamic ecosystem of trade associations covering financial and professional services UK-wide. These practitioner-led bodies provide an invaluable support network for firms. By joining relevant associations, firms benefit from representation of their views, alongside other support such as networking, training and access to resources and research.

CONNECTING INVESTORS AND INVESTMENTS ACROSS THE GLOBE

The London Stock Exchange is one of the world's most international capital markets and the destination of choice for both international firms and international investors. The UK's globally connected markets, concentration of internationally focused investors and deep, liquid capital markets have attracted firms from more than 70 countries around the world.

A joint project between the Shanghai Stock Exchange and the London Stock Exchange Group, the Shanghai-London Stock Connect provides UK listed companies the chance to be the first foreign companies eligible to list in mainland China, and directly access Chinese investors outside of domestic capital controls. In the other direction, it allows Shanghai-listed firms access to investors through London. Firms listed on either exchange can also trade global depository receipts on the counterparty market.

¹¹ Source: Financial Conduct Authority, Global Financial Innovation Network (GFIN)

¹² Source: The London Market Group, Why London Overview

¹³ Source: London Stock Exchange, The Belt and Road Initiative (BRI)

OUR GLOBAL OUTLOOK MEANS WE UNDERSTAND YOU

Home to the world's most international and connected financial centre, the UK provides access to the world's markets. Firms located here enjoy unparalleled human, market, physical and digital connectivity making it easy to do business globally.

£15.9bn in foreign direct investment into UK financial services in 2017¹⁴



¹⁴ Source: ONS, Pink Book, 2018

¹⁵ Source: HM Government, Beyond the Horizon: the Future of UK aviation, 2017

¹⁶ Source: Innovate Finance, 2018 FinTech VC Investment Landscape

¹⁷ Source: London Stock Exchange, Why Choose London and LSEG analysis

¹⁸ Source: TheCityUK, Global Trends in Islamic Finance and the UK Market, 2019 and Global Islamic Finance, Islamic Finance Country Index, 2019

¹⁹ Source: City of London Corporation, RMB Business Quarterly, 2019

²⁰ Source: London Stock Exchange Group, Masala Bonds factsheet, 2018

²¹ Source: TheCityUK, Key Facts about UK Based Financial and Professional Services, 2018

²² Source: City of London Corporation, Locate, Create and Innovate, 2019

²³ Source: Deloitte, London Futures, 2014

²⁴ Source: TheCityUK, Key Facts about the UK as an International Financial Centre, 2019

²⁵ Source: Deloitte, London Futures, 2014

²⁶ Source: TheCityUK, Legal Excellence - Internationally Renowned, 2018

²⁷ Source: ONS, Census data, 2011

²⁸ Source: GLA, London in Comparison with Other Global Cities, 2016

²⁹ Source: London School of Economics, Multilingualism in London: LUCIDE city report, 2015

³⁰ Source: <https://www.gov.uk/government/news/need-for-speed-drives-9-billion-superfast-broadband-boost>

³¹ Source: TheCityUK, Key Facts about UK Based Financial and Professional Services, 2019

A TRULY GLOBAL FINANCIAL CENTRE

Open to talent, investment and ideas from across the world — international in outlook, reach, and character: locating in the UK gives you access to the whole world.

Nowhere is better connected. Direct flights reach 370 international destinations in 100 countries¹⁵ and a network of expanding regional airports means that the whole of the UK is now within easy reach of anywhere on the planet. The UK's time zone ensures that our business hours overlap with every major market, east and west.

Global investors want to do business here, and we want to do business with the world. That is why 2017 saw £15.9bn in foreign direct investment flood into UK financial services — almost a third of total UK inward investment. London's fintech sector alone attracted multiples of the investment volumes seen in other European centres — a record \$3.3bn from venture capital and private equity.¹⁶

ACCESS TO THE WORLD'S MARKETS

Home to the world's most international exchange, the London Stock Exchange, the UK offers access to the world's most internationally connected markets and global pools of capital. There are more than 500 international firms listed on the London Stock Exchange, and around half of its investors are international.¹⁷ The UK is the Western hub for Islamic Finance including sukuk and Shariah-compliant exchange traded funds.¹⁸ It is the leading western centre for renminbi clearing, foreign exchange and payments.¹⁹ It is also the largest offshore centre for rupee denominated masala bonds.²⁰

By far the largest hub for foreign exchange worldwide, the UK also handles more than a third of the global secondary market turnover in international bonds.²¹



A time zone that means business hours overlap with major financial centres across the world

#1 Voted first choice centre for locating global teams by international business leaders²²



London is home to

40%

of top companies' global or regional European headquarters²³

The UK is home to around 250 foreign banks.²⁴ 60% of top non-European companies with European headquarters have chosen to locate them in the UK.²⁵ Five of the world's top 15 law firms have their main base of operations in the UK, and there are more than 200 foreign law firms from 40 jurisdictions with offices here.²⁶

A GLOBAL TALENT HUB

Global talent wants to be here. London is a truly international capital — the largest city in Western Europe, with a diverse population. A third of Londoners were born overseas²⁷, and 60% of its workforce is educated to tertiary level, making it the most highly skilled of the world's major business centres.²⁸ In London more than 230 languages are spoken by a diverse and internationally connected population.²⁹

The UK as a whole offers an outstanding quality of life for staff located here: from the Edinburgh festival to Wimbledon there is an offer that combines history and heritage with cutting-edge vibrancy in culture. This goes alongside dazzling natural environments, and an exceptional education system.

Access to this international talent pool is integral to the UK's success as a financial centre. The UK has introduced a start-up visa which will ensure

Outstanding digital connectivity with

97%

superfast broadband coverage by 2020³⁰

that we continue to attract the best people and maintain the UK's position as a top destination for innovation and entrepreneurs, including in our world-leading tech sector.

AN UNPARALLELED ECOSYSTEM

The UK's diverse ecosystem includes extraordinary hubs of expertise in centres country-wide including, Belfast, Birmingham, Cardiff, Edinburgh, Glasgow, Leeds and Manchester. Firms can recruit from a pool of financial and professional services talent that totals 2.3 million people.³¹

The UK offers a creative energy that spans the country's sectors and economy, a result of its open, curious and multi-cultural society, a world class education system, and an outstanding talent pool. It is an environment where business thrives.



22 Bishopsgate © Hayes Davidson

OUR DEPTH AND BREADTH OFFER UNPARALLELED OPPORTUNITIES FOR GROWTH

A business environment set up to help business thrive, the UK offers access to a vast range of products, services and market infrastructure – underpinned by unmatched specialist expertise.

PROXIMITY AND PRESTIGE

The UK's financial and professional services sector offers an extraordinary depth of services, products and expertise. From banking and insurance to asset management and foreign exchange; from green finance and management consultancy to venture capital and fintech, the UK has international scale in a range of sectors.

Locating in the UK offers all the benefits of being part of the world's largest and most diverse cluster of financial and professional services firms, including proximity to the clients, partners and capital that you need to thrive. It also offers the prestige and competitive advantage of being located at the heart of the world's markets: a UK presence boosts firms' brands and reputations.

40%

of corporate arbitrations internationally use English and Welsh law — more than twice as many as the next governing law³³

EASE OF DOING BUSINESS

The UK is one of the most business-friendly environments in the world. It is home to world leading entrepreneurs who thrive in an ecosystem that supports innovation and an infrastructure geared towards helping businesses to flourish.

The UK is the highest-ranking major European economy in the World Bank's Ease of Doing Business Index³⁴ — ninth globally — and has more flexible, liberal labour laws than many other European countries. We have the lowest statutory corporate tax rate of the G7 at 19%.³⁵

HOME OF THE WORLD'S BUSINESS LAW

Doing business here means benefitting from rule of law and a highly stable and predictable legal system which makes doing business safe. English and Welsh law governs most cross-border transactions.³⁶ The legal expertise available in the home of the world's business law is unmatched. British courts enjoy a worldwide reputation for quality and impartiality, which means they are trusted by international firms for a fair hearing.

SCALE AND REACH

The numbers speak for themselves. The UK has the highest global share of trading in US dollars and euros: almost twice as many dollars are traded in the UK than in the US, and more than twice as many euros are traded in the UK than in the Eurozone.³⁷ The value of international bonds issued in the UK stands at \$3.1tn, the largest in the world.³⁹ Foreign exchange through the UK

The highest ranking major European economy in the World Bank's Ease of Doing Business index

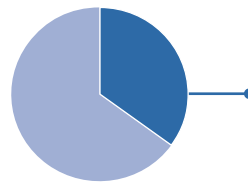


London is the largest centre for commercial and specialty insurance — larger than all of its closest competitors combined³⁸

stands at \$2.7tn daily, more than four next largest foreign exchange centres combined. London is the top location for over the counter interest rate derivatives.⁴⁰

London is the world's second largest fund management centre and 35% of all assets managed in Europe are managed in the UK.⁴¹ The insurance sector is the biggest in Europe and the fourth largest in the world, and London is by far the largest centre for commercial and specialty risk. The legal services sector is the second-largest globally.

The scale of London's offer translates into unrivalled depth in expertise. With one in fourteen people employed in the country working in financial and professional services, this depth is maintained across the UK.⁴²



35%

of all assets managed in Europe are managed in the UK



³² Source: ONS, UK Business Counts, 2018

³³ Source: QMUL, International Arbitration Study, 2010

³⁴ Source: World Bank, Ease of Doing Business Index, 2018

³⁵ Source: KPMG, Corporate Tax Rates Table, 2019

³⁶ Source: TheCityUK, Legal excellence, internationally renowned, 2018

³⁷ Source: Bank for International Settlements, OTC Interest Rate Derivatives Turnover, 2016

³⁸ Source: The London Market Group, Why London Overview

³⁹ Source: Bank for International Settlements, Summary of Debt Securities Outstanding, 2019

⁴⁰ Source: Over-the-Counter Interest Rate Derivatives, 2018

⁴¹ Source: The Investment Association, Key Industry Statistics

⁴² Source: TheCityUK, Key Facts about UK Based Financial and Professional Services, 2019

INNOVATION IS WHAT WE DO, CREATING AN INSPIRATIONAL ECOSYSTEM WHERE YOU CAN THRIVE

Innovating over centuries, the UK has always been a champion of new products, creative solutions and entrepreneurial talent. It is home to the sectors that are already reshaping the financial world. Being here brings firms into the heart of a hub of innovation and thought leadership.

London attracted **£1.8bn** in tech funding in 2018, almost twice that of the next closest European centre⁴³

A HISTORY OF INNOVATION AND PARTNERSHIP

The UK's financial and professional services sector is continuing its centuries-long history of reinvention, in and across the country. With its enduring ability to look to the future, embracing new opportunities, markets and business models, the UK has innovated its way into becoming both a global powerhouse in the financial and professional services sector and a magnet for investment. Today, disruptive new companies and fresh ideas are driving not just competition but further innovation. Drawing on our renowned expertise, we partner the world on the solutions to global issues that are shaping the future of finance. From climate change to financial inclusion, from ethics in artificial intelligence to impact investment, we are working to ensure developments in the sector benefit people and places worldwide.

A SUPPORTIVE REGULATORY ENVIRONMENT

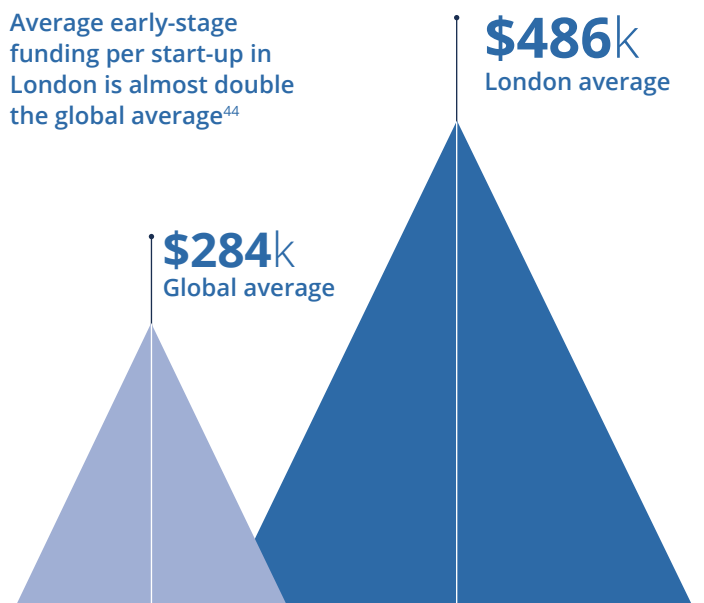
Our regulatory environment has support for innovation built into the heart of everything it does. Alongside market stability and consumer protection, the UK's Financial Conduct Authority has a mandate to support innovation and competition that is unique amongst major economy regulatory bodies.



Average early-stage funding per start-up in London is almost double the global average⁴⁴

\$486k
London average

\$284k
Global average



71%
fintech adoption rate among the public⁴⁵



Ranked joint first for fintech growth worldwide by Deloitte⁴⁶

A POWERHOUSE OF EVOLVING SECTORS

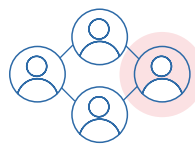
The UK's thriving fintech scene is evolving to reshape the future of the sector — working with financial centres across the world through fintech bridge agreements with Australia, Hong Kong, Singapore, China and Korea, as well as multiple other partnerships. The UK's leading edge sector is helping to reimagine the customer experience, deliver new client-centric products, services and solutions, and increasing the efficiency of more established players. There are 76,500 people employed in fintech across the UK, and this number is set to reach 105,500 by 2030.⁴⁷

The UK plays a leading role in the global green finance industry: from the Green Finance Institute — leading on the worldwide mobilisation of capital to meet climate challenges, to the London Stock Exchange's dedicated global sustainable investment centre. The London Stock Exchange is currently home to 100 plus green bonds, a similar number of green indices — and was the first to issue certified green covered bonds from China, India and the Middle East.

The UK is an engine room of expertise and capital in the cyber security services that are future-proofing business. The largest cyber market in Europe, and a major exporter of cyber security services, the UK's innovation in the space is supported by accelerators such as the London Office for Rapid Cyber Advancement and Cheltenham Innovation Centre.

A PIPELINE OF TALENT

Part of the bedrock of this innovation is the UK's world-renowned education system, which boasts four of the world's top ten universities and 27 of the top 200 universities in the world for accounting and finance subjects.⁴⁸



One in four entrepreneurs globally have two or more significant links with London entrepreneurs⁴⁹

⁴³ Source: London & Partners, London and UK Top European Tech Investment, 2019

⁴⁴ Source: Startup Genome, Global Startup Ecosystem Report, 2019

⁴⁵ Source: EY, Fintech Adoption Index, 2019

⁴⁶ Source: Deloitte, Connecting Global Fintech: Interim Hub Review, 2017

⁴⁷ Source: HM Treasury, Department for International Trade and Innovate Finance, State of the Nation, 2019

⁴⁸ Source: Top Universities, University Ranking, 2019 and Times Higher Education, World University Rankings, 2019

⁴⁹ Source: Tech Nation, Connection and Collaboration - Powering UK Tech and Driving the Economy, 2018

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