

## **21 June 2023 – Capital Markets Industry Taskforce (CMIT) meeting – Key points discussed**

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### **Introduction / Procedures**

- Members welcomed Joe Cassidy to replace Kay Swinburne who has stepped down as she has been appointed a life peer and Lords Whip.
- Members approved the minutes.

### **Capital Markets Industry Taskforce Conference**

- Most of the meeting focused on the practical organisation of the CMIT Conference on the 7<sup>th</sup> of July.
- CMIT members discussed proposals for how to run each workshop, the opening remarks and the potential opening and closing remarks.
- Members stressed the importance of ensuring that there are concrete actions taken from the conference, including key recommendations to feed into CMIT's work and the work of the team writing the Capital Markets of Tomorrow report.

### **Capital Markets of Tomorrow report**

- Mark Austin gave a brief update on the progress of the report team, with the aim for a skeleton to be circulated shortly, with feedback on the themes of the CMIT Conference workshops to be integrated into the relevant sections of the report.

### **Workstream 1: Unlocking additional sources of capital for UK companies, including from pension funds and insurance**

Chairs: Peter Harrison, Andy Briggs

Leads: Jon Symonds, Klaus Hommels, Joe Cassidy

Focus: Making it easier for capital to flow in the direction which generates greatest benefit, supporting UK companies and providing pension and policy holders and savers with strong long-term returns.

- Members noted the upcoming Mansion House speech on 10 July. Areas of focus include pension fund consolidation and setting objectives for the large pension schemes to invest in unlisted securities.
- More broadly, members discussed the need to change perceptions regarding pensions such that the wider public, especially younger people, view pensions as investment schemes that happen to pay out when you retire (not savings schemes), to drive engagement and give people more responsibility for their pension outcomes.
- Members would like to see a move to assessing pensions performance not through the lens of minimising costs, but through net returns. This is especially important for the younger cohorts as the value of their pension pot is directly dependent on net returns, unlike previous generations who have predominantly been on DB schemes in many cases with corporate underwriting.

### **Workstream 2: Corporate governance code and stakeholder engagement reform**

Chair: Jon Symonds

Leads: Mark Austin, Peter Harrison, Andy Briggs, Joe Cassidy

Focus: Improving the relationship between companies and investors in a way that provides quality governance and clear accountabilities, enabling UK companies to compete and grow effectively to the benefit of all their stakeholders.

- Members continued to discuss investor and company engagement. One element of this is to try to find a solution for the time constraint around year-end results recognising that this was perhaps the greatest barrier to effective engagement.
- An additional point of discussion was remuneration. Members noted that it is important to consider remuneration across peers, domestically and internationally. The availability of data is key to this. In the technology space, the Venture Capital Executive Compensation Survey report has helped equalise pay, for example across certain lawyers, in London and San Francisco.