

CMIT response to the Autumn Statement

The Capital Markets Industry Taskforce (CMIT) welcomes the Autumn Statement last week. It agrees with the Government that enabling greater investment into high growth sectors is necessary to increase returns for savers. It also agrees that ensuring UK companies have access to the capital they need and supporting the UK capital markets that provide that access, is critical for the future economic growth of the country.

In working towards this ambition, CMIT welcomes the Secretary of State for Business and Trade's remit letter to the Financial Reporting Council (FRC), announced as part of the Autumn Statement package, which emphasises the role the FRC should play in promoting growth and competitiveness, as well as the FRC's response.

The Government welcomed CMIT's work to help reset the UK's approach to corporate governance and stewardship which is fundamental to better supporting listed companies in the UK. On the back of CMIT's "[Open Letter on resetting the UK's approach to corporate governance](#)" and the extensive market support for the proposals in it, CMIT will now work with industry stakeholders including issuers, asset managers and the FRC to take them forward.

CMIT also welcomes the measures set out in the Autumn Statement to incentivise greater capital allocation to private and quoted growth companies, and to generate increased returns for savers. CMIT is strongly supportive of the Mansion House Compact and looks forward to the next steps being taken to make this commitment a reality.

There is also however a pressing need to focus on ensuring UK listed companies have access to the domestic capital they need, as set out in [CMIT's letter addressing the decline in domestic investment in UK equity markets](#). This letter now has over 150 signatories from across the UK corporate ecosystem. From the United States to Australia, many comparable jurisdictions around the world recognise the importance of incentivising activity in their capital markets in order to effectively serve the wider domestic economy and enhance the resilience of those markets. CMIT strongly believes there is a need to address the 89% decline in domestic pension investment in the UK equity markets over the last 25 years. On the back of its letter, CMIT will continue to advocate for greater focus on this issue ahead of the Spring Budget and work on recommendations for policymakers. We will be contacting individual signatories with details on how they can engage further on this work.