**26 September 2023 – Capital Markets Industry Taskforce (CMIT) meeting – Key points discussed**

**Introduction / Procedures**

* Members approved the minutes.

**Workstream 1: Unlocking additional sources of capital**

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.

* Now that pension fund consolidation and incentivising pension investments into equities are on the media and political agenda, members discussed the importance of keeping them as priorities and making sure reforms are delivered at pace.
* It is also important to communicate about what these changes mean in practice for people saving for their pensions, where their investments go and how they could drive additional returns in the future.

**Workstream 2: Governance workstream**

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 discussed the Financial Reporting Council’s consultation on the revised UK Corporate Governance Code, which recently closed. CMIT will continue to engage with the FRC on this review.
* Members also welcomed the publication of the report ‘Unlocking growth in UK capital markets: the role of pay and governance’ by Deloitte (*link to be included when it is published*)

**Workstream 3: Creating the best environment for the UK to produce high growth, consequential companies**

Chair: Matthew Scullion

Leads: Mark Austin, Jon Symonds, Joe Cassidy, Klaus Hommels

Focus: Create a series of recommendations to help improve the environment in the UK for creating high growth, consequential companies, including ways to: increase support for entrepreneurs, change the attitude and playbook of domestic investors to risk and consequential business building, change attitudes to risk taking, business building and entrepreneurial success in the public and media.

* Given the broad focus, this workstream will break down into smaller streams covering:
  + Tax and fiscal policy changes to support growing companies.
  + Celebrating entrepreneurship across the UK and better connecting companies to the support available
  + Driving innovation to scale.
  + Ensuring the UK has the best talent to drive its consequential companies.
  + Building a deeper understand of emerging sectors and companies amongst the investment community, helping to deepen the pool capital available to them.
* Workstream leads continue to work with the Scale Up Institute and Innovate UK on actions to promote entrepreneurship across the UK and are looking at a Scaleup Britain campaign with the support of CMIT member organisations and other regional clusters for 2024.
* It will be important to support and promote early-stage investor networks across the UK and help them to identify opportunities to invest in high growth businesses.

**The provision of investment research**

* Members welcomed the publication of the investment research review recommendations by Rachel Kent.
* Once the rules on unbundling have been amended by the FCA, it will be important for market participants to use this new flexibility to allocate more resources to research provision. Access to high quality research could support further retail participation, providing reliable information to drive their decisions and ultimately contributing to investor protection.

**Retail investment**

* Members noted the importance of retail enfranchisement and welcomed the [report](https://newfinancial.org/wp-content/uploads/2023.09-Widening-retail-participation-in-equity-markets-New-Financial.pdf) by New Financial in partnership with Primary Bid to widen retail participation in equity markets.
* Members discussed the potential to establish a workstream on retail enfranchisement and potential interested parties.
* It was felt that three levers could be prioritised in a mix of short-term and long-term actions: the financial advice gap, financial literacy, and retail access to regulated markets.