**31 January 2024 – 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.

* Members agreed that the focus for 2024 should be on unlocking more domestic capital for UK private and listed companies, both engaging with the implementation of the Mansion House Compact (including forming a view as to whether the allocation percentages should increase over time and how to ensure this capital flows to quoted growth companies as well as private companies) and crucially, supporting measures to increase a greater allocation of domestic capital to UK public equity markets.
* Whilst members welcomed government initiatives to date looking at changes to Solvency II and consolidation of pension funds in the UK, more measures are required to address the significant decrease in domestic capital allocations to companies with shares listed or quoted on UK markets.
* Measures that could be explored include consideration of tax incentives and removing tax disincentives for investors in UK markets, changes to the way the investment management community interact with pension funds, improving the awareness amongst pension holders of where their money is being invested, potential increases to auto-enrolment and the development of a cohesive retail investor narrative that supports and encourages UK retail investors to return to investing in the UK.

**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 supported the publication of the revised [UK Corporate Governance Code](https://media.frc.org.uk/documents/UK_Corporate_Governance_Code_2024_FF6VFzi.pdf) by the Financial Reporting Council (FRC) and the accompanying statement of its stance on the ‘comply or explain’ principle.
* CMIT will continue to support the Investor Forum as they develop a new forum for investors and issuers, as indicated in CMIT’s letter to the Chancellor in November.

**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.

* CMIT is actively working with organisations such as the Scale-Up Institute and Innovate Finance to both raise the visibility of new innovative firms in the UK and help amplify the policy needs of this part of the ecosystem.

**Workstream 4: Development of Private Intermittent Securities and Capital Exchange System (PISCES) to provide secondary liquidity**

Chair: Julia Hoggett

Leads: Klaus Hommels, Matthew Scullion

Focus: Support the development of a new class of venue, which would operate on an intermittent trading basis and act as a bridge between public and private markets, boosting the UK as a destination for all companies to gain access to the investment they need to create jobs and grow.

* Members welcomed the [speech](https://www.gov.uk/government/speeches/economic-secretarys-capital-markets-speech-to-bloomberg) by the Economic Secretary to the Treasury Bim Afolami and the Minister’s confirmation that the Private Intermittent Securities and Capital Exchange System (PISCES) regulation, formerly known as the Intermittent Trading Venue (ITV), will be established in the UK before the end of the year.

**Primary Markets Effectiveness Review**

* Members supported the launch by the FCA of the final phase of the Primary Markets Effectiveness Review on 20 December and were very supportive of many of the suggested changes in the consultation. The consultation follows continued engagement by the FCA to modernise the UK Listing Regime and level the playing field with other jurisdictions.

**Supporting retail investors in the UK**

* CMIT agreed a new workstream focused on retail investor enfranchisement in the UK that will consider a range of options to support greater retail investment in the UK economy, from developing a better understanding on UK retail investor needs and a powerful narrative to support and encourage retail investors to return to investing in the UK economy, to changes to the ISA regime.