

25 February 2025 – Capital Markets Industry Taskforce (CMIT) Meeting – Key Points Discussed

Introduction / Procedures

- Members approved the minutes of the 29 January 2025 meeting.

CMIT Practitioners Conference

- Members discussed the success of the conference; with 200+ in-person attendees, 500+ virtual attendees, and 200+ additional replay views which has been increasing day on day.
- Post-event feedback was overwhelmingly positive, with some advisers indicating they will reposition their views on the London market as a result. Given the demand for the recording, CMIT members agreed to extend the deadline for watching the event.

CMIT June Conference

- Members continued the discussion on the main annual CMIT conference in June, with planning underway.
- Measures to unlock more domestic investment in the UK will feature heavily in the conference and CMIT members discussed ideas for research and analysis that could be produced in advance to support discussions during the conference and subsequent recommendations to Government.
- Members also discussed the potential of developing an event specifically designed for regulatory bodies in the UK, where industry could share the experiences of regulation in action with the regulatory community, and where process may have ultimately deviated from the regulators' original intent, and how this can help provide actionable information for regulators as they work to support the growth agenda in the UK. The event could explore how regulatory policy shapes actual outcomes including investment behaviour.

Unlocking Capital

- Members discussed the government's approach to pension and ISA reforms, with an emphasis on strategic alignment across policies.
- The discussion highlighted the importance of creating an environment that encourages investment in risk capital, with a focus on long-term growth and innovation.
- Members are keen to continue to engage with the government, including the Pensions Minister and Economic Secretary to the Treasury, on further changes to accelerate the deployment of risk capital in the UK economy.
- CMIT members agreed that certain changes the UK needs, especially when it comes to unlocking domestic investment, will require bold political decisions. Even if some changes will not find common ground across all constituents, the UK should not risk slowing down much needed growth interventions purely to achieve overly broad consensus.

Stewardship Code:

- Members discussed the relevance and effectiveness of the Stewardship Code and potential areas of reform.
- Whilst members recognised the importance of stewardship, it was important for regulation to deliver on its intended outcomes and there was a need to respond to unintended outcomes.
- Many asset managers already demonstrate extensive stewardship transparency through engagement and reporting, and often do this outside the parameters of the Stewardship Code. The views on what amounts to good stewardship also differ between different constituents, which in turn makes codifying this activity, in a manner that caters to all views, extremely difficult.
- There was also a recognition that a lot of Code related reporting was not actually being read by market participants, and so the value of such reporting (which can detract from an investor's ability to focus on other stewardship and engagement activities with companies) should be openly debated in the UK.
- Members agreed to continue engaging with and supporting the FRC on its Code related activities.