2 July 2026 – Capital Markets Industry Taskforce (CMIT) Meeting – Key Points Discussed

Unlocking Risk Capital

- The session was centred on the topic of UK investments by domestic pension funds.
- There was a clear view that voluntary demand-side initiatives are important, and CMIT should continue with its demand-led strategy engaging CEOs, CFOs, employers and pension providers on UK-weighted pension options.
- The group recognised that this strategy alone will unlikely change mainstream asset allocation. The group noted that pension providers and trustees face strong commercial and regulatory pressures to remain close to peers. If the UK continues to rely only on voluntary nudges, the likely outcome is marginal movement rather than a structural reallocation of capital.
- The strongest lever identified was fiscal incentives that change the expected return of UK assets. Participants argued that stamp duty reform, UK dividend tax credits, or salary sacrifice-linked incentives could all shift the modelling used by advisers and fiduciaries.
- A franking-credit style mechanism was described as one of the more straightforward options because it directly changes the after-tax income return for UK equities.
- Members agreed to continue working on potential interventions that could be shared with the incoming UK Government once in office.