

## **TISA's Brexit Programme – Update November 2016**

### **Initial submission**

In September TISA submitted a high-level paper containing initial proposals to HM Treasury regarding how the country's savings and investments industry can thrive outside the European Union. Six key themes emerged from the recommendations:

1. Equivalence and Third Country Recognition, including for fintech and savings sectors;
2. Adoption of EU legislation via an enabling directive;
3. Access to skills and visas for applicants and their families from the EU and the rest of the world;
4. Development of a single regulatory rule-book tiered to support global, EU and UK domestic markets – ensuring that the UK domestic market rules are a subset of the rules applying to the those wishing to operate in the global and EU markets and not a separate rule book;
5. The need to expedite authorisation for start-up/fintech companies;
6. The importance of a statement from Government to reassure the public and sector regarding Brexit plans.

Following this submission TISA publicised the recommendations to stimulate broader debate among the membership, shared its findings with other interested organisations and has sought feedback and input into the next stages of the programme. This activity included:

- Issued a press release
- Uploaded a video on TISA TV explaining our recommendations to Treasury
- Shared our recommendations with other trade bodies
- Met with the FCA team
- Met with the HMT team
- Attended a Lunch at the House of Commons with FCA CEO as guest speaker
- Attended a roundtable discussion with major trade bodies with the aim of sharing the Brexit responses from the organisations and looking to create a unified response to Government.

### **Ongoing work programme**

#### **1. Technical tasks**

TISA's Brexit working groups are now undertaking a number of technical tasks to provide detailed, supporting evidence for our initial recommendations, these include:

- A. Legal and Tax/Accounting work-streams
  - Passporting and equivalence - what do they mean, and what's the difference
  - Transitional regime and grandfathering
  - Access to skills - Immigration issues for EU nationals

- Analysis of five key Directives and implications post Brexit. This includes an analysis of the impact of withholding tax on UK funds.
- B. The Fintech group is conducting a survey on EU and non-EU nationals working in the UK and UK nationals working in Europe. This will support the skills/immigration work-stream.
- C. The Savings and Investment group is conducting a survey on a tiered rulebook - in keeping with key recommendation 4 outlined above - and how it would work.

Based on our technical analysis we plan to examine the following scenarios:

- Stay in Single Market, keep passport
- Leave Single Market generally, but negotiate passport sector by sector
- Leave Single Market, but get equivalence where it is already provided (i.e. no change)
- Leave Single Market, and get equivalence across all Financial Services Directives, including for retail and agreed process for mutual recognition
- Leave Single Market, leave Customs Union.

## **2. Strategic options**

Our work however is not limited to the just the technical aspects for exit negotiations. Under the guidance of our Brexit Steering Committee – comprising representatives of TISA’s Strategy Committee and Policy Council chairs – we are considering the strategic options for the UK’s savings and investments market, with an emphasis on the global opportunities post Brexit.

### **Working with industry bodies**

The focus of TISA’s work continues to be on the savings and investments industry. We are however proactively liaising with industry groups and associations to share outputs and avoid unnecessary duplication. This includes holding regular update meetings with the ABI and IA.

### **Next Steps**

We will be gathering the findings of our work to identify the strategic options post Brexit with the further output from the technical working groups to enable us to produce a Brexit Strategic Options Paper.

We will provide a further update in January. In the meantime, if any members would like to get involved in the Brexit technical work, please contact [audrey.forrester@tisa.uk.com](mailto:audrey.forrester@tisa.uk.com) or [dee.wastnedge@tisa.uk.com](mailto:dee.wastnedge@tisa.uk.com).

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