

Social Investing Coalition calls for Financial Services Bill amendments

Letter to Financial Secretary by twenty industry leaders seeks support for social investment duty and stakeholder panel

London, 27 February 2012 — Leaders of twenty social investing bodies have written to Financial Secretary Mark Hoban MP calling on him to accept amendments to the Financial Services Bill that support social investment.

The amendments would:

- place a general 'social investment duty' on the Financial Conduct Authority (FCA) to carry out its work in a way which promotes the development of social finance and social investment; and
- require the FCA to establish a 'social investment panel' of persons with knowledge and expertise in social finance and social investment which it would be obliged to consult and have regard to over time in relation to the conduct of its activities.

Sir Stuart Etherington, Chief Executive of the National Council for Voluntary Organisations (NCVO) and one of the twenty signatories, said:

“In these challenging economic times, social investment can form part of the solution by supporting civil society organisations to become more innovative, effective and financially secure. Government has a real opportunity to capitalise on this potential as it seeks to build a strong and sustainable economy.”

Penny Shepherd MBE, Chief Executive of the UK Social Investment and Finance Association (UKSIF) who also signed the letter, said:

“We welcome the government’s strong support for social investment. This needs to be translated into a duty on the new Financial Conduct Authority if we are to have the proportionate regulatory support that the field needs to thrive and grow. These amendments will help the UK to strengthen its role as a leading global centre for social finance and social investment and so they are both good for society and good for the finance sector.”

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A copy of the letter and a short briefing on the amendments are available.

Notes to Editors

About the amendments

The amendments are amendments 72 and 73 to the Financial Services Bill. They were tabled by Chris Leslie MP, the Shadow Financial Secretary to the Treasury. Past government legislation (Dormant Banks and Building Society Accounts Act 2008) has defined social investment as investment into third sector organisations, ie. organisations which exist wholly or mainly to provide benefits for society or the environment.

About the government's support for social investment

In 2011, the UK government published its social investment strategy '*Growing the Social Investment Market: A vision and strategy*'. This sets out the UK government's vision of a thriving social investment market where social ventures can access the capital they need to grow, allowing them to do more to help build a bigger, stronger society. It also gives a strategy for achieving the vision, explaining how government, charities and others can act.

About the UK Sustainable Investment and Finance Association (UKSIF)

The UK Sustainable Investment and Finance Association (UKSIF) supports the UK finance sector to be a global leader in advancing sustainable development through financial services. We promote and support responsible investment and other forms of finance that advance sustainable economic development, enhance quality of life and safeguard the environment. Founded in 1991, UKSIF has over 260 members including pension funds, asset managers, research providers, financial advisers, banks and non-governmental organisations. For more information, visit www.uksif.org.