

UKSIF URGES GREATER LONG-TERM INVESTMENT FOCUS FOLLOWING BUDGET 2013

Influential trade body cites missed opportunity to pursue Kay Review agenda but commends new social investment tax relief

London, 20 March 2013 – The UK Sustainable Investment and Finance Association (UKSIF) has highlighted the missed opportunity in UK Chancellor George Osborne’s Budget 2013 Statement to focus on the long-term investment agenda. UKSIF was disappointed that today’s Budget did not clearly strengthen Government support for measures recommended by the Kay Review of UK Equity Markets and Long-Term Decision Making, nor set out the Government’s next steps to encourage a focus on the long-term in capital markets.

UKSIF had hoped that the Budget would announce measures to mark developments in the run up to the Government’s scheduled progress report in Summer 2014 on delivering Professor Kay’s recommendations. However, although the Chancellor acknowledged that the financial services industry encompasses much more than banking, he did not make reference to the influential and timely Review.

Caroline Escott, UKSIF Head of Government Relations, said:

“It is disappointing that the first Budget after the Kay Review seems to have been a missed opportunity for the Treasury to strengthen the long-term investment agenda. A clear public policy framework would encourage asset owners, asset managers and company directors to take the necessary steps to build a positive culture of long-termism along the investment chain.

The lack of reference to Professor Kay’s report follows recent news that the Treasury decided not to give their backing to an economic review of resource depletion, climate change and growth that had been backed by other Government departments. We therefore urge the Treasury to help break down the barriers to effective long-term investment, and ultimately to help secure sustainable growth which boosts the economy while safeguarding the environment for future generations.”

She added:

“We were, however, pleased to note that the Government intends to consult on a new tax relief to encourage private investment in social enterprises. We are hopeful that this new consultation will eliminate one barrier for impact investors and their financial advisers.”

Contact

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Notes to Editors

Interviews with Caroline Escott are available on request.

UKSIF's written evidence to the BIS Select Committee inquiry into The Kay Review of UK Equity Markets and Long-Term Decision Making and the Government's Response to the Review is available via the UKSIF website [here](#).

About 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 250 members including pension funds, asset managers, research providers, financial advisers, banks and non-governmental organisations. For more information, please visit www.uksif.org.

About the Kay Review of Equity Markets and Long-Term Decision Making

The '[Kay Review of Equity Markets and Long-Term Decision Making](#)' was led by Professor John Kay and commissioned by the Department for Business, Innovation and Skills. It was tasked with examining the performance of UK equity markets and its final report – published in July 2012 - recommended a number of measures including regulatory support for fiduciary standards, more effective reporting and enhancements to the UK Stewardship Code.

About the Government Response to the Kay Review

For more information on the Government's response and its announcement to produce a Summer 2014 progress report on delivering the Review's recommendations, see the BIS press release "[Government sets out steps to change culture](#)" (22 November 2012).