

John Glen MP  
Economic Secretary to the Treasury  
HM Treasury  
1 Horse Guards Road  
London  
SW1A 2HQ



13 November 2020

Dear Minister,

By way of introduction, I'm James Alexander incoming CEO of UKSIF, the membership organisation connecting the UK sustainable investment and finance community, committed to growing sustainable and responsible finance in the UK. Our influential membership, with over £10 trillion AUM, includes banks, fund managers, pension funds, financial advisors, data providers and asset owners.

We warmly welcome your commitment for the UK to match the ambition of the EU Sustainable Finance Action Plan, as well as this week's announcement made by the Chancellor – particularly on TCFD and Sovereign Green Bonds – which we believe will further enhance UK leadership in sustainable finance and investment. However, the announcement on the development of a UK Taxonomy and previous indications that EU standards will be amended to ensure they are “appropriate for the UK” leave significant uncertainty, particularly for UK-based financial services firms working in the UK and the EU. For them, a lack of consistency across EU and UK market regulation could prove costly to administer, confusing and ripe for error.

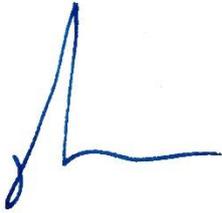
We also note The Financial Services (EU Exit) SI, which deletes significant parts of the EU regulations without any clarity on how these will be replaced. We urge you to adopt an “*EU plan plus*” – aligned where the EU plan is good and better where it isn't, with active consideration of firms operating in both markets.

The UK became the European leader in sustainable investment because it has a flexible, innovation-friendly approach. As outlined in our letter to you of July 2020, UKSIF and our members believe the UK should be aiming to match or exceed the sustainable finance ambitions of the EU and build on the UK's leadership on climate and green finance, particularly in the run-up to COP26. The UK's approach must be developed without delay; aiming to combine flexibility and innovation within the commitment to global climate leadership.

Ambition, clarity and consistency are vital to retain UK leadership on green finance and further enhance the UK's role as a global green finance hub. We are therefore offering to convene a group of key members with you to articulate actionable and well-supported ideas to ensure your plans are developed quickly and are welcomed by the industry as well as enhance the UK's leadership in this important area. We are also keen to nominate UKSIF members to the UK Taxonomy technical advisory group, which must be convened without delay.

We look forward to hearing from you and working closely with you.

Yours sincerely,

A handwritten signature in blue ink, consisting of a stylized capital 'A' followed by a horizontal line.

James Alexander  
Chief Executive