



COMPLYPORT  
COMPLIANCE LEADERSHIP

# BREXIT REPORT 2020

[complyport.com](http://complyport.com)

In association with

haysmacintyre



# 53% of respondents in our annual compliance survey said they will remain in London to continue operating in financial services

**Paul Grainger CEO of Complyport:**

*"We will be working closely with the respondents of our annual survey who have not yet registered in other EU jurisdictions, to find solutions for them to be able to work inside the European Union Single Market. We do not want any of our clients to be unable to passport, sell and market goods post January 2021."*

## EXECUTIVE SUMMARY //

There is growing disquiet that the Government has failed to agree a clear regulatory framework with the EU from 2021 according to the annual compliance survey of Complyport.

With weeks left before the Transition Period ends, financial services firms are alarmed and concerned at the lack of progress to agree a future relationship. The UK Government's handling of the "equivalence" issue (the proposed agreement by the UK and the EU that there is mutual equivalence in standards for regulating a financial service) has created concern by the respondents in the survey. A survey of over 200 financial services firms carried out by Complyport, a financial services regulatory and compliance consultancy firm, found that from the firms surveyed:

- **63% of UK financial services firms did not believe the UK Government has done all it can to create an equivalence agreement with the EU;**
- **59% believe London's position will remain as the pre-eminent center of financial services in Europe from 1 January 2021 despite Brexit**
- **69% believe the Single Financial Services Market and Euro will be weaker without the UK.**

Firms surveyed in the poll which took place in late October 2020, stated that 49% of those surveyed had faced problems because of the uncertainty over the ongoing Brexit talks.

In a recent FT survey on London as a financial center, it was revealed that there has "not yet been a significant movement of staff from London's insurance industry", however many have set up new EU subsidiaries. Lloyd's of London has established a new office in Brussels. Others including AIG and Travelers have set up bases in cities including Luxembourg, Dublin and Madrid. Despite many of our respondents not yet registering in other EU jurisdictions, a note of caution should be made that the larger companies have already done this.

**Complyport consultants are available to discuss your options. Contact [info@complyport.co.uk](mailto:info@complyport.co.uk) for more information.**

Are you considering getting authorised or registered in other jurisdictions in the EU?  
 Yes (39.22%); No (52.94%); I am already regulated in another EU jurisdiction (7.84%)



*J7 Communications on behalf of Complyport in association with Haysmacintyre, LGCA, IGCA, EIMF and MAP FinTech*



# A Message From Our CEO



**Paul Grainger**  
Chief Executive Officer

“

Despite the fact that financial services directly provides over 1 million jobs and contributes 7% of GDP (£132 billion) to the UK economy, the Transition Period is coming to an end yet we still do not have any clear idea of what the regulatory arrangements with the EU will be from 1 January 2021.

The Brexit compliance team at Complyport is on standby to provide clients solutions, as to how to trade with the EU and inside the EU from January 2021. Clients or prospective clients should not hesitate to contact Complyport to seek counsel.

”



# Brief Overview

## Survey//

A survey of over 200 financial services firms, carried out by Complyport, took place in late October 2020

## Brexit Vote//

46% of respondents voted to remain in the European Union on 23 June 2016 while 24% voted to leave the EU

## UK Government//

63% of financial services firms did not believe the UK Government has done all it can to create an equivalence agreement with the EU

## London as a Global Financial Hub//

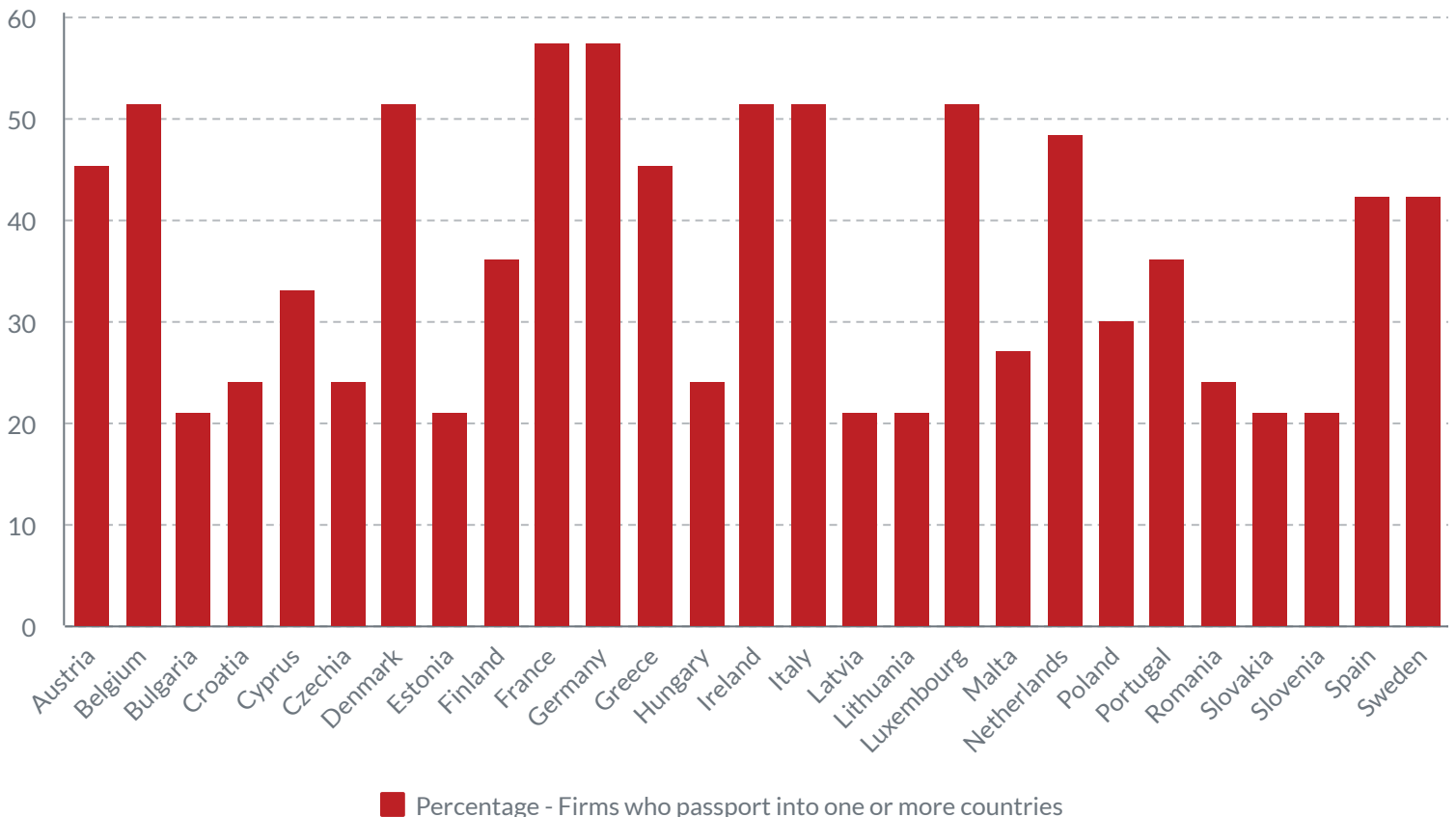
59% believe London's position will remain as the pre-eminent centre of Financial services in Europe from 1 January 2021 despite Brexit

## Doing Business in Europe/

69% believe in the Single Financial Services Market and Euro will be weaker without the UK

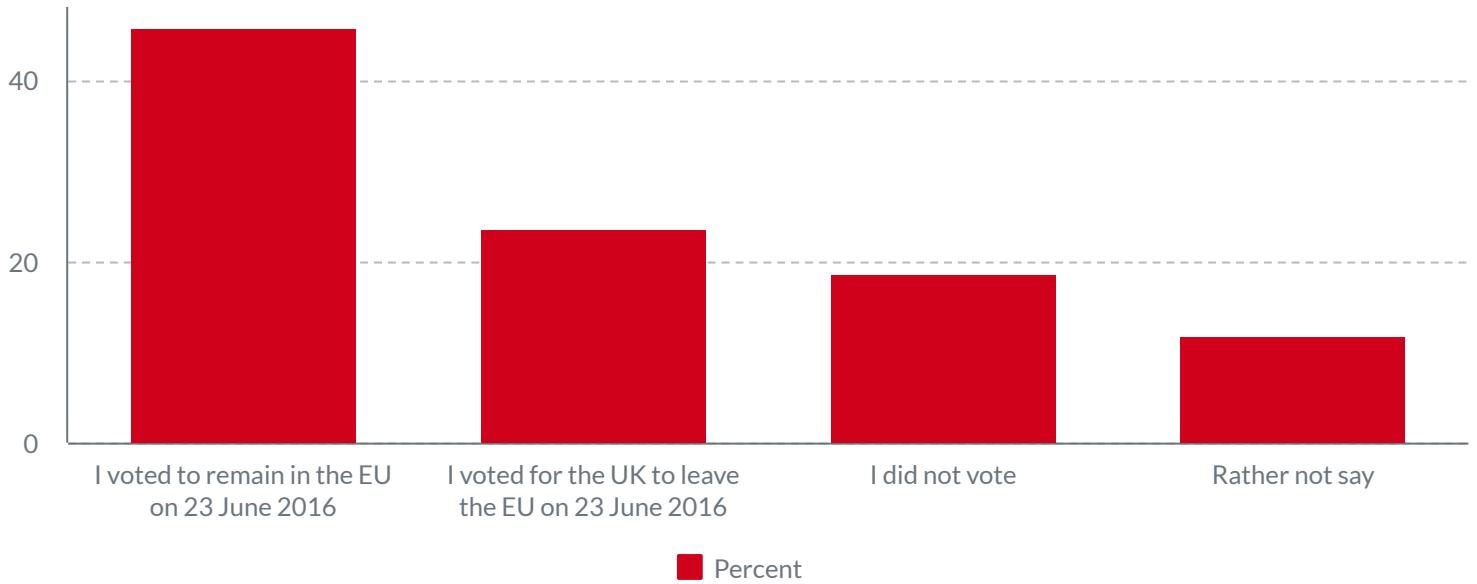
## International Insight//

Respondents to the survey have extensive insight as their companies passport into one or multiple countries within the EU

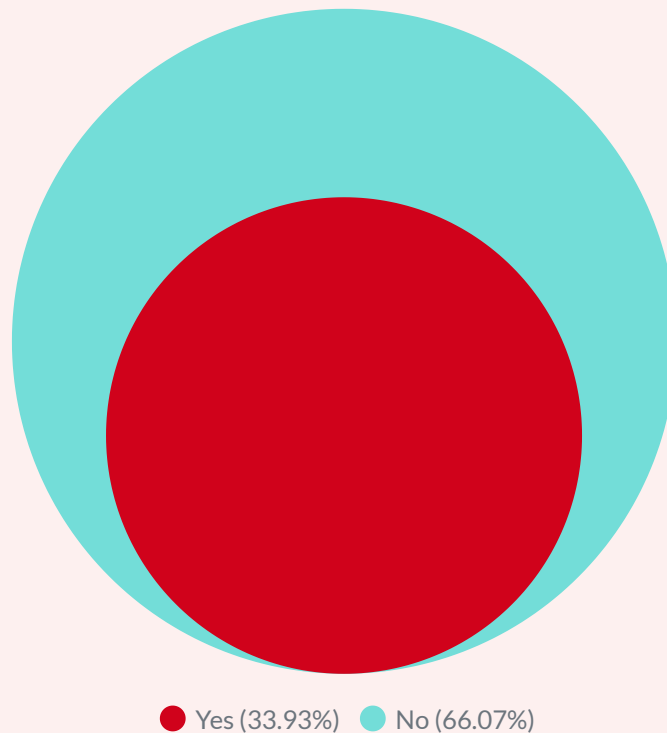


# Survey Results

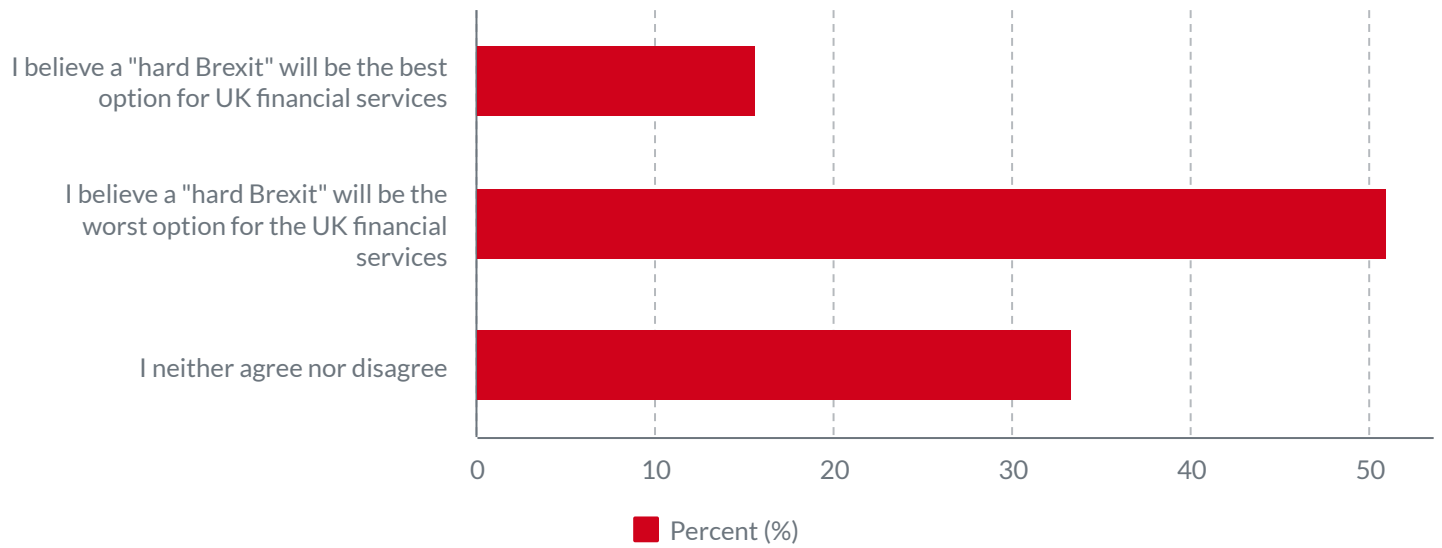
## How Did You Vote in the Brexit Referendum?



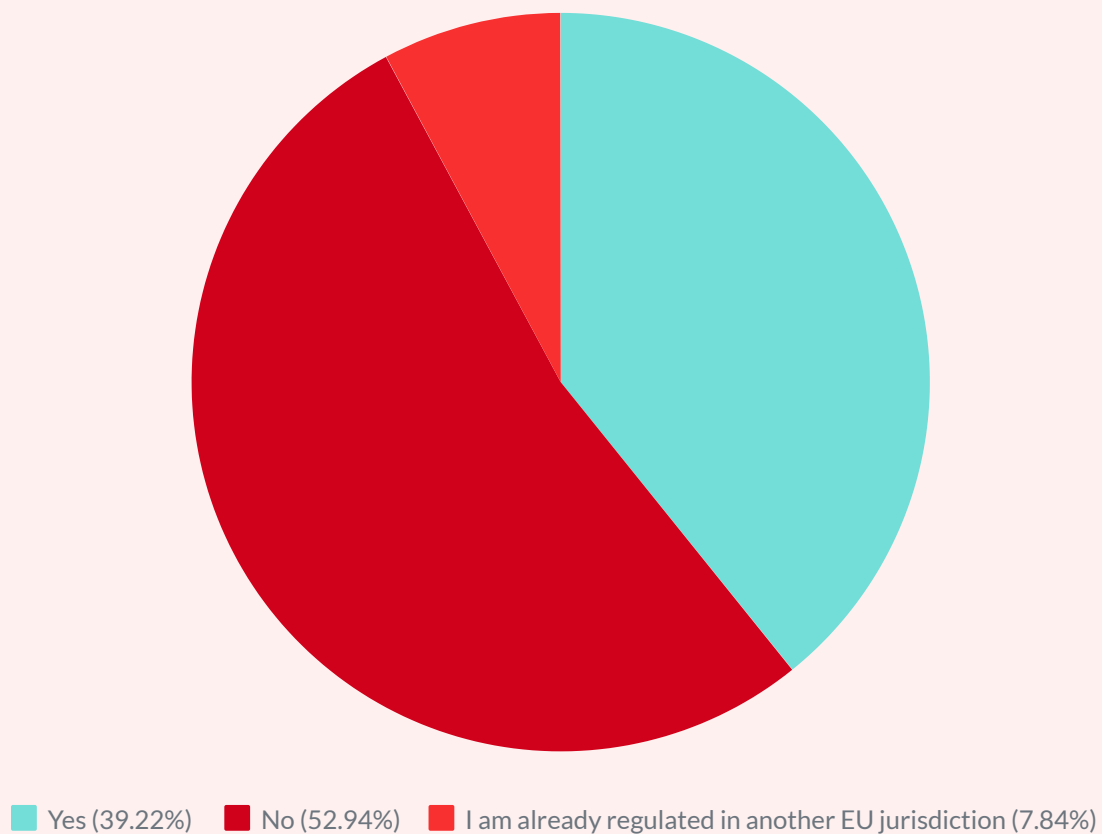
## Do You Feel There Is Enough Information on Brexit Coming out of the FCA?



## Do You Feel Financial Services in the UK Will Be Better Served with No Agreement with the EU or What Some Have Called a "hard Brexit" From 1 January 2021?

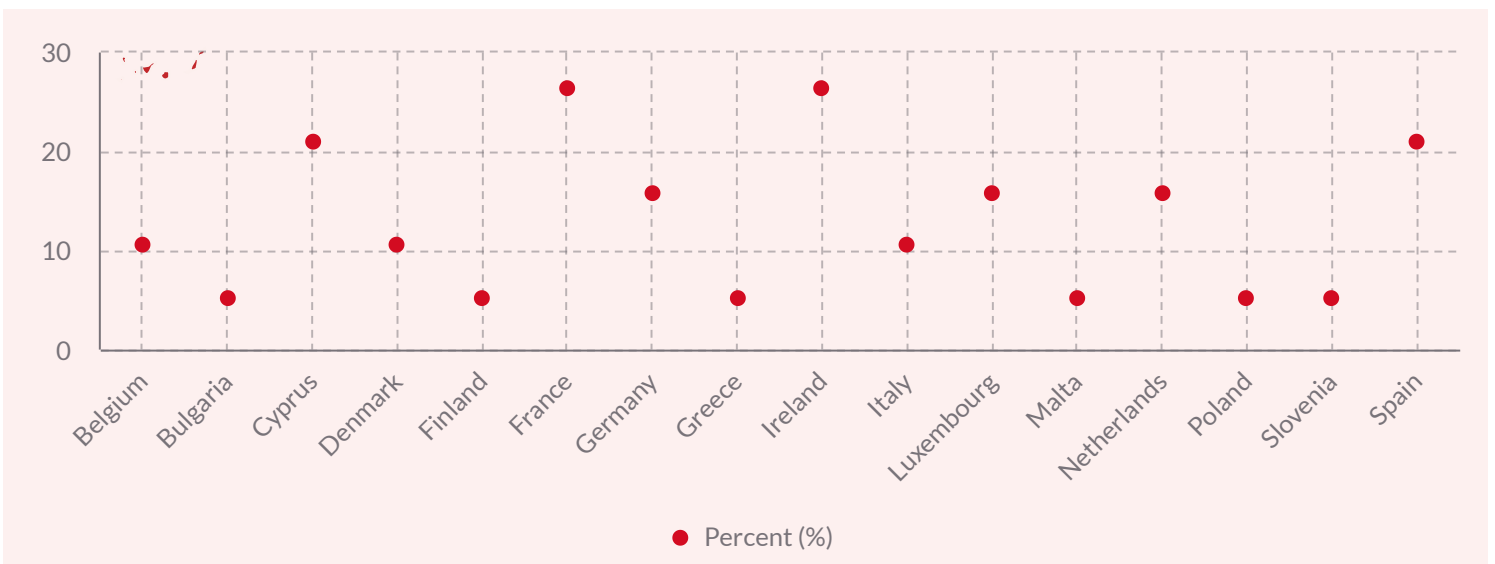
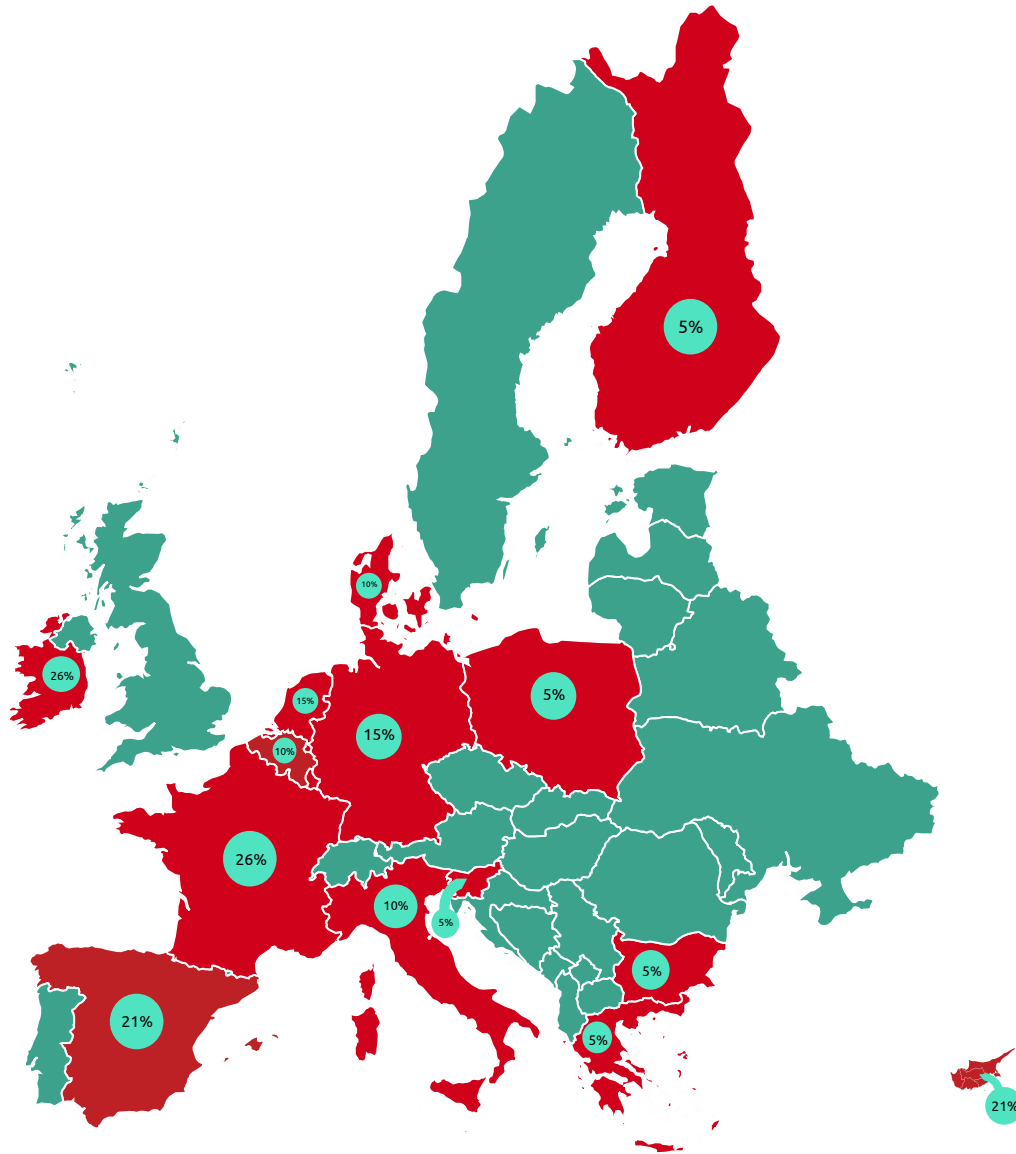


## Are You Considering Getting Authorised or Registered in Other Jurisdictions in the EU?

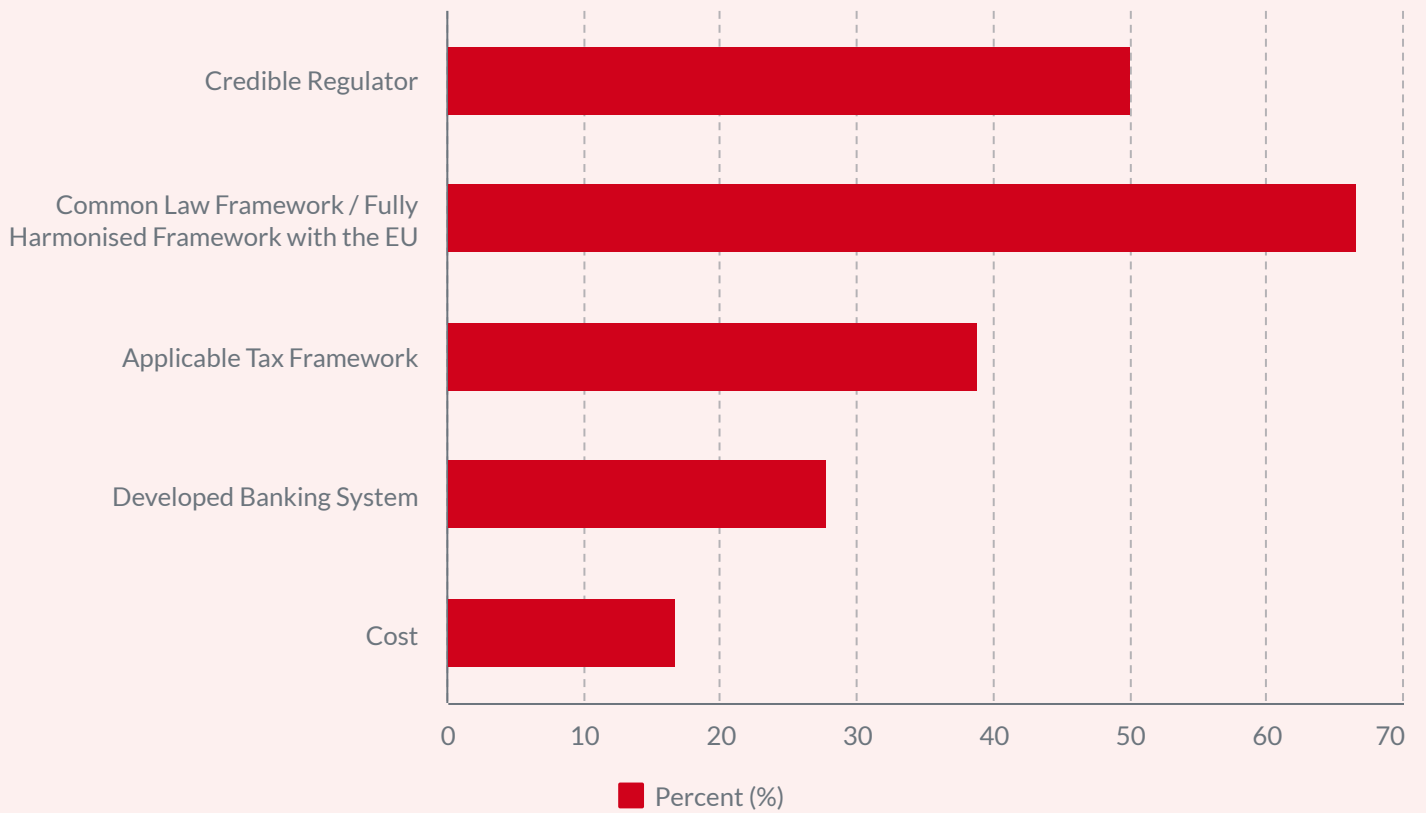




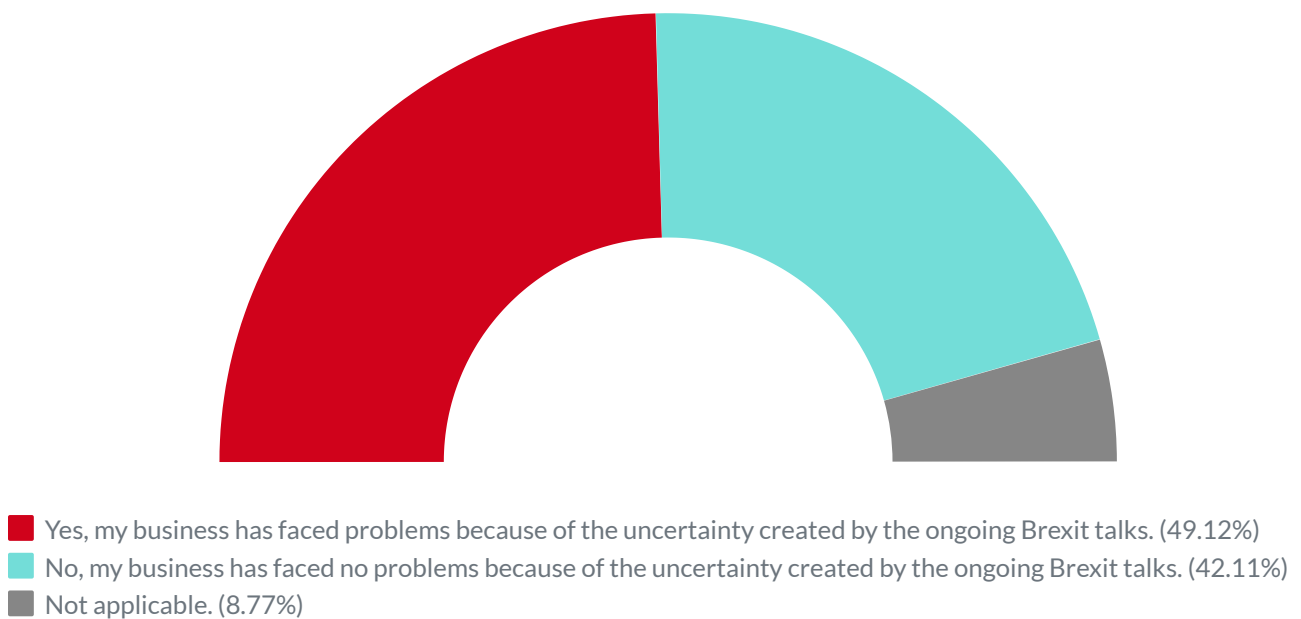
## If You Are Considering Another Jurisdiction, Which Jurisdictions Are You Looking At?



### If You Are Considering Alternative Jurisdictions, What Are the Critical Factors That Would Influence Your Decision?



### Have You and Your Business Been Adversely Affected by the Uncertainty Surrounding the Brexit Talks?





In Terms of Financial Services, the UK Government Has Attempted to Agree an Equivalence Arrangement with the European Union. Do You Feel the UK Government Has Done All It Can to Arrive at an Agreement with the EU?



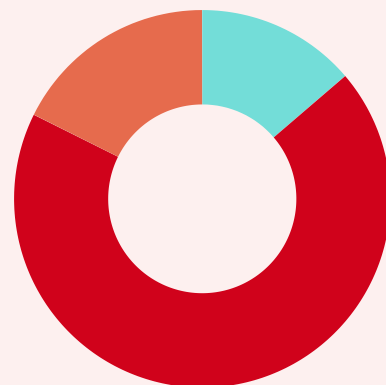
■ Yes, (36.54%) ■ No (63.46%)



■ Yes (58.82%) ■ No (41.18%)

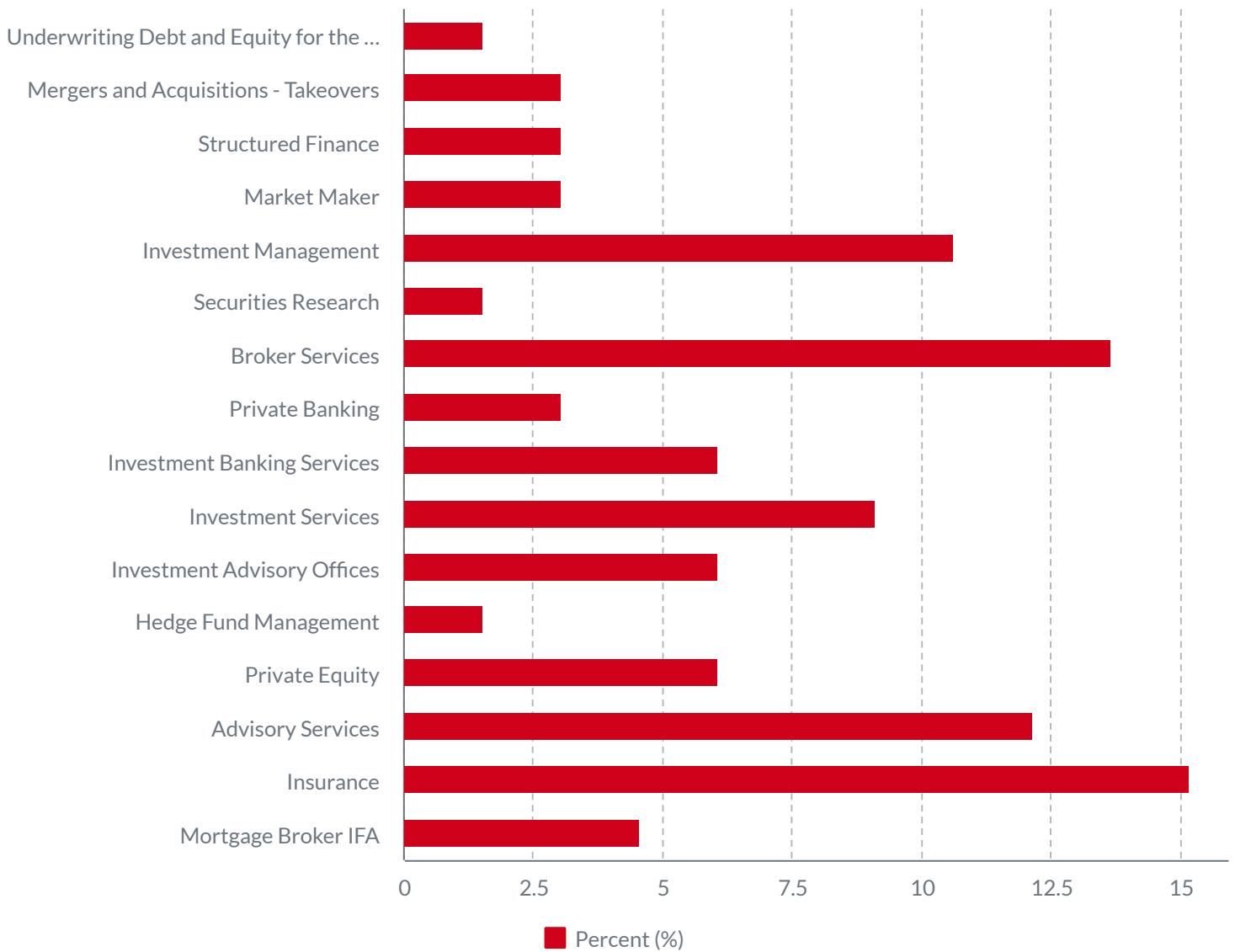
Do You Perceive London's Position Will Remain the Pre-eminent Centre of Financial Services in Europe from 1 January 2021?

Do You Feel the Single Financial Services Market and Euro Are Stronger Without the United Kingdom Following the Brexit Vote?

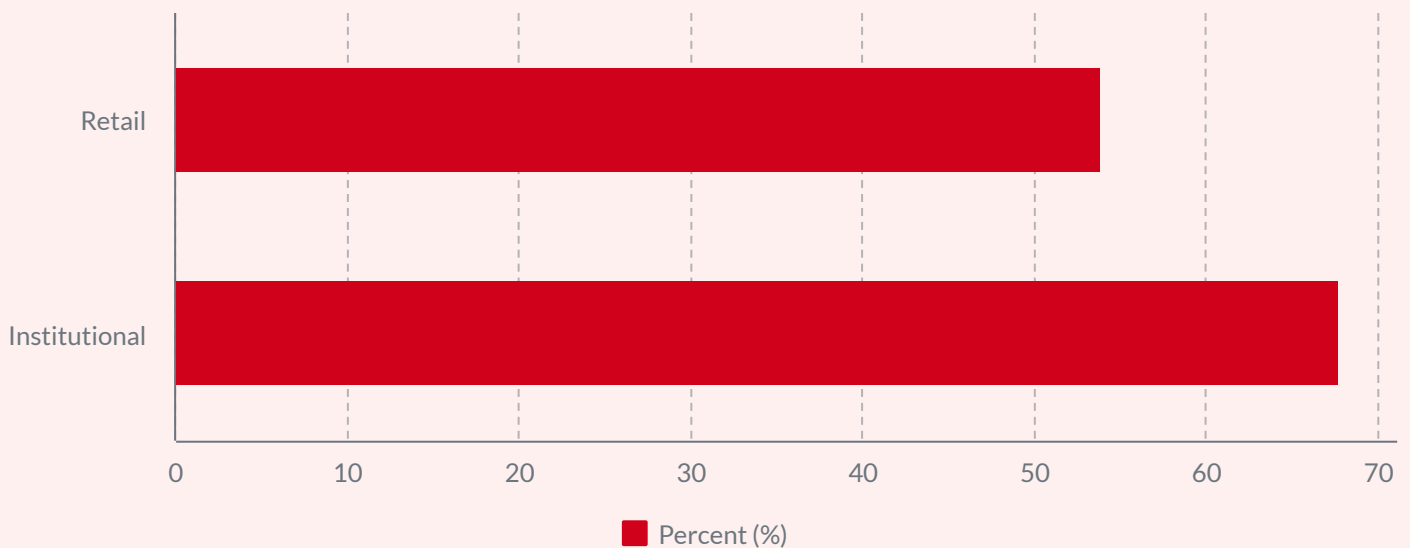


■ Yes (13.73%) ■ No (68.62%)  
■ I neither agree nor disagree (17.65%)

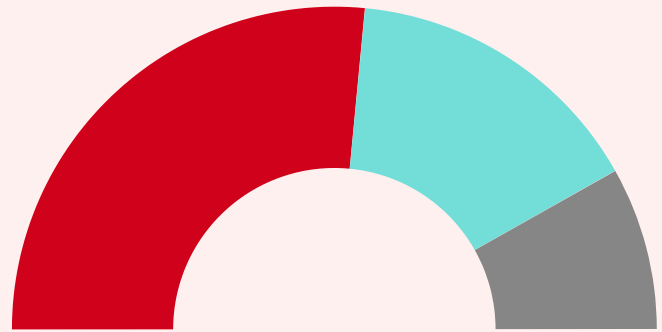
## What Is the Main Focus of Your Business in Financial Services?



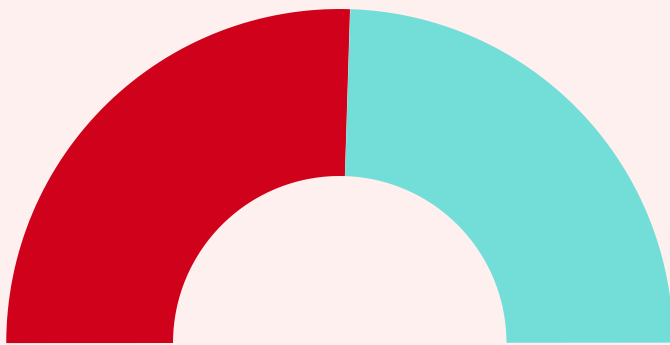
## Are Your Clients Retail, Institutional, or Both?



Has Your Business Carried out a Risk Assessment to Assess the Brexit Impact on Your Business?



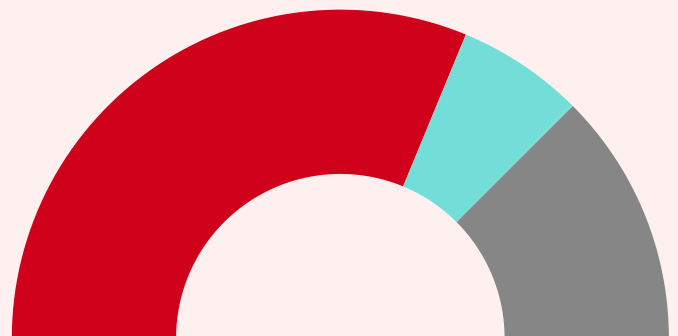
■ Yes (53.06%) ■ No (30.61%)  
■ Not sure yet (16.33%)



■ Yes (51.02%) ■ No (48.98%)

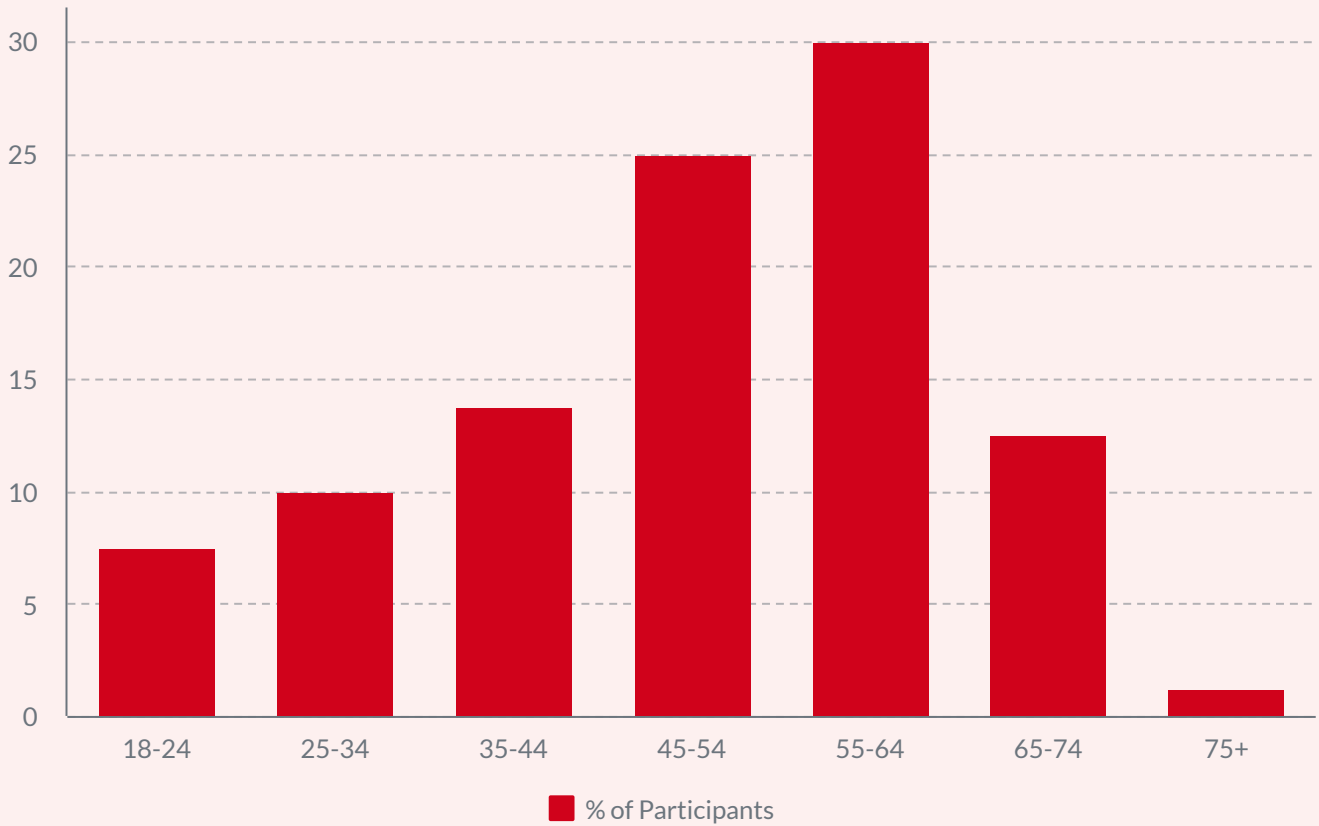
Does Your Business Currently Employ EU / EEA Citizens?

Are They Able to Stay Post Brexit?

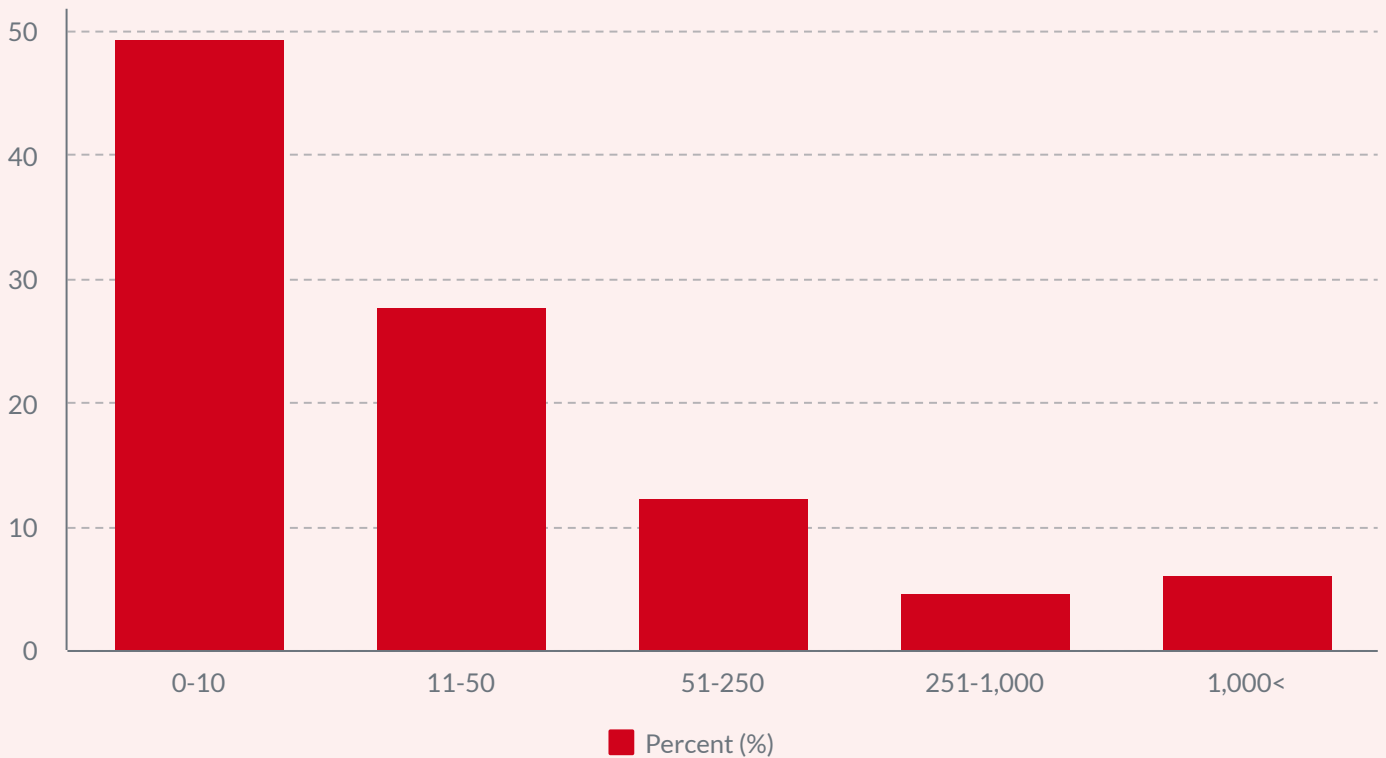


■ Yes (62.5%) ■ No (12.5%) ■ Not sure (25%)

### What is your age group?



### How Many People Does Your Company Employ?



# RELATIONSHIP BETWEEN UK AND EU //

**01** JAN 1973

The UK joined the European Economic Community (as it then was) alongside Denmark and Ireland

**23** JUN 2016

The UK voted to leave the EU by 52 percent to 48 percent

**29** MAR 2017

On **29 March 2017**, the (UK) invoked Article 50 of the Treaty on European Union (TEU) which began the member state 's withdrawal

**31** JAN 2020

The House of Lords passed the EU Withdrawal Agreement Bill on **22 Jan 2020**. UK formally left the EU on 31 Jan 2020

**31** DEC 2020

End of implementation period





## The International Governance & Compliance Association

The International Governance and Compliance Association (IGCA) is a member body for directors, managers and professionals who have or who aspire to have corporate governance, risk management, compliance and cyber-security responsibilities.

We also welcome academics or professionals who have an interest in these areas of work.

We provide a network of like-minded people with whom members can connect, compare experience, share ideas and provide mutual support.

Membership is open to relevant persons from any country. Membership level is determined by qualifications and experience. IGCA provides appropriate qualifications and continuing professional education and development from entry level through to Fellowship level.

Our qualifications and education programmes are designed to provide competence (knowledge, skills and application of the same) that will rapidly transfer into the workplace.

IGCA will recognize relevant existing qualifications and prior learning and experience and where appropriate, grant qualification credit for the same towards IGCA qualifications.

Many of our members are drawn from the financial services sector, but membership is open to people from any sector.

Our qualifications and continuing professional education and development programmes are delivered by partner educational bodies and training providers.

We aim to work collaboratively with other like-minded professional bodies and associations where there is a shared and mutual interest in facets of governance, risk, compliance, and cybersecurity.

Visit our website [www.igca.org](http://www.igca.org) or contact us at [info@igca.org](mailto:info@igca.org) for further information on how to become a member.

We are offering a **30% discount** on our courses, simply enter the coupon code **brexitsurvey30** to apply the discount on courses at [IGCA Qualifications](#).

Complyport is a regulatory compliance consulting firm supporting the UK financial services industry for around 20 years. We specialise in providing Governance, Risk and Compliance services to firms in the financial services industry in the UK and overseas. We advise and assist firms to become authorised and to comply with the rules and requirements of regulators on an ongoing basis and have successfully assisted over 300 firms to become authorised with the FCA and have been providing regulatory support to over 500 regulated firms on an ongoing basis at a Group level. With presence in the UK, EU and Hong Kong, Complyport can assist firms across multiple jurisdictions.

Complyport's multidisciplinary consultants possess deep expertise in their field, having acted in FCA skilled person reviews, as expert witnesses in legal cases and as expert investigators for firms or their legal advisers. The team assists firms on issues relating to corporate governance, risk management, business controls, compliance and business improvement. We conduct audits and reviews of a firm's products, processes, policies and procedures to identify scope for business, to determine the impact of regulatory developments and to verify compliance with local regulations. Complyport offers full support with financial reporting, capital adequacy assessments and compliance training as well as a suite of online RegTech applications to enable a firm to demonstrate continued compliance with the regulatory obligations.

**Leading the Way in  
Regulation and Compliance**



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**APCC**

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