

## Cabinet News and Views

Informed analysis for the financial services industry



### Queen's Speech 2022: UK Government to Revoke EU Financial Regulations (Eventually)



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On May 10, 2022, Prince Charles announced in the Queen's Speech that the Government would bring in new legislation to "strengthen" the UK's financial services industry to ensure that it acts "in the interest of all people and communities."

The Government will introduce a Financial Services and Markets Bill during the course of the coming year. In a [press release](#) published by HM Treasury, the Government states that the purpose of the bill is to "maintain and enhance the UK's position as a global leader in financial services having left the EU." The [briefing notes](#) published by the Government highlight that the primary benefits of the Bill would be: "Cutting red tape," "Harnessing the opportunities of innovative technologies," and "Supporting individuals' confidence ... by ensuring continued access to cash ... and protecting people from scams."

The main elements of the Bill announced thus far are:

- Revoking and replacing retained EU law on financial services. This includes the Solvency II legislation governing the prudential regulation of insurers;
- Updating the objectives of regulators to ensure a focus on growth and international competitiveness;
- Reform of rules regulating the UK's capital markets to promote investments;
- Protecting access to cash to ensure a continued availability of withdrawal and deposit facilities; and
- Introducing further protections for investors of financial products to enhance safety and support for scam victims.

Many important pieces of UK financial regulation, such as the regulations relating to securitization, derivatives trading and bank capital requirements, are EU laws that were “onshored” into UK law at the end of the Brexit process in 2021. To repeal and replace these laws with substantively different content is likely to be a long process, with implications for the ability for UK financial institutions to access EU markets. The Government has yet to provide any specifics on the Financial Services and Markets Bill. It is likely that, until the Bill is formally introduced to Parliament later in the year, details will remain sparse.

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