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UK Government Proposes Action Plan on a "New Approach To Ensure Regulators and Regulation Support Growth"

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The UK's Treasury ("HMT") has set out an **Action Plan** to ensure that regulation promotes growth and investment. Noting that while regulation has many benefits, the UK's current stance is hindering its international competitiveness through unnecessary and disproportionate regulatory requirements. The Government has committed to ensuring that administrative costs for business of 25%, and sees this as happening through understanding the actual costs of the regulatory burden and targeting reforms that streamline processes.

The Plan covers a number of sectors including financial services. These largely focus on regulatory barriers to entry for global firms looking at the UK as a destination, and for early-stage innovative firms to fundraise and include:

- more resources to support early and high-growth firms to grow;
- extend pre-application support to all wholesale payments and crypto firms;
- introduce a 'minded to approve' notice system for early-stage innovative firms to enable fundraising;
- consider allowing relevant firms to conduct limited activities before full authorisation;
- reduce regulatory reporting obligations; and
- speed up the review of capital requirements for specialised trading firms.

Next steps will include the introduction of any necessary legislation.