

Chairman's Statement at the AGM of the APG on Wholesale and Financial Markets on 12 November 2003

In his speech at the reception at Westminster which marked the launch of the APG on Wholesale Financial Markets and Services, Sir Howard Davies, former Chairman of the FSA encouraged his audience to use the new forum *"to strike up a much needed debate on a range of financial services"*. I believe that the Group is achieving this aim.

Since its launch, the APG has received an extremely positive response both here in Parliament as well as in the City and, in a relatively short time, has established itself as the leading financial services forum for open and constructive debate between parliamentarians, practitioners, officials and advisers on a wide range of domestic and international issues. Our first round of meetings has addressed topics including the need to strike a proper balance in a market economy between protection and risk; the forthcoming HM Treasury review of the impact of the FSMA; on the UK Financial Services Market; potential consequences for the

City of the UK remaining outside the Euro zone; and the impact on the UK of the EU's Financial Services Action Plan.

Members have also had the opportunity to meet with senior representatives of the wholesale financial markets sector (trade bodies, exchanges and practitioners) at events held by the APG at each of this year's Party conferences and at a working breakfast hosted by the Lord Mayor in the Mansion House.

The Group promises to continue in its aim to provide informative briefings in the coming months. The impact of regulatory reform in Europe, exchange rationalisation and the increasing pace of technological development and the effect that these have on the ability of the UK's financial services industry to retain its position as one of the world's major international markets will ensure that there is no lack of issues to debate. The programme for the coming months will address many of these issues and the implications they have in a rapidly changing, and increasingly competitive, environment where a continuing ability to innovate in an open international market place will be essential.

The positive support that this Group has received, not just from participants in the wholesale sector, but also from a range of key City opinion-formers, such as the Bank of England, Cass Business

School, the Financial Services Authority's Practitioners Panel and International Financial Services London has been welcomed by me and the other officers of the APG. I have also been delighted by the level of support from colleagues in both Houses of Parliament and look forward to our working together to bring the Financial Services Industry and Parliament closer together in the best interests of our citizens and the UK's prosperity."

I would like to take this opportunity to thank all those who have been active in supporting the Group, particularly my fellow officers, my parliamentary colleagues, the members of the Industry Advisory Group and the secretariat.

To conclude, I would just like to mention the Group's future activities. Today we shall be focusing on the role of the Financial Services Industry in preventing financial crime; and on 10 December, we will be looking at the impact of Basel 2 Accords on banks and other financial institutions. Next year, on 25 February, the Group is holding its Anniversary Dinner. The guest of honour will be the Governor of the Bank of England, Mervyn King. I very much hope I shall have the pleasure of your company at that event.

Nigel Beard

Chairman