
BRITISH FINANCE MINISTER TO MEET BANK BOSSES ON BREXIT GAMEPLAN

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Reuters

Top British bankers will tell finance minister Philip Hammond on Wednesday to give them a clearer idea of what the country's divorce from the European Union will mean for them when they hold their first meeting since the Brexit vote.

Hammond is to meet with executives from major banks and insurers, including Barclays (BARC.L), HSBC (HSBA.L), Standard Life (SL.L) Santander UK, the British arm of Spain's Banco Santander (SAN.MC), according to sources.

Britain's financial sector employs 2.2 million people and its executives say the industry deserves to be a priority in the Brexit negotiations because it is the country's largest exporter and accounts for about 12 percent of its tax revenues.

Britain's shock vote to leave the bloc has forced companies to rethink their business strategy, which until now has depended on having an EU "passport" to operate across the region from London.

Bankers say they the next six months will be critical in deciding how much business they might need to move from London, if the EU divorce means a loss of passporting.

Banks and insurers are already making contingency plans to shift parts of their European operations from Britain if Brexit means the country does not maintain access to the EU single market.

But some bosses say they are planning blindly, with little idea of the type of trading deal Britain might pitch for when its official EU exit process begins.

"If the government doesn't have a clear idea of what it wants the banks will just go," said one senior banking source, who asked not to be named. "They are not going to be hanging around waiting for the cliff edge."

Any deal to retain market access would likely involve a politically difficult decision to allow EU citizens the right to work in Britain, something the banks would welcome but which many of those who voted to leave the bloc would reject.

Hammond said in a statement on Wednesday he would have more meetings with business leaders in the coming weeks to hear their concerns and would hold a further session with finance sector

executives next month.

"We want to ensure the continued investment that creates jobs and supports wage growth throughout this period of uncertainty," he said.

Kaynak/Source: