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European Union Committee

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Capital Markets Union: a welcome start

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The European Union Committee

The Committee considers matters relating to the European Union.

The Committee scrutinises EU documents in advance of decisions being taken on them in Brussels, in order to influence the Government's position and to hold it to account. The Committee 'holds under scrutiny' any documents about which it has concerns, entering into correspondence with the relevant Minister until satisfied. Letters must be answered within two weeks. Under the 'scrutiny reserve resolution', the Government may not agree in the EU Council of Ministers to any proposal still held under scrutiny. The Government must give reasons for any breach of the scrutiny reserve.

The Committee also conducts inquiries and makes reports. The Government is required to respond in writing to a report's recommendations within two months of publication. If the Committee wishes, the report is debated in the House of Lords, during which a Minister responds to the points made by the Committee and the speakers during the debate. Reports are also usually sent to the European Commission, for it to consider and respond to any relevant points and recommendations.

The Committee has six Sub-Committees:

Economic and Financial Affairs
Internal Market, Infrastructure and Employment
External Affairs
Agriculture, Fisheries, Environment and Energy
Justice, Institutions and Consumer Protection
Home Affairs, Health and Education

Membership

The Members of the European Union Committee are:

Lord Boswell of Aynho (Chairman)	The Earl of Caithness	Lord Cameron of Dillington
Baroness Eccles of Moulton	Lord Foulkes of Cumnock	Lord Harrison
Baroness Henig	Baroness Hooper	Lord Kerr of Kinlochard
Lord Maclennan of Rogart	Baroness O'Cathain	Baroness Parminter
Baroness Prashar	Baroness Quin	The Earl of Sandwich
Baroness Scott of Needham Market	Lord Tomlinson	Lord Tugendhat
Lord Wilson of Tillyorn		

The Members of the Sub-Committee on Economic and Financial Affairs, which conducted this inquiry, are:

Lord Balfe	Viscount Brookeborough	The Earl of Caithness
Lord Carter of Coles	Lord Davies of Stamford	Lord Dear
Lord Flight	Lord Hamilton of Epsom	Lord Harrison (Chairman)
Lord Kerr of Kinlochard	Lord Shutt of Greetland	Lord Vallance of Tummel

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Sub-Committee staff

The current staff of the Sub-Committee are Stuart Stoner (Clerk), Katie Kochmann (Policy Analyst) and Rebecca Morgan (Committee Assistant).

Contact details

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This document is an excerpt.

This document contains the summary of the EU Committee's full report, and its Conclusions and Recommendations. The Committee's detailed analysis of the issues and the evidence received is contained in the full report, which is available on our website:

Capital Markets Union: a welcome start

SUMMARY

The Commission's proposals for a Capital Markets Union are a welcome and necessary step in promoting a sustainable economic recovery across the EU. In particular, they provide an opportunity to create a properly-functioning Single Market in capital by diversifying funding and improving investment opportunities across the EU. The proposals aim to spread and mitigate risk throughout the financial system, while at the same time tackling problematic regulatory and administrative barriers and the deep-rooted cultural obstacles to growth that have held back economic recovery in the EU.

We support the Commission's proposed approach, including a mix of short-, medium- and long-term measures and a range of legislative and non-legislative tools. We particularly welcome the commitment to ensuring that Capital Markets Union is for all 28 Member States. The Commission's Green Paper is a helpful starting point for these discussions, although the sheer quantity of proposals it sets out creates a danger of a lack of focus. A good starting point is to identify those measures that are most necessary to support the Commission's jobs and growth agenda.

To that end, we welcome the publication of a consultation on reviewing the Prospectus Directive. A careful balance must be struck between easing the burden on issuers (an entity that sells new securities to raise funds), particularly SMEs, and ensuring that consumer protection is not weakened. Indeed principles of consumer and investor protection should underpin all aspects of Capital Markets Union.

While securitisation markets suffered considerable damage during the financial crisis, they have a key role to play in managing and transferring risk in the financial system. We therefore welcome the Commission's consultation on developing a framework for high quality securitisation, which will build on the attempts of the European Central Bank, the Bank of England and the European Banking Authority to revive the subdued EU securitisation market. Yet considerable obstacles remain.

We also welcome the Commission's emphasis on promoting and developing the private placement market and on enhancing the availability of credit information on SMEs. The growth of peer-to-peer lending and crowdfunding (raising of capital in small increments from large numbers of people for a specific purpose) has considerable potential to increase access to finance. Yet further work is needed if this market is to develop across borders.

There is also a need for realism. Capital markets cannot and should not replace the banking sector, but should rather complement it as an alternative source of funding. The state of development of capital markets varies considerably between Member States, and the needs, cultures and priorities for Member States without developed markets will differ significantly from those such as the UK.

Different tax treatments of financial instruments across Member States could impede the development of pan-European capital markets. The lack of harmonisation of securities law and insolvency law is another potential barrier. Yet agreement on reform of these areas will be difficult to secure. Any proposal for a system of pan-EU supervision is likely to be equally contentious.

The Commission's focus is on enhancing access to finance for SMEs. Yet the term 'SMEs' covers an extremely broad range of companies, and not all will benefit from Capital Markets Union. The onus is on companies themselves to take advantage of the opportunities that will be created.

The EU has much to learn from the development of US capital markets as a source of funding, and it is important to ensure that Capital Markets Union contributes to, rather than conflicts with, the development of consistent international standards.

Nevertheless, Capital Markets Union presents a significant opportunity for the UK to promote the importance of capital markets, benefiting not just the UK economy but the EU as a whole. The UK must ensure that it is at the forefront of the debate as the Capital Markets Union agenda takes shape in the coming months.

LIST OF CONCLUSIONS AND RECOMMENDATIONS

Capital Markets Union in context

1. The Commission's proposals for Capital Markets Union are a welcome and necessary step in promoting a sustainable economic recovery across the EU. In addition to being a further move towards completion of the Single Market by seeking to remove obstacles to a properly functioning Single Market in capital, they provide, in particular, an opportunity to:

    - Diversify funding and investment opportunities across the EU, creating a better match between borrowers and investors;
    - Reduce the overreliance on bank funding, in particular for SMEs;
    - Spread and mitigate risk throughout the financial system by contributing to the absorption of future asymmetric shocks, thereby reducing the vulnerability of the EU economy;
    - Tackle the deep-rooted cultural obstacles to growth that have held economic recovery in the EU back in comparison with international competitors. (Paragraph 12)

2. We welcome the Commission's proposed approach to Capital Markets Union, comprising: consultation with a wide range of experts and practitioners; recognition that an effective Capital Markets Union is a long-term goal; proposing a mix of short-, medium- and long-term measures; and setting out a range of legislative and non-legislative tools. We particularly welcome the commitment to ensure that Capital Markets Union is for all 28 Member States. The challenge for the Commission will be to ensure that these principles are adhered to in the months ahead. (Paragraph 14)

3. Where new legislative tools are needed, we stress, as we did in our recent report on *The post-crisis EU financial regulatory framework*, that effective Impact Assessments need to be carried out, including a full cost-benefit analysis. Given our concerns that compliance costs have been underestimated in the past, the Commission must take full account of the predicted and actual costs of future regulatory measures. (Paragraph 15)

The components of Capital Markets Union

4. We welcome the Commission's publication of a consultation on reviewing the Prospectus Directive, and its efforts to introduce a more streamlined and effective regime. It is important to seek to ease the burden on issuers, particularly SMEs, and to increase consistency of approach to liability and sanctions across Member States. We support measures that will encourage issuers to take full advantage of existing passporting opportunities. At the same time, it is essential that consumer protection is not weakened. Otherwise there will be insufficient demand for any new financial instruments that may be devised and the project will not succeed. A careful balance must be struck to ensure that markets are attractive both for issuers and investors. (Paragraph 25)

5. Securitisation markets suffered considerable reputational damage during the financial crisis, and the EU markets have remain subdued. Yet they have a key role to play in managing and transferring risk in the financial system, lowering the costs of funding and thereby restoring growth and jobs. We support the work already undertaken by the European Central Bank, the Bank of England and the European Banking Authority to revive the EU securitisation market. We also welcome the priority placed by the Commission on building a high quality securitisation market. We caution, however, that there are obstacles to achieving greater standardisation and transparency for SME securitisations, thanks to intrinsic information asymmetries. (Paragraph 30)

6. We welcome the Commission's emphasis on promoting and developing the private placement market. We hope that the market-led approach advocated by the Commission proves successful. Member States must also play an active part in promoting investment-friendly environments for these markets to flourish. (Paragraph 34)

7. The idiosyncratic and diverse nature of SMEs means that it is more difficult and proportionately more expensive to make a credit assessment of them. It will be difficult to shift the pattern of SMEs' reliance on bank financing, given the comparative advantages that banks have in assessing SMEs and the strong relationships that often exist between them. It is important to ensure that a bank's expertise in assessing and lending to SMEs should not be lost. Nevertheless, we welcome the Commission's efforts to widen the investor base for SMEs, given the problems that they have faced in attracting finance since the crisis erupted. The Commission's proposals to enhance the availability of credit information by developing a minimum set of comparable standards and promoting credit scoring are helpful steps, which would enable investors better to compare and assess SMEs. We look forward to further concrete steps being brought forward as a result of the workshops on SME credit information that the Commission plans to hold in 2015. (Paragraph 39)

8. The growth of online alternative financing platforms such as peer-to-peer lending and crowdfunding has considerable potential to increase access to finance for early stage and fast growing companies. Yet the growth of cross-border activity is hampered by the varying approaches of Member States. We encourage the Commission to undertake further analysis to determine adequate and appropriate measures at a national and European level to allow these markets to grow and develop across borders. It is important that these markets continue to provide support to early stage businesses, while ensuring an adequate level of protection for funders. (Paragraph 42)

9. Different tax treatment across Member States and between various types of financing could impede the development of genuinely pan-European capital markets. We note in particular the tax bias in favour of debt over equity. Nevertheless, the requirement for unanimity in EU taxation measures means that agreement on reform is difficult to secure. While we support the Commission in its efforts to encourage greater consistency in tax treatment, this should not become a distraction from its attempts to bring about more easily achievable reforms. (Paragraph 45)

10. We welcome the identification of investor protection as a key principle of Capital Markets Union, and support proposals to ensure that investors and savers have improved access to investment information and advice. We also welcome efforts to explore how new tools such as guidance can aid consumers and investors in dealing with investment products. It is important, while protecting investors, not to overburden them with information. It equally must be recognised that financial advisers and fund disclosure managers all require a high level of disclosure in order to fulfil their functions and responsibilities, which are so important for investors. (Paragraph 56)

11. We welcome the Commission's commitment to amend existing regulations so as to encourage infrastructure investment, making it more cost-effective for funds to be set up and marketed across the EU. We call on the Commission to consider how European Long-Term Investment Funds might be encouraged to operate effectively across borders, accessing a wide range of investors in the EU and beyond. (Paragraph 61)

12. We reiterate our support for the creation of a simple, transparent and sustainable high quality securitisation market that enjoys investor confidence. To that end, we support moves to create greater transparency, to enable investors to evaluate risks within and across products. (Paragraph 66)

13. The lack of harmonisation of legal approaches to such issues as securities law and insolvency law is a potential barrier to an effective Capital Markets Union. We welcome the Commission's efforts to encourage Member States to introduce minimum standards, for instance in relation to insolvency. Nevertheless, full harmonisation of legal systems remains a distant prospect, and we urge the Commission to prioritise the politically possible. (Paragraph 70)

Pitfalls, obstacles and opportunities

14. Our recent report on *The post-crisis EU financial regulatory framework* made the case for strengthening the powers, role and resources of the three European Supervisory Authorities. We also recognise the principled case for as much consistency across all 28 Member States as possible. There may well be a role for ESMA to play in overseeing specific aspects of Capital Markets Union. Yet a distinction must be drawn between consistent application of a common rulebook and direct supervision of capital markets at the EU level. Any attempt to establish a system of pan-EU supervision would not only be contentious, but could prove an unhelpful distraction from the necessary reforms that Capital Markets Union is seeking to bring about. (Paragraph 75)

15. The term 'SMEs' covers an extremely broad range of companies, varying not only in size but in their ambition and motivation to grow. Capital Markets Union is unlikely to benefit all such companies. Nevertheless, many will be well-placed to make use of the avenues for access to financial investment that Capital Markets Union could create. We urge the Commission to consider how those SMEs who want to take advantage of Capital Markets Union can be encouraged to do so. Yet ultimately, the onus lies on SMEs themselves to respond. (Paragraph 80)

16. The EU has much to learn from the development of US capital markets as a source of funding. The Commission should look to US models such as the

Small Business Administration, to see if similar programmes can be adopted, whether at EU or Member State level. The EU must also ensure that Capital Markets Union contributes to, rather than conflicts with, the development of consistent international standards. In that light, we stress the importance of international co-operation and co-ordination, not only with the US but with other, growing, global markets. A failure to include financial services regulatory matters in the Transatlantic Trade and Investment Partnership (TTIP) would be a missed opportunity. (Paragraph 85)

17. Amid the positive reaction to Capital Markets Union, it is important to retain a sense of perspective. Significant obstacles remain. Capital markets cannot, and should not, replace the banking sector, but rather should complement it as an alternative source of funding for economic growth. It is important that the financial sector is treated as an integrated whole, rather than as a set of silos. The state of development of capital markets varies considerably between Member States, and the needs, cultures and priorities for Member States without developed markets will differ significantly from those such as the UK, where capital markets are relatively well developed. (Paragraph 90)

18. We welcome the short-term initiatives that the Commission has identified. We also recognise that there are longer-term, more contentious issues that will need to be tackled if a true Capital Markets Union is to be created. Yet the sheer quantity of proposals that the Commission has set out in its Green Paper creates a danger that Capital Markets Union could lack focus. A good starting point would be to identify those measures that are most necessary to support the EU's jobs and growth agenda. (Paragraph 91)

19. Capital Markets Union presents a significant opportunity for the UK positively to promote the importance of capital markets, benefiting not just the UK economy, but the EU as a whole. We encourage the Government and the UK financial sector to do all they can to share best practice with other Member States, while recognising that the UK can itself learn from others. The UK must ensure that it is at the forefront of the debate as the Capital Markets Union agenda takes shape in the coming months. (Paragraph 94)

20. It will not suffice simply to react to others' proposals: the City and the Government should be active in responding to the Commission's initiative. (Paragraph 95)

21. We welcome the Commission's proposals for Capital Markets Union, as a vital means of unlocking investment and providing finance for SMEs, with the potential to boost economic growth in the EU as a whole. At the same time, we make the following observations:

    - As it takes its proposals forward, the Commission must balance the need, on the one hand, to ensure that companies have sufficient access to capital and investment opportunities, and are not overburdened by onerous requirements with, on the other, adequate protection for consumers and investors.

    - The Commission must also ensure that Capital Markets Union remains focused on jobs and growth.

- The Commission is right to propose a balance of short-, medium- and long-term measures, and legislative and non-legislative proposals, but must take care that Capital Markets Union does not lose focus through the sheer number of ideas on offer.

- The Commission must also ensure that all its proposals are subject to a rigorous Impact Assessment and cost-benefit analysis.

- A differentiated approach must be taken, reflecting the specific characteristics of each element of the EU's capital markets. At the same time, capital markets should not be treated in isolation, but rather as an integral set of transactions and relationships within the wider financial system. (Paragraph 96)

22. Capital Markets Union presents an opportunity to break down obstacles to the creation of a properly-functioning Single Market in capital. We will scrutinise the Commission's proposals closely as they take shape in the coming months. Our initial assessment of this timely initiative is positive. (Paragraph 97)

APPENDIX 1: LIST OF MEMBERS AND DECLARATIONS OF INTEREST

Members

Lord Balfe
Viscount Brookeborough
The Earl of Caithness
Lord Carter of Coles
Lord Davies of Stamford
Lord Dear
Lord Flight
Lord Hamilton of Epsom
Lord Harrison (Chairman)
Lord Kerr of Kinlochard
Lord Shutt of Greetland
Lord Vallance of Tummel

Declarations of interest

Lord Balfe

Specialist Director, CERN Pension Fund; a fee is paid per meeting attended plus travel, hotel and any other incidental expenses.
Chairman, European Parliament Members' Pension Fund
Shareholdings in: Hargreaves Lansdown, Diageo, Reckitt Benckiser, Rio Tinto, Astra Zeneca, GlaxoSmithKline PLC, Smith and Nephew, Law Debenture
Speaking Engagement, 12 May 2014; chaired Annual Conference of Law Debenture UK

Viscount Brookeborough

No relevant interests declared

The Earl of Caithness

Consultant, Rickett Tinne Estate Agents
Share Portfolio managed by JM Finn & Co on a fully discretionary basis
Guest at lunch hosted by British Bankers' Association, 17 July 2014
Guest at lunch hosted by Swiss Bankers' Association, 19 November 2014

Lord Carter of Coles

Director, JKHC Ltd
Director, Health Services Laboratories LLP
Director, Primary Group Ltd, and also of the following subsidiary companies: PGUK HAB Ltd; Qmetric Group Ltd; UK General Insurance Ltd; UK General Insurance Group Ltd
Chair, NHS Procurement & Efficiency Board
Adviser, Warburg Pincus International Ltd
Shareholdings in: JKHC Ltd (business services), The Glenholme Healthcare Group Ltd (care and rehabilitation centres), Diageo PLC (drinks), Imperial Tobacco Group PLC (tobacco), IMI PLC (engineering solutions), Compass Group PLC (catering), HSBC Holdings PLC (banking/financial), Pearson PLC (education), Prudential PLC (insurance), Lloyds Banking Group PLC (financial), BG Group PLC (gas), GlaxoSmithKline PLC (pharmaceuticals), Weir Group PLC (engineering solutions), Verizon Communications Inc (telecommunications), JP Morgan Chase & Co (financial), Home Depot Inc (retail), Johnson & Johnson (retail), CVS

Caremark Corporation (pharmaceuticals), United Technologies Corp (technology), Deutsche Post AG-REG (logistics), BASF SE (chemicals), Banco Bilbao Vizcaya Argenta Euro.49 (corporate bond), Nestle SA (food/retail), ING Group (insurance), Google Inc-CL A (technology), Royal Dutch Shell (oil and gas), Inmarsat PLC (satellite communication), Unilever PLC (retail), Vodafone Group PLC (telecommunications), Whitbread PLC (retail), Visa Inc (financial), United Utilities Group PLC (utilities), EOG Resources Inc (aerospace/defence), WPP PLC (advertising), United Rentals Inc (rental company), Caledonia Investments PLC (investments), GW Pharmaceuticals PLC, McKesson Corp (IT HR and payroll), GlobalAccess Global High Yield Bond Fund M Distribution GBP, Jupiter Strategic Bond Fund 05–perp pref shsl, FRN Barclays Bank PLC (corporate bond), 2% Canadian Government Bond Snr 01 Dec 14 (government bond), Polar Capital Global Technology Inst GBP Inst (fund), Henderson European Special Situations GBP Inc Inst (fund), GlobalAccess US Small & Mid Cap Equity Fund (M Distribution USD), Findlay Par, American Smaller Cos USD (fund), Schroder UK Opportunities Z Acc GBP (fund), Brown Advisory FDS American Dollar CLS B USD (fund), Mondelez International Inc-A (fund), Martin Currie UT China B ACC Nav (fund), Newton Asian Income Institutional W GBP Inc (fund), iShares FTSE EPRA/NAREIT Asia Property Yield Fund, First State Asia Pacific Leaders B GBP Acc (fund), GlobalAccess Global High Yield Bond Fund M Accumulation GBP, Safran SA (aerospace/defence), Google Inc-CL L (technology)
Chair, Property Advisory Panel
Member, Efficiency and Reform Board

Lord Davies of Stamford
Shareholding in HSBC

Lord Dear
No relevant interests declared

Lord Flight
Chairman, Aurora Investment Trust PLC
Director, Edge Performance VCT PLC
Chairman, Flight & Partners Limited
Director, Investec Asset Management Limited
Chairman, CIM Investment Management Limited
Chairman and shareholder, Downing Structured Opportunities VTCI PLC
Director, Metro Bank PLC
Director, Marechale Capital
Director, Investec Asset Management Holdings (Pty) Limited
Director, R5 FX Limited
Commissioner, Guernsey Financial Services Commission
Consultant, Kinetic Partners
Trustee, IAM Pension Fund
Consultant, Tax Incentivised Savings Association (TISA)
Chairman, EIS Association
Consultant, Arden Partners
Member Investment Committee, Guinness Renewable Energy EIS Fund
As Chairman, EIS Association (representative body for lawyers, accountants, promoters of EIS qualifying companies), public affairs advice is provided to the Association
As Consultant to TISA (representative body for retail investment management industry), public affairs advice is provided to TISA

Shareholdings in: Flight & Partners Limited, Flight & Partners Recovery Fund, Metro Bank PLC
Director, Flight & Barr Limited (dormant company)
Director, Gulf Overseas Investment Fund Limited (private investment fund)
Member of Advisory Board Praesidian Capital Europe
Member of Advisory Board, Centre for Policy Studies
Member of Advisory Board, Institute of Economic Affairs
Member of Advisory Board, Financial Services Forum

Lord Hamilton of Epsom
Non-Executive Director, Jupiter Dividend and Growth Trust PLC
Director, FM Capital Partners Ltd
Director, IREF Global Holdings (Bermuda) Ltd
Director, IREF Australian Holdings (Bermuda) Ltd
Director, AREF Holdings (Bermuda) Ltd
Director, Sovereign Business Jets
Shareholdings in: Nordea Bank AB (banking), Findlay Park American Fund, Hermes International Fund, Powershares Exchange Traded FD Buyback Achievers
Share portfolio managed by JP Morgan American IT on a fully discretionary basis
Share portfolio managed by Findlay Park American FDS on a fully discretionary basis

Lord Harrison (Chairman)
Trustee, Genesis Initiative (Business Senate for Enterprise)
Vice President, Wirral Investment Network (WIN)
Guest at lunch hosted by British Bankers' Association, 17 July 2014

Lord Kerr of Kinlochard
Deputy Chairman and shareholder, Scottish Power PLC
Non-executive Director and shareholder, Rio Tinto PLC
Non-executive Director, Rio Tinto Ltd (Australia)
Director and shareholder, Scottish American Investment Co Ltd
Member, International Advisory Board, Edinburgh Partners
Shareholding in Royal Dutch Shell PLC
Shareholding in European Investment Trust
Chairman, Centre for European Reform
Vice President, European Policy Centre
Council Member, BNE (London)
Council Member, BI (London)

Lord Shutt of Greetland
Chartered Accountant (non-practising)
Shareholding in Bank of Ireland (spouse)
Guest at lunch hosted by Swiss Bankers' Association, 19 November 2014

Lord Vallance of Tummel
Chairman, Amsphere Ltd
Chairman, De Facto 479 Ltd (family owned investment company)
Member, International Advisory Board, Allianz SE
Chairman, Board of Royal Conservatoire of Scotland (RCS)
Share portfolio managed by Smith & Williamson on a fully discretionary basis

The following Members of the European Union Committee attended the meeting at which the report was approved:

Lord Boswell of Aynho (Chairman)
The Earl of Caithness
Baroness Eccles of Moulton
Lord Foulkes of Cumnock
Lord Harrison
Baroness Henig
Lord Kerr of Kinlochard
Lord Maclennan of Rogart
Baroness O'Cathain
Baroness Prashar
Baroness Quin
The Earl of Sandwich
Baroness Scott of Needham Market
Lord Tugendhat
Lord Wilson of Tillyorn

During consideration of the report the following Members declared an interest:

Lord Boswell of Aynho (Chairman)
Shareholdings in two financial services companies (Barclays and Allianz)
Baroness Eccles of Moulton
Shareholdings in: BP plc (oil), Royal Dutch Shell "B" (oil and gas), GlaxoSmithkline (healthcare), SSE plc (utilities), Centrica plc (electricity and gas), Pennon Group plc (utilities), HSBC Bank plc (banking) and Close Brothers Group plc (financial services)
Baroness Henig
Chairman-elect, Phinancial Ltd (financial services company)
Baroness O'Cathain
Holder of several financial products with HSBC
Lord Tugendhat
Shareholdings in: A portfolio of investment vehicles managed on behalf of member and his wife and at their discretion by Coutts & Co; A portfolio of mainly but not exclusively US$ denominated funds, fixed interest stocks, preference shares and equity held and managed on behalf of member and his wife by Royal Bank of Canada, that includes: Barclays Bank PLC, HSBC Holdings Brazil SA (banking), Lloyds Bank PLC, Morgan Stanley Capital (banking), Marks and Spencer PLC (retail), Royal Bank of Canada (banking), Volkswagen International (automotive), ETFS Commodity Securities (alternative investment vehicle dealing in crude oil); Rio Tinto (mining); Biotech Growth Trust (biotech investment trust)
SIPP managed on member's behalf and at their discretion by Standard Life
Term deposits with Coutts & Co, and Nationwide Building Society
Member, Advisory Council, Trilantic Capital Partnership, which invests in business in which Member sometimes takes a stake
Member of Advisory Council, Official Monetary and Financial Institutions Forum Limited (independent research and advisory group and a platform for confidential exchanges of views between official institutions and private sector counterparties)

A full list of Members' interests can be found in the Register of Lords' Interests: http://parliament.uk/mps-lords-and-offices/standards-and-interests/register-of-lords-interests