

BREXIT & FINANCIAL SERVICES

Resilience, Fragmentation and Regulatory Reinvention in the City of London

A decade after the referendum: resilience at the high-value core, attrition at the European margins, and New York as the chief beneficiary.

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Executive Summary

The debate over Brexit's impact on the City of London has crystallised around three competing narratives, each capturing part of a more complex structural transformation. The resilience narrative points to London's enduring dominance in foreign exchange (38% of global turnover, BIS 2022), OTC derivatives clearing, FinTech investment and cross-border financial intermediation. The attrition narrative highlights a slow but cumulative erosion: more than 440 firms have shifted at least some activity to the EU since the referendum, with over £900 billion in bank assets relocated; Amsterdam overtook London in European share trading; Paris surpassed it in equity market capitalisation. The renaissance narrative cites the Edinburgh Reforms, the Mansion House Reforms and the Financial Services and Markets Act 2023 as the foundations of a more competitive post-EU framework, though three years on, many of these claims remain aspirational rather than empirically demonstrated.

This paper argues that London lost the battle of European financial fragmentation but retained primacy in the highest value-added segments of international finance. The redistribution of activity across Paris, Frankfurt, Amsterdam, Dublin and Luxembourg has not produced a unified European rival: in the March 2026 Global Financial Centres Index, Frankfurt ranks 15th (734), Luxembourg 16th (733), Paris 19th (730) and Amsterdam 20th (729), while London (766) trails New York (767) by a single point. The broader paradox is that the principal long-term beneficiary of Brexit may prove to be New York, whose scale, liquidity and geopolitical centrality have strengthened further during the post-Brexit period, while Europe's capital-markets union remains incomplete, market-based finance accounts for only 13% of EU corporate funding, compared with over 55% in the United States.

Introduction

The referendum of June 2016 represented the greatest structural shock to the City of London since the “Big Bang” reforms of the 1980s. For more than three decades, London had operated simultaneously as the United Kingdom’s national financial centre, Europe’s de facto wholesale banking hub, and one of the principal nodes of global dollar finance. Brexit disrupted that hybrid position. The United Kingdom chose to leave the European Union’s Single Market while simultaneously attempting to preserve the advantages of regulatory proximity and market access that membership had previously guaranteed. Ten years after the referendum, the debate on financial Brexit has hardened into three competing narratives, none of which is fully settled empirically.

The first is the resilience narrative. This view, championed by sections of the City of London Corporation, and supported by an increasingly substantial academic literature, argues that London has retained its core strengths despite Brexit. (Bierbaum and Breen, 2025). According to this interpretation, the City remains dominant in foreign exchange trading, OTC Interest Rate derivatives clearing and OTC derivatives clearing (See Tables 1 & 2), international legal services, FinTech (See Table 3), and cross-border financial intermediation (Sarah Hall and Martin Heneghan, 2023 and Wójcik et al. 2024). Proponents emphasise the “stickiness” of London’s institutional ecosystem, while industry advocates point to continued strength in global financial services exports, venture capital investment, and financial foreign direct investment.

The second is the attrition narrative. More prominent in Brussels, Frankfurt and Paris — and increasingly visible inside the City itself — this perspective stresses the slow but cumulative erosion of London’s European position. New Financial estimates that more than 440 firms have shifted at least some activity to the EU27 since Brexit, with over £900 billion in bank assets relocated. Amsterdam overtook London in European share trading shortly after Brexit; Paris surpassed London in equity market capitalisation (See Table 4); and euro swaps activity migrated substantially towards New York and continental Europe. Mainelli himself has elsewhere suggested that the cumulative employment impact may eventually approach 40,000 jobs. The attrition argument is therefore not one of collapse but of gradual hollowing-out.

The third is the renaissance narrative. This interpretation argues that Brexit created an opportunity for regulatory reinvention. Through the Edinburgh Reforms, the Mansion House Reforms and the Financial Services and Markets Act 2023, successive UK governments have attempted to build a more flexible, innovation-oriented and internationally competitive regulatory framework. Proponents argue that liberation from EU rules permits the UK to tailor regulation more closely to domestic strengths in FinTech, wholesale markets, green finance and insurance. Yet three years after FSMA 2023, many of these claims remain aspirational rather than empirically demonstrated.

This paper argues that all three narratives capture part of a more complex structural transformation. Brexit neither destroyed the City nor left it unchanged. Instead, it reorganised European financial geography in uneven and paradoxical ways. The City lost the battle of fragmentation but won the battle of specialisation. London retained dominance in the highest value-added segments of international finance while ceding ground in more geographically mobile activities such as equities trading, IPOs (See Table 5), and portions of investment banking. Simultaneously, fragmentation across Paris, Frankfurt, Dublin, Amsterdam and Luxembourg has prevented the emergence of a unified European rival to London.

The broader paradox is that the principal indirect beneficiary of Brexit may ultimately prove to be New York rather than the European Union. While the EU succeeded in relocating parts of financial activity from London, it did not create a consolidated European capital market capable of rivalling US financial depth and liquidity. In this

sense, Brexit may have weakened both London's European role and the broader prospects for European financial autonomy.

1. Three Narratives of Financial Brexit

The Resilience Narrative

The resilience interpretation emerged partly in reaction to early predictions that Brexit would trigger an exodus from the City of London. Prior to the referendum, consultancy estimates projected tens of thousands of immediate job losses and large-scale migration of wholesale banking activity. Such scenarios did not fully materialise (Hall and Wojcik, 2021).

Hall and Wójcik (2021) argues that London's resilience reflects the embeddedness of financial ecosystems. Financial centres depend not only on market access but also on deep institutional networks, legal expertise, labour market density, linguistic advantages, time-zone positioning, and accumulated reputational capital. They emphasise the “functional, geographical and institutional stickiness” of London's position in the global financial network.

Empirically, several indicators support the resilience perspective. London remains the world's leading foreign exchange trading centre according to BIS Triennial Survey data. The City also retains global dominance in OTC derivatives clearing, particularly through LCH.¹ London continues to attract substantial FinTech investment and remains Europe's largest venture capital ecosystem for financial technology firms. The City also remains a major destination for international financial FDI.

The resilience perspective also stresses that many of the activities relocated after Brexit involved regulatory necessity rather than strategic transformation. Banks created subsidiaries inside the EU to preserve passporting access, but much high-value decision-making and risk management often remained concentrated in London (Hall, 2025). The paradox reveals relatively modest employment relocation despite the scale of institutional restructuring. The resilience narrative therefore argues that Brexit imposed adjustment costs without fundamentally displacing London's global financial centrality (Wojcik et al, 2024).

The Attrition Narrative

The attrition perspective accepts London's continued importance but argues that Brexit has nonetheless imposed substantial cumulative damage. New Financial's annual “Brexit and the City” reports document more than 440 firms relocating operations, personnel or legal entities to the EU27. More than £900 billion in banking assets have shifted from the UK to European subsidiaries. Frankfurt emerged as the principal beneficiary for banking relocation; Dublin strengthened its position in asset management (See Table 6) and fund domiciliation; Amsterdam captured substantial trading infrastructure activity; while Paris consolidated gains in asset management and insurance (Hall and Heneghan, 2021).

Several symbolic indicators reinforced perceptions of decline. Amsterdam overtook London in European equities trading shortly after Brexit. Paris surpassed London in aggregate stock market capitalisation in 2022. Large firms increasingly chose New York rather than London for IPOs, including Arm and CRH. Euro-denominated swaps trading also shifted substantially toward New York and EU venues.

Recent empirical work reinforces the argument that Brexit has imposed significant long-term economic costs on the United Kingdom. Bloom et al. (2025), drawing on both macroeconomic simulations and firm-level survey evidence, estimate that “by 2025, Brexit had reduced UK GDP by 6–8 per cent, with the effects accumulating

progressively over time.” They further conclude that business investment declined by between 12 and 18 per cent, while employment and productivity each fell by approximately 3–4 per cent (Bloom et al., 2025). These effects are linked to prolonged post-referendum uncertainty, reduced market confidence, weaker demand, and inefficiencies in corporate management and resource allocation arising from the extended UK-EU negotiations.

These findings are broadly consistent with more recent assessments by the Office for Budget Responsibility² which maintains that Brexit will leave UK productivity around 4 per cent lower in the long run than it would otherwise have been, primarily due to reduced trade intensity and weaker business investment. The cumulative impact of higher trade frictions, labour shortages, and declining investment has continued to weigh on UK growth performance well into the mid-2020s.

The attrition perspective further emphasises the cumulative effects of regulatory uncertainty. Brexit weakened London’s role as the natural European gateway for international capital. The end of passporting rights increased compliance costs and duplicated operational structures. ESMA and the ECB also intensified pressure against “empty shell” subsidiaries and back-to-back booking models, encouraging more substantive relocation of staff and functions.

Kalaitzake (2022) argues that the structural interdependence between London and European markets constrained immediate fragmentation but did not eliminate longer-term relocation incentives. Similarly, Petit and Beck, (2023) suggest that the EU’s gradual strategy aims less at sudden repatriation than at long-term strategic autonomy. The attrition perspective therefore interprets Brexit not as a financial shock but as a slow erosion process whose full effects may only become visible over a decade or more (Ryan, 2023).

The Renaissance Narrative

The third interpretation views Brexit as an opportunity for regulatory reinvention.

The Edinburgh Reforms announced in December 2022, the Mansion House Reforms, and FSMA 2023 collectively represent the most ambitious restructuring of UK financial regulation since the post-2008 crisis framework. The reforms aimed to repeal retained EU law, strengthen domestic regulatory autonomy, and enhance the international competitiveness of UK financial services.

Key elements include reforms to Solvency II, ring-fencing, listing rules, prospectus requirements, and wholesale market regulation. The government also introduced a secondary competitiveness objective for the FCA and PRA. Supporters argue that Brexit permits the UK to build a more proportionate and innovation-oriented regime better suited to national economic priorities.

James and Quaglia (2023) conceptualise these developments through the framework of differentiated de-Europeanisation, distinguishing between intentional divergence, passive divergence, failed divergence and areas of continued alignment. Moloney (2024) further analyses the evolving UK third-country regime and the gradual redesign of market access structures after Brexit.

Yet the renaissance thesis remains difficult to verify empirically. Many proposed reforms remain incomplete or relatively modest in practical effect. Moreover, financial competitiveness may depend less on deregulation than on deeper structural advantages such as market scale, liquidity and geopolitical power. Critics also warn that deregulation risks weakening financial stability without generating substantial new growth. The renaissance narrative therefore remains, at least for now, more prospective than demonstrated.

2. Fragmentation and Specialisation

The central argument of this paper is that Brexit produced fragmentation at the European level while simultaneously reinforcing London's specialisation in globally networked financial activities. The City lost the battle of fragmentation but won the battle of specialisation. This distinction is crucial because Brexit's effects varied substantially across financial sectors. London retained dominance in activities characterised by deep liquidity, global network effects and high barriers to relocation. These include foreign exchange trading (See Table 7), OTC derivatives clearing, institutional asset management, international legal services and much of FinTech. Such sectors benefit from agglomeration economies that are difficult to reproduce quickly elsewhere.

By contrast, London lost ground in activities more dependent upon direct EU market access or regulatory location requirements. These include cash equities trading, portions of investment banking, IPO activity, and insurance passporting. The outcome has therefore not been a binary victory or defeat, but a sectorally differentiated reorganisation of financial geography.

Importantly, fragmentation across the EU prevented the emergence of a single dominant continental rival. Frankfurt consolidated banking supervision and wholesale banking functions. Dublin became a leading centre for funds and aircraft leasing. Amsterdam captured trading infrastructure. Paris strengthened insurance and asset management. Luxembourg retained its role in cross-border funds. Yet no single city replicated London's integrated ecosystem.

Howarth and Quaglia (2018) anticipated this dynamic early in the Brexit process, arguing that competition among member states would inhibit coordinated European financial consolidation. Subsequent developments largely confirmed this prediction.

The EU's continuing difficulties in developing Capital Markets Union further reinforced fragmentation.³ European capital markets remain nationally segmented, with uneven insolvency regimes, pension systems, tax structures and supervisory cultures. Brexit therefore weakened London's European role without fully strengthening Europe's collective financial autonomy (See Table 8).

3. New York and the Geopolitics of Financial Power

The largest long-term beneficiary of Brexit may ultimately be New York (Ryan, 2020).

This possibility received insufficient attention during the early Brexit debates, which focused primarily on competition between London and continental Europe. Yet several post-Brexit developments strengthened New York's relative position within global finance (Ryan, 2018).

First, euro-denominated derivatives trading increasingly migrated not only toward the EU but also toward US markets. Second, major global IPOs increasingly favoured US exchanges due to deeper liquidity, larger institutional investor bases and stronger valuations. Third, the strengthening of dollar dominance after the return of geopolitical rivalry reinforced New York's systemic centrality.

The return of the Trump administration further intensified these dynamics. Geopolitical fragmentation, sanctions policy and strategic competition strengthened the importance of dollar liquidity networks and US capital markets. At precisely the moment when Europe sought greater financial autonomy, Brexit fragmented the continent's most internationally competitive financial ecosystem.

The paradox is therefore profound. Brexit was partly justified through appeals to sovereignty and national control (Ryan 2021). Yet the fragmentation of European finance may ultimately increase dependence on American financial infrastructure. The implications extend beyond economics. Financial infrastructure increasingly functions as a component of geopolitical power. Clearing systems, reserve currencies, sanctions capabilities and capital market depth are now integral to statecraft. From this perspective, Brexit weakened not only London's European role but potentially Europe's broader capacity to compete financially with the United States.

Brexit did not simply transfer London's financial services activity to Dublin, Paris, Amsterdam or Frankfurt. Those centres gained specific functions: Dublin in fund management and legal entities, Paris in trading and banking jobs, Amsterdam in EU share trading, and Frankfurt in banking balance sheets and clearing.

New Financial estimated that more than 440 financial firms had moved some operations, staff, assets or legal entities from the UK to the EU after Brexit, while the ECB later placed the figure closer to almost 500 firms. Bruegel estimates that around 10% of UK banking-sector assets and approximately 40,000 jobs have relocated to EU centres since Brexit, yet these movements were dispersed across Paris, Frankfurt, Dublin, Luxembourg and Amsterdam, rather than concentrated in one European rival (Hamre & Wright, 2021).

New York, by contrast, has strengthened its position as the global command centre for capital markets. In the Global Financial Centres Index 39 published in March 2026 (See Table 9), New York again ranked first with a rating of 767, London second on 766, followed by Hong Kong and Singapore (Z/Yen Group and China Development Institute, 2026). This matters because financial-centre power is cumulative: liquidity, analyst coverage, institutional capital, valuations and executive attention reinforce one another. The United States continues to dominate global equity-market capitalisation, venture-capital funding, dollar liquidity and investment banking revenues, all of which deepen Wall Street's structural advantage (BIS, 2025).

AFME's 2025 Capital Markets Union Key Performance Indicators report found that European IPO activity fell a further 23% in 2025 even as IPO activity increased significantly in the US and major Asian markets (AFME, 2025). Recent cases such as Wise announcing plans to shift its primary listing from London to New York underline the attraction of deeper US liquidity pools, larger institutional-investor bases and stronger valuation multiples.

For access to capital markets, the consequence is concrete: European and UK firms increasingly look to US markets for scale equity funding, especially in technology, fintech, biotechnology and growth sectors. That can reduce financing constraints for successful firms, but it also means that European savings, exchanges and institutional investors play a smaller role in funding European corporate expansion. The long-term effect is that the most internationally competitive European firms become progressively more integrated into US-centred capital market ecosystems (Wright et al, 2025).

For the cost of financing, the effect is uneven. Large firms may obtain cheaper equity capital in New York because of deeper liquidity, denser analyst coverage and higher market valuations. But Europe as a system pays a structural cost. Fragmented markets, thinner domestic pools of venture and growth capital and weaker IPO exit opportunities reduce the availability of risk finance across the continent.

AFME reported in 2025 that market-based finance still represented only around 13% of total corporate funding in the EU, far below the United States, while European IPO issuance remained historically subdued (AFME, 2025). Mario Draghi's 2024 report on European competitiveness similarly warned that fragmented capital markets were limiting Europe's capacity to finance innovation, defence, digitalisation and the green transition (Draghi, 2024).

For strategic autonomy, the problem is sharper still. The EU has attempted to reduce dependence on London clearing through EMIR 3.0 and active-account requirements, while simultaneously extending UK CCP equivalence until 30 June 2028 to avoid financial instability. Eurex Clearing reported that average daily cleared volumes increased by 35% year-on-year during 2025, reflecting the EU's effort to build domestic clearing capacity (Eurex, 2026). Yet LCH SwapClear in London simultaneously reported record Q2, Q3 and Q4 2025 clearing volumes, including more than US\$539 trillion of notional cleared in Q4 2025 alone (LSEG LCH). This demonstrates that London remains deeply embedded in global derivatives infrastructure despite Brexit.

Brexit has produced a paradox: London has lost some EU-facing business, but Europe has not fully internalised it. Instead, fragmentation has made New York more attractive as the deepest, most integrated alternative. The strategic question is therefore no longer whether Paris, Dublin, Amsterdam or Frankfurt can each gain activity at the margin; it is whether Europe can build a sufficiently integrated capital-markets union to prevent its firms, savings, listings and financial infrastructure from orbiting increasingly around Wall Street rather than around a genuinely autonomous European financial system (Coben, 2026).

4. Regulatory Divergence and Financial Sovereignty

The debate over post-Brexit financial regulation reflects a deeper tension between competitiveness and sovereignty. The UK government framed FSMA 2023 and associated reforms as opportunities to build a “smarter” regulatory framework tailored to national priorities (Beck, et al). Yet divergence itself does not automatically generate competitive advantage. Much depends on whether firms value regulatory flexibility more highly than market access.

The UK-EU Memorandum of Understanding on Regulatory Cooperation signed in June 2023 represented an attempt to stabilise post-Brexit relations. The Joint Financial Regulatory Forum has since met repeatedly, creating a limited framework for dialogue. Nevertheless, equivalence remains partial, politically contingent and highly constrained compared with former passporting rights.

EMIR 3.0 simultaneously intensified EU efforts to reduce dependence on UK clearing infrastructure. Solvency II reforms also diverged on both sides of the Channel. These developments suggest that regulatory competition between the UK and EU is likely to remain a structural feature of European finance. At the same time, complete divergence remains improbable. The City's global role depends heavily upon maintaining credibility, predictability and compatibility with international standards. Excessive deregulation could undermine the institutional trust that underpins London's attractiveness. The reality is therefore one of constrained divergence. Brexit expanded UK regulatory autonomy but within limits imposed by global financial integration. If there is a EU-UK post Brexit reset, then these financial issues must be addressed (Berg et al 2025).

Conclusion

TEN YEARS AFTER THE REFERENDUM, Brexit's impact on the City of London cannot be understood through simplistic narratives of either collapse or triumph. The resilience narrative correctly identifies London's continuing strengths in globally networked financial activities. The attrition narrative accurately captures the cumulative relocation of activity, infrastructure and institutional presence toward the EU27. The renaissance narrative reflects genuine ambitions for regulatory reinvention, although its long-term consequences remain uncertain (Table 10).

The City did not lose its global role, but it lost its uncontested European centrality. Brexit reorganised European financial geography in uneven ways. London retained leadership in high-value-added international finance while ceding ground in more geographically mobile activities. Meanwhile, fragmentation across Paris, Frankfurt, Dublin, Amsterdam and Luxembourg prevented the emergence of a unified continental rival.

The broader geopolitical consequence may be that New York emerged as the principal indirect beneficiary. At a moment when Europe sought greater strategic autonomy, Brexit weakened the continent's most globally integrated financial centre without creating a coherent alternative.

Brexit therefore did not destroy the City of London. It transformed it from Europe's unquestioned financial capital into a more specialised global financial node operating between a fragmented Europe and an increasingly dominant New York.

Statistical Appendix

Table 1. OTC Interest-Rate Derivatives Trading (2025)

INDICATOR	LONDON / UK	EU COMPARISON	INTERPRETATION
Daily OTC IRD turnover (April 2025)	USD 4.320 tn/day	Global market: USD 8.71 tn/day · Largest globally	London remains systemically important
Global market share (2025)	49.6%	Largest EU centre: Germany (7.5%) · All EU combined: 13.8% · UK alone = 3.6x total EU	Brexit failed to displace London
2022 UK market share	42.9%	Eurex IRD grew +35% YoY in 2022	Post-TCA dip; Eurex gains visible but limited
2019 UK market share	50.6%	No data available	Above pre-Brexit peak (49.9% in 2013)
Pre-Brexit peak (2013)	49.9%	—	2025 share: -0.3pp vs 2013 peak

A. IRD by Instrument, UK Share (2025)

INSTRUMENT	UK DAILY VOL (USD BN)	UK GLOBAL SHARE (%)
FRAs	438	61,0 %
Swaps	3 710	48,2 %
OIS swaps	2 875	50,8 %
Other IR swaps	834	40,9 %
Options	171	60,7 %
Other instruments	1	8,9 %

B. Top EU IRD Centres (2025)

COUNTRY	DAILY VOL (USD BN)	GLOBAL SHARE (%)
Germany	0,7	7,5 %
France	0,3	3,7 %
Spain	0,1	0,9 %
Netherlands	0,1	0,8 %
Denmark	0	0,3 %

C. IRD UK Market Share Time Series

YEAR	UK TURNOVER (USD BN/DAY)	GLOBAL TOTAL (USD BN/DAY)	UK SHARE (%)
1998	122,9	343,6	35,8 %
2001	237,8	676,1	35,2 %
2004	563	1 330,5	42,3 %
2007	957,1	2 173,2	44,0 %
2010	1 234,9	2 648,9	46,6 %
2013	1 347,7	2 702,0	49,9 %
2016	1 180,2	3 039,0	38,8 %
2019	3 670,2	7 251,3	50,6 %
2022	2 359,4	5 501,8	42,9 %
2025	4 319,8	8 708,1	49,6 %

Table 2. OTC Derivatives Clearing Infrastructure

INDICATOR	LONDON	EUROPEAN UNION	STRATEGIC MEANING
LCH SwapClear Q4 2025 notional cleared	US\$539 trillion (1)	—	London remains globally systemic
Q4 2025 trades cleared	3.44 million (1)	—	Record clearing activity
EMIR 3.0 active-account rules	—	Implemented	EU pursuing strategic autonomy
Eurex clearing growth (2025)	—	+35% YoY (2)	EU building domestic capacity
Dependence on UK CCPs	High (3)	High (3)	EU still reliant on London

Sources: 1. LCH, LCH SwapClear Q4 2025 Highlights (London: London Stock Exchange Group, 2026), accessed June 2, 2026, https://www.lseg.com/content/dam/post-trade/en_us/documents/lch/resources/lch-swapclear-q4-2025-highlights.pdf. 2. Eurex, "Full Year and December 2025 Figures at Eurex," news release, January 2026, accessed June 2, 2026, <https://www.eurex.com/ex-en/find/news-center/news/Full-year-and-December-2025-figures-at-Eurex-4891494>. 3. European Securities and Markets Authority (ESMA), EU Derivatives Markets 2023, ESMA Market Report ESMA50-524821-2930 (Paris: ESMA, 2023), accessed June 2, 2026, https://www.esma.europa.eu/sites/default/files/2023-12/ESMA50-524821-2930_EU_Derivatives_Markets_2023.pdf.

Table 3. FinTech and Innovation Ecosystems

INDICATOR	LONDON / UK	EUROPEAN UNION	UNITED STATES
FinTech ecosystem strength	Europe's largest with almost half of EMEA fintech funding (2024); 53 unicorns (1)	Paris increasingly competitive (2)	Dominant (1)
GFCI 39 FinTech ranking	5th globally (2)	No EU city in top 5 (2)	New York 3rd (2)
Venture-capital scale	Strong but declining — UK fintech VC –27% to \$9.9bn (2024), still #1 in Europe (3)	Fragmented (3)	Deep (3)
IPO exit opportunities	Weak relative to US — 18 listings (2024), lowest on EY record (4)	Weak - EMEA at 5-year low (5)	Deep and liquid — 218 IPOs, \$33.6bn (5)

Sources: 1. KPMG. 2025. Pulse of Fintech H2 2024. February 2025. <https://kpmg.com/uk/en/media/press-releases/2025/02/uk-fintech-investment-hits-four-year-low-but-remains-european-leader.html>. 2. Z/Yen Group and China Development Institute. 2026. The Global Financial Centres Index 39. London: Long Finance, March 26, 2026. https://www.longfinance.net/media/documents/GFCI_39_Report_2026.03.26_v1.1.pdf. 3. KPMG. 2026. Pulse of Fintech H2 2025. February 2026. <https://assets.kpmg.com/content/dam/kpmgsites/uk/pdf/2026/02/pulse-of-fintech-global-analysis.pdf>. 4. Ernst & Young (EY). 2025. "London Stock Market Ends 2024 on a High after Q4 Boost." EY UK, January 2025. https://www.ey.com/en_uk/newsroom/2025/01/london-stock-market-ends-2024-on-a-high-after-q4-boost. 5. World Federation of Exchanges (WFE). 2025. FY 2024 Market Highlights. February 10, 2025. https://wfe-live.lon1.cdn.digitaloceanspaces.com/org_focus/storage/media/Cally%20Billimore/WFE%20FY%202024%20Market%20Highlights%20Report%2010022025.pdf.

Table 4. Equity-Market Geography After Brexit

AREA	LONDON	EU GAIN	STRATEGIC INTERPRETATION
Stock-market capitalisation	Regained lead over Paris in 2024 (2)	Paris led Nov 2022 – June 2024 (1)	<i>Symbolically volatile</i>
EU share trading	Reduced after Brexit (3) (4)	Amsterdam strengthened sharply (3)(4)	<i>Clear EU gain</i>
Trading infrastructure	Still globally significant	Euronext / Cboe expanded	<i>Partial EU consolidation - gains split across cities, no single London rival (5)</i>
Exchange competitiveness	Under pressure	Under pressure	<i>US still globally dominant</i>

Sources: 1. Bloomberg. 2022. "London Loses Crown as Europe's Biggest Stock Market to Paris." November 14, 2022. <https://www.bloomberg.com/news/articles/2022-11-14/london-loses-its-crown-of-biggest-european-stock-market-to-paris>. 2. Bloomberg. 2024. "Paris Loses Crown as Europe's Biggest Equity Market to London." June 17, 2024. <https://www.bloomberg.com/news/articles/2024-06-17/paris-loses-crown-as-europe-s-biggest-equity-market-to-london>. 3. FXStreet. 2021. "Amsterdam Surpasses London as Share Centre." February 12, 2021. <https://www.fxstreet.com/analysis/amsterdam-surpasses-london-as-share-center-202102121130>. 4. Cboe Global Markets. 2024. "Amsterdam Maintains Post-Brexit Status as Europe's Share Trading Hub." Reported in City A.M., March 2024. <https://www.cityam.com/amsterdam-maintains-post-brexit-status-as-europes-share-trading-hub/>. 5. European Securities and Markets Authority (ESMA). 2025. "Fragmentation in European Equity Markets since 2019." ESMA Working Paper ESMA50-524821-3352, September 17, 2025. https://www.esma.europa.eu/sites/default/files/2025-09/ESMA50-524821-3352_Working_Paper_Fragmentation_in_European_Equity_Markets_since_2019.pdf.

Table 5. IPO and Listings Competitiveness

INDICATOR	LONDON / UK	EUROPEAN UNION	UNITED STATES
IPO market condition (2025) (1)	Rebounding — strongest year since 2021	Declined	Strong recovery
Attraction for growth firms	Weakening	Fragmented	Increasingly dominant
Deep liquidity pools	Moderate	Limited	Very high
Cross-border listings appeal	Reduced	Weak	Very strong
European firms shifting toward US markets (2015–24) (2)	51 UK firms / \$272bn but ~90% of IPOs stay domestic	130 European firms (<i>not just EU</i>) / \$676bn just 2% of listed firms, 4% of value	Net beneficiary, though the pull might be overstated

Sources: 1. Anani, Karim. 2025. EY Global IPO Trends 2025. Ernst & Young, December 17, 2025. https://www.ey.com/en_pt/insights/ipo/trends. 2. Wright, William, James Thornhill, Christopher Breen, and Matilda Hames. 2025. A Reality Check on International Listings. London: New Financial, in partnership with HSBC Global Research, April 2025. <https://www.newfinancial.org/reports/a-reality-check-on-international-listings>. Comment for the last line : New Financial / HSBC Global Research (2025) identified 130 European companies (UK, EU, Switzerland, Norway, Iceland) that moved their primary US listing over 2015–24, worth a combined \$676bn at the time of the move — of which 51 UK firms (\$272bn). The report finds the trend "more pronounced than expected yet less concerning than thought," calls the "exodus" narrative overblown, and notes 70% of the movers trade below their listing price. It identifies the public-to-private shift (>1,000 European delistings, >\$1tn) as a far bigger threat. Counterpoint: the ECB (2024) [finds](#) M&A, not transatlantic flight, is the primary driver of European delistings.

Table 6. Institutional Asset Management

GTPO Comment: Figures reconciled to EFAMA, ICI and IA primary sources; the "Europe" column (€33.7tn) is measured by management location and includes the UK and Switzerland, so it overlaps the UK column and the two should not be summed.

INDICATOR	LONDON / UK	EUROPE (INCL. UK & SWITZERLAND)	UNITED STATES
Position in Europe	Largest ecosystem	Large but fragmented	Global leader
AuM 2024 (1)	€12.1tn - Major share of 33.7tn market	€33.7tn	US managers globally dominant
AuM Q3 2025 (1)	no figure yet	€34.4tn est.	not published yet
Share of global regulated fund assets (by domicile, Q2 2025) (2)	2.8%	30.9% global share	51.7% global share

Sources: 1. European Fund and Asset Management Association (EFAMA). 2025. Asset Management in Europe: An Overview of the Asset Management Industry. 17th ed. Brussels: EFAMA. https://www.efama.org/sites/default/files/files/asset-management-report-2025-v3_0.pdf. 2. European Fund and Asset Management Association (EFAMA) and Investment Company Institute (ICI). 2025. International Statistical Release: Worldwide Regulated Open-End Fund Assets and Flows, Second Quarter 2025.Brussels: EFAMA. <https://www.efama.org/sites/default/files/files/international-statistical-release-q2-2025.pdf>.

Table 7. Global Foreign Exchange Trading (2025)

GTPO Comment: This table unpacks global foreign-exchange trading in 2025 across four views: (A) the headline London–EU comparison from the BIS Triennial Survey, (B) the UK's share broken down by instrument, (C) the leading EU FX centres, and (D) the UK's market-share time series since 1989.

A. Global FX Trading (2025) | BIS Triennial

INDICATOR	LONDON / UK	EU COMPARISON	INTERPRETATION
Daily FX turnover (April 2025)	USD 4.74 tn/day	Global market: USD 12.56 tn/day	London is the world's largest FX centre
Global market share (2025)	37.8%	Largest EU centre: Germany (3.1%) · All EU combined: 8.7% · UK alone = 4.3x total EU	Brexit did not displace London
2022 UK market share	38.0%	—	Post-TCA dip — since recovered
2019 UK market share	43.2%	—	Above pre-Brexit peak (2013)
Pre-Brexit peak (2013)	40.8%	—	2025 share: -3.0pp vs 2013 peak

B. FX by Instrument, UK Share (2025)

INSTRUMENT	UK DAILY VOL (USD BN)	UK GLOBAL SHARE (%)
Spot transactions	1 418	37,9 %
Outright forwards	1 042	46,8 %
FX swaps	1 809	32,4 %
Currency swaps	97	48,1 %
Options	376	46,7 %
Other instruments	0	0,0 %

C. Top EU FX Centres (2025)

COUNTRY	DAILY VOL (USD BN)	GLOBAL SHARE (%)
Germany	0,4	3,1 %
France	0,2	1,9 %
Denmark	0,1	0,8 %
Luxembourg	0,1	0,6 %
Spain	0,1	0,5 %

D. FX UK Market Share Time Series

YEAR	UK TURNOVER (USD BN/DAY)	GLOBAL TOTAL (USD BN/DAY)	UK SHARE (%)
1989	187	743,7	25,1 %
1992	297,2	1 115,5	26,6 %
1995	478,8	1 632,7	29,3 %
1998	685,2	2 099,4	32,6 %
2001	541,7	1 704,7	31,8 %
2004	835,3	2 608,1	32,0 %
2007	1 483,2	4 281,1	34,6 %
2010	1 853,6	5 045,3	36,7 %
2013	2 726,0	6 685,7	40,8 %
2016	2 406,3	6 513,5	36,9 %
2019	3 576,4	8 279,5	43,2 %
2022	3 735,1	9 823,2	38,0 %
2025	4 742,6	12 557,1	37,8 %

Table 8. Capital-Market Depth and Corporate Finance

INDICATOR	UNITED KINGDOM	EUROPEAN UNION	UNITED STATES
Market-based finance share	Stronger than EU average - risk capital >10% of SME funding vs 2–5% in EU (3)	13% of corporate funding (2025) (1)	Dominant model — bank lending only ~45% of corporate debt, vs 85% in EU (2)
Capital-market funding / GDP	Significant	3% of GDP (1)	8% of GDP (1)
Financial structure	Mixed bank/market system	Bank-dominated with bank lending ~85% of corporate debt vs 45% US (2)	Deep equity and bond markets — bank share ~45% (2)
Strategic implication	International orientation	Structural fragmentation	Major global advantage

Sources: 1. Association for Financial Markets in Europe (AFME). 2025. Capital Markets Union: Key Performance Indicators. Press release, "Slow Growth in Europe's Capital Markets, Competitiveness Gap Remains," November 26, 2025. <https://www.afme.eu/news-insights/press-releases/slow-growth-in-europe-s-capital-markets-competitiveness-gap-remains/>. 2. Farah, Elie, Matt Strahan, and Ryan Lancaster. 2026. "Europe Has the Capital to Compete — It Just Needs to Fix Its Financial Plumbing." World Economic Forum, January 20, 2026. <https://www.weforum.org/stories/2026/01/europe-has-capital-to-compete-just-needs->

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<https://www.weforum.org/stories/2024/03/how-capital-market-finance-boost-european-businesses/>.

Table 9. Global Financial Centre Rankings (2026)

FINANCIAL CENTRE	GLOBAL RANK	GFCI SCORE	PRIMARY COMPETITIVE STRENGTH
New York	1	767	Global capital markets and dollar liquidity
London	2	766	FX, derivatives, international finance
Hong Kong	3	765	China gateway and Asian capital markets
Singapore	4	764	Asian wealth and trading hub
Frankfurt	15	734	ECB supervision and wholesale banking
Luxembourg	16	733	Cross-border funds
Paris	19	730	Banking, insurance, asset management
Amsterdam	20	729	EU trading infrastructure

Sources: Z/Yen Group and China Development Institute. 2026. The Global Financial Centres Index 39. London: Long Finance, March 26, 2026.
https://www.longfinance.net/media/documents/GFCI_39_Report_2026.03.26_v1.1.pdf

Table 10. Comparative Balance of Financial Strengths

SECTOR	LONDON	EUROPEAN UNION	UNITED STATES / NEW YORK	BREXIT OUTCOME
Foreign exchange	Very strong	Fragmented	Strong via dollar system	London resilient
OTC derivatives	Very strong	Growing via Eurex	Strong	London specialised
Clearing infrastructure	Dominant	Strategic push underway	Strong	EU still dependent
Asset management	Strong	Luxembourg/Dublin/Paris gains	Dominant globally	US scale advantage
IPOs and listings	Weakening	Weak	Very strong	US major beneficiary
Equities trading	Reduced EU role	Amsterdam gains	Strong	Partial EU success
Banking balance sheets	Important	Frankfurt/Paris strengthened	Very strong	Fragmented relocation
FinTech	Strong	Improving	Dominant scale finance	UK competitive but constrained
Financial exports	Very high	Fragmented	Globally dominant	London still global
Strategic autonomy	Reduced EU gateway role	Incomplete CMU	Strengthened	Brexit indirectly favours US

Notes

- 01 Triennial Survey publication table: BIS,DER_D12_5,1.0
- 02 Brexit analysis - Office for Budget Responsibility
- 03 Capital markets union: a deep dive - Five measures to foster a single market for capital

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