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Worksheet 3

Name Class \_ Date

**Moving assets**

Read the article below and then answer the questions.

**Companies move €150 billion of UK assets to France ahead of Brexit**

At least €150 billion of assets have been decamped from the UK’s financial district, ‘The City’, to France ahead of the UK’s exit from the European Union, according to the governor of the Banque de France.

As trade talks with Brussels enter a critical week, ahead of a highly anticipated meeting of European leaders on Thursday and Friday, François Villeroy de Galhau told the Europlace International Financial Forum that since September, the bank had authorised 21 investment companies, 4 credit institutions and 7 third-country branches to ‘ensure continuity of activities in France’. In addition, 31 entities – mainly investment companies – had applied for a licence in France, he said.

Encouraging more companies to follow their lead, Mr de Galhau said, ‘Even if there is a trade deal, which I still wish and hope for, Britain will have left the single market and things will change anyway significantly for financial services. It means that companies operating under the European passport must quickly finalise their relocation to the EU if they want to operate here as of next year.’

This month, consultancy company Ernst and Young (EY), said more than 7,500 jobs had been uprooted to the Continent since the Brexit referendum, with at least 24 financial services companies publicly recording more than £1.2 trillion of asset transfers. Dublin, Luxembourg, Frankfurt and Paris were companies' favourite destinations for relocation, EY said.

**1** Why might a financial services company operating in the UK relocate to France?

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**2** Why might a financial services company decide to stay in the UK?

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**3** Now work with a partner.

Partner A will argue for relocating to the EU and Partner B will argue for remaining in the UK. Decide who will be partner A and who will be partner B.

Follow these steps to discuss your answers.

* Partner A should present their argument for relocating to the EU to partner B.
* Partner B should give a counter-argument to overcome the reasons suggested. (Partner A can assist with this.)
* Partner B should present their argument for remaining in the UK.
* Partner A should give a counter-argument to overcome the reasons suggested. (Partner B can assist with this.)
* With your partner, agree on an overall judgement on whether a large UK-based bank should relocate to France.