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Financial Centre Germany – Securing our future together

Frankfurt, February 2025

Preamble

Germany is at a crossroads, facing key decisions that will lay the foundation for the country's future. Significant efforts are needed to secure our prosperity and renew our competitiveness. Well-functioning capital markets and a strong financial industry can enable the necessary investments in education, the economy, infrastructure, digitisation and defence.

With around 980,000 employees, including almost 620,000 in the banking sector, and a significant contribution to public finances, the German financial industry is an important economic sector. Creating an attractive framework can ensure long-term competitiveness and job security. The financial industry is also able to efficiently address the diverse needs of society, from individuals to medium-sized companies and large corporations. A competitive financial industry not only ensures the provision and efficient allocation of capital, but also strengthens the competitiveness of the overall business environment through innovations that benefit customers.

In the financial industry, in which capital and labour are highly mobile, competitiveness must continuously improve to succeed by international comparison. What is crucial is the relative attractiveness compared to other financial centres in Europe and the world. Here, both policymakers and businesses must work together to establish the right framework.

Together with politics, the financial industry is preparing to face the current challenges. On the initiative of the Prime Minister of the State of Hesse and the Hessian Minister for Economics and Finance, key financial centre stakeholders in Frankfurt have joined forces. As part of this collaboration, seven key action areas were identified that will help to renew the competitiveness of the financial centre and thus strengthen Germany as a business hub. The proposals that have been developed have also benefited from discussions with the German Bundesbank. The fields of action are as follows:

1. Business environment
2. Risk and regulation
3. Innovation and start-ups
4. Mobilisation of capital
5. Sustainable finance
6. Academia and education
7. Marketing and communication

These fields of action include key aspects that are crucial at both the national and European level. The financial industry is ready to make an important contribution to the future of Germany in partnership with the federal government at both levels.

Executive Summary

The stakeholders in the financial centre agree: Germany can only remain competitive by setting a new course. This paper presents initial recommendations in seven areas of action that are intended to serve as a starting point for an open dialogue between policy makers and the business world.

Many of the proposals focus on strategic foresight rather than on the direct deployment of financial resources by the future federal government. However, decisive legislative action, reduction of bureaucracy and direct political support are required. At the same time, the financial industry is prepared to make its active contribution to fulfil its important role for the economy and society.

Business environment

An attractive business environment creates the basis for attracting and retaining skilled workers and capital for the financial industry. This can be supported by:

- Making labour law conditions more flexible for specialists and managers, employees of start-ups and international experts, accompanied by government incentives
- Targeted adjustments to tax law, including simplifying the crediting of foreign withholding taxes and VAT relief on syndicated loans
- The federal government's commitment to reducing bureaucracy beyond the regulatory level, e.g. by digitising administrative processes and reducing administrative hurdles

Risk and regulation

Germany can further expand its role as a stable and innovative financial centre through efficient and competitive regulation. This includes:

- Avoiding international competitive disadvantages due to comparably high regulatory requirements
- Relieving the financial industry through a risk-based approach and the reduction of formalistic bureaucracy and documentation requirements
- Promoting the competitiveness of the financial centre as a further supervisory objective and adapting practical implementation and communication

Innovation and start-ups

A dynamic innovation environment offers enormous opportunities for making the financial centre future-proof and ensuring sustainable growth. This is achieved primarily by:

- Promoting the use of new technologies in the financial sector to increase customer benefits, efficiency and to establish European centres of competence
- Promoting regional and industry-focused ecosystems for start-ups to establish themselves and grow
- Targeted strengthening of the German financial centre in the area of digital finance to establish a clear pioneering role in topics such as digital financial solutions, the crypto sector and financial data at national and EU level

Mobilisation of capital

Targeted use of private capital opens the possibility of successfully financing major economic and social transformations. This includes:

- Realignment of the pension system by incentivising broad asset accumulation, and a significant and targeted expansion of private and occupational funded pension provisions with access to a wide range of asset classes, including a new equity culture
- Revitalisation of the securitisation market as a bridge between bank-based financing, capital markets and investors
- Implementation of the WIN initiative already launched and promotion of further initiatives to mobilise private capital for innovation and infrastructure

Sustainable finance

The aim is to establish the financial centre as a pioneer for practical and internationally competitive sustainability solutions. Key measures to achieve this are:

- Position Germany as a leading international centre for sustainable finance
- Ensuring and promoting capital allocation geared towards sustainability and transformation financing

Academia and education

A strong education and research landscape is key and a prerequisite for promoting talent and driving innovation in the financial centre. To achieve this, the following is necessary:

- Continuation of the federal initiative ‘Financial Education’ in close cooperation with the financial centre
- Targeted funding of intellectual infrastructure at the financial centre to be a driving force in Europe

Marketing and communication

Together, the visibility of the German financial centre can be strengthened. To be perceived internationally as a leading location, it needs to:

- Strengthen the acceptance of the financial industry as an essential part of a functioning economy and society, as well as the creation of regular, high-profile exchange formats
- Establish a central office at the federal level to support the targeted recruitment of international institutions
- Development of a financial centre strategy for Germany for the first time, with clear goals for the financial centre and cascading to the federal state level

1 Deep dive: Business environment

Germany is currently only partially competitive as a financial centre in terms of location conditions for the financial industry. A targeted revision of the labour and tax law framework will ensure better working conditions and more jobs.

1.1 Making labour law conditions more flexible for specialists and managers, employees of start-ups and international experts, accompanied by government incentives

Improving and clarifying the labour law framework for employees in the financial industry is a crucial lever for increasing the attractiveness and efficiency of the labour market. The aim is to use targeted measures to sustainably promote both labour supply and demand in the industry.

For **specialists and leaders**, a pilot regime is proposed to test the legal possibilities for innovative working time models, such as long-term working time accounts or trust-based working hours. This could meet the requirements of specific sectors such as the financial industry. This includes, for example, the documentation and flexibilisation of working hours. In addition, the intentions of the legislator with regard to the **legal conditions for risk takers** should be clarified.

It also makes sense to expand the regulations on the secondment of employees for projects that are clearly defined in terms of time and content and require special professional expertise. For a modern working world, for example, labour and social security regulations and regulations on 'remote work' and intra-group secondments could be revised. The focus should also remain on questions regarding the establishment of business premises by 'remote work'.

To drive innovation, **employees of start-ups** and similar companies need attractive conditions, especially in the early stages. This includes appropriately deferred taxation of the monetary advantage from the transfer of shares in the employer company, regardless of the legal form of the company.

To counteract the demographic change in Germany, the attractiveness of Germany as a location for **international specialists** must be promoted. This can be done by means of state incentives. In international competition, other countries allow, for example, tax consideration of integration costs, relief from income tax or an attractive nationality law (see France).

1.2 Targeted adjustments to tax law, including simplifying the crediting of foreign withholding taxes and VAT relief on syndicated loans

In its final report, the expert commission on '**Simplified Corporate Taxation'**.[1] set up by the Federal Ministry of Finance proposed a detailed and comprehensive package of measures for simplifying tax law and reducing bureaucracy. The majority of the measures are cost neutral and provide relief for companies and administration. Their implementation should therefore be closely examined.

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[1] https://www.bundesfinanzministerium.de/Content/DE/Downloads/Broschueren_Bestellservice/bericht-kommission-buergernahe-einkommensteuer.html

Simplifying and accelerating the process of crediting or refunding domestic and foreign **withholding taxes** would relieve the burden on companies and at the same time make Germany more attractive for cross-border business. It would also be important to properly implement the EU directive on procedures for refunding withholding tax on dividends to foreign investors. Care should also be taken to ensure that pricing of services remains possible in Germany, so as not to disadvantage the location.

In addition to this, a simplification of **VAT law** can be sought through a legally secure design of the VAT group as well as the introduction of a VAT exemption for administrative services for syndicated loans. Similar regulations already exist in other European countries.

1.3 The federal government's commitment to reducing bureaucracy beyond the regulatory level

The perceived over-regulation in Germany is well known internationally and often discussed critically. A sustainable strengthening of the attractiveness of the location therefore requires targeted measures to reduce bureaucracy.

These include, for example, the **harmonisation of stock exchange listing requirements** and the introduction of a genuine passporting system for prospectuses. These steps would not only significantly reduce the administrative burden on companies, but also facilitate access to European capital markets.

Furthermore, **no national reporting requirement for tax-related arrangements** should be introduced that goes beyond the existing EU requirements. This would ensure that no additional bureaucratic hurdles arise.

In addition, the **digitalisation** of administrative processes and the introduction of harmonised digital identities at the European level are possible steps to improve efficiency and user-friendliness. The introduction of modern e-government solutions – for example in the areas of immigration and tax administration – could not only reduce costs, but also simplify access to public services for all citizens.

2 Deep dive: Risk and regulation

German and EU-wide regulations ensure a stable financial system, but its competitiveness is jeopardised by a lack of proportion and high levels of bureaucracy in international comparison. Competition on equal terms and regulation geared towards material risks and competitiveness not only strengthens the financial industry, but the entire location.

2.1 Avoiding international competitive disadvantages due to comparably high regulatory requirements

The new German government should ensure that, when **implementing international standards** such as Basel III, European banks are not placed at a disadvantage in international competition by excessive regulatory requirements. This means, in particular, that the EU should not act by itself in terms of regulation, as such measures could significantly weaken the competitive position of banks in Europe.

Furthermore, the EU could actively pursue **a level playing field for investors** in relation to EU regulations. This includes promoting competitive market structures, making EU antitrust law more flexible, etc. This would both limit the burden on investors and facilitate the mobilisation of private capital.

The **principle of proportionality** in regulation and supervision, which plays a significant role for the German finance and banking sector, must be applied in all regulation and supervisory actions. Taking into account the economic efficiency of the measures taken can promote the stability of the entire industry and enable small and medium-sized market participants to enter and remain in the market.

Currently, the regulations developed specifically for **investment firms** are being aligned with the stricter regulations for credit institutions under the Capital Requirements Regulation (CRR). In order to maintain the original regulatory objective (appropriate regulation of investment firms) and to avoid unnecessary bureaucratic and financial burdens, further harmonisation should be avoided.

2.2 Relieving the financial industry through a risk-based approach and the reduction of formalistic bureaucracy and documentation requirements

One possible measure is to **reduce reporting requirements**, particularly around disclosure and prudential reporting, and to refrain from introducing new requirements (e.g. ESRS sector standards) or to reduce documentation requirements for the compliance function. This also includes aligning reports of suspected money laundering with EU standards to reduce the additional burden on institutions.

Another important point is the reduction of **redundancies in supervisory reporting** (ECB, EBA and national supervision) and of overlapping audit practices, for example in the audit of annual accounts. Here, processes can be harmonised to avoid an unnecessary burden on companies, as these create a disadvantage in international competition.

The **fight against cybercrime** must also be strengthened. With DORA[2], the EU has provided a strategic response to the increasing cyber risks. However, duplications and overlaps with horizontal regulations, such as the Cyber Resilience Act (CRA), should be eliminated before implementation.

To **combat money laundering** more effectively, the legal and technical conditions for discharging data delivery and AI-supported data analysis should be created for the AMLA[3] and banks should be given access to relevant data from the beginning.

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[2] EU-wide financial sector regulation for cybersecurity, ICT risks, and digital operational resilience

[3] European authority for combating money laundering and terrorist financing

Innovative business models can be promoted by introducing clear frameworks for regulatory and reporting requirements, for example by creating sandboxes[4]. These regulations would make it easier to enter the market and increase the competitiveness of smaller market participants.

2.3 Promoting the competitiveness of the financial centre as a further regulatory objective and adapting current practice and communication

Regulatory measures and supervisory practice should consistently take into account their effect on competitiveness. This approach should be embedded in national law.

This also means continuing the path of **cultural change** that has been embarked upon. In general, and as is the case in other EU countries, supervisors should concentrate more on significant risks and audit areas instead of pursuing formalistic comprehensiveness. This also includes taking into account the proportionality of supervisory actions.

The **intensification of a reliable dialogue** and close cooperation with the financial industry is expressly desired, whether it be in the early addressing of possible problems or in the creation of practical EU standards. After all, supervisory action is also a location factor in European competition. The clear goal here is to increase efficiency and speed – not to lower the level of protection.

3 Deep dive: Innovation and start-ups

Germany has strong entrepreneurs, but despite many initiatives, it offers a weak environment for leading start-ups and new technologies to success. The proposed measures serve to promote the entrepreneurial spirit, to position Germany as an attractive location and to become a leader in technologies that are promising for the future of the financial sector.

3.1 Promoting the use of new technologies in the financial sector to increase customer benefits, efficiency and to establish European centres of competence

The aim is to establish **Germany as a pioneer in the use of new technologies** in the financial sector. This includes promoting centres of competence for key technologies such as quantum technology, artificial intelligence and blockchain.

This also includes simplifying access to computing resources such as HPC[5], GPU[6] and quantum computing for start-ups and other players in the financial industry. These centres could serve as a driver of innovation and help to put technological advances into practice in a targeted manner, as well as actively promote digital transformation.

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[4] Regulatory sandbox framework created by supervisory authorities to test innovative business models in a controlled environment, with temporary relaxation of certain regulatory requirements

[5] Use of supercomputers and clusters for complex calculations and data analyses, such as in risk models and high-frequency trading

[6] Use in the financial industry for parallel data processing, AI models, and big data analyses

3.2 Promoting regional and industry-focused ecosystems for start-ups to establish themselves and grow

The development of **regional innovation clusters** – with a focus on the financial industry facilitates networking between investors, start-ups, universities and research institutions – should be specifically promoted. This includes the creation of nationwide networks, the establishment of innovation platforms and support from innovation hubs.

An active role for the Federal Chancellor can also be crucial to strengthening the **visibility of German start-ups at home and abroad**. By participating in trade delegations, foreign trips or specific start-up events – similar to the approach taken in France – Germany's position as an attractive location for founders and investors could be sustainably strengthened. Such measures would not only promote start-up activity, but also increase the confidence of international players in Germany as a centre of innovation.

3.3 Targeted strengthening of Germany as a financial centre in the area of digital finance, to establish a clear pioneering role in topics such as digital financial solutions, the crypto sector and financial data at both national and EU level

The German government should proactively monitor the ongoing discussions and processes at the EU level regarding the **digital euro and CBDC** (central bank digital currency). This requires a thorough review and public debate, for example by continuing the existing CBDC trials. The aim is to position Germany as a driving force in the introduction and further development of digital financial solutions. An important focus here is the speedy introduction of an internationally competitive wholesale settlement solution that strengthens European financial markets. Furthermore, it should be ensured that the design of a digital euro strengthens rather than weakens European private-sector solutions.

In addition, the possibility should be created to integrate **private-sector solutions** with added value for companies as customers of commercial banks, such as the 'Commercial Bank Money Token Industry Initiative', which is based on a DLT-based solution (Distributed Ledger Technology).

At the EU level, Germany should play a central role in designing proportionate and unbureaucratic frameworks for access to **financial data (FIDA)**. These should strengthen the competitiveness of the European financial sector and at the same time promote the development of a secure and sovereign EU data economy.

4 Deep dive: Mobilisation of capital

Without targeted and extended mobilisation of private capital, Germany will be unable to achieve either future-proof, a stable pension system or financing of the various challenges ahead.

The financial industry stands ready to be a strong partner to the federal government in securing the future of the pension system, to improve the overall framework conditions and to provide needed financing.

4.1 Realignment of the pension system by incentivising broad asset accumulation, and a significant and targeted expansion of private and occupational funded pension provisions with access to a wide range of asset classes, including a new equity culture

Germany needs to realign its pension system to promote personal and occupational retirement products. The introduction of state-subsidised retirement products is necessary to reduce the pressure on the statutory pension system/public budgets and to foster a broader investment culture in Germany. This includes:

Pillar 1: Statutory pension

The state pension system is the basis for the financial security of older citizens. Initiatives to build and continuously expand a capital stock within the public pension insurance system can contribute to the long-term financing of the state pension system through positive economic growth.

Pillar 2: Occupational pension schemes

Introduction of a pension scheme based on the US 401(k) model[7] with greater use of the capital market. Occupational pension provision should be encouraged through flexible payment models.

In addition, an improvement in the employee savings allowance and income limits should be examined within the scope of public budgets.

Pillar 3: Private pension provision

A central element of the reform should be the introduction of a new, flexible state-subsidised pension product/portfolio that opens up broader investment opportunities, expands the scope of citizens and increases the overall attractiveness of private pension provision. It is mandatory that citizens can choose from high-yield and low-cost products.

In addition, and in line with the current EU ideas around a Savings and Investment Union, targeted measures must be taken at EU Level that facilitate private investors' access to the capital market, to promote an equity culture and simultaneously to ensure that national retirement provision are not impaired.

4.2 Revitalisation of the securitisation market as a bridge between bank-based financing, capital markets and investors

Securitisation markets are a key instrument for efficiently integrating loans into capital market structures and thus enabling investors to access broadly diversified asset classes. To improve

[7] Capital market-oriented occupational pension scheme, where employees can contribute a portion of their salary free of taxes and social security contributions, supplemented by employer contributions, to later allow for flexible payouts from high-yield investments

the framework, adjustments should first be made at the European level, followed by a national framework.

At the **European level**, a reduction in transaction costs in the market and a simplification of regulation are crucial to avoid competitive disadvantages compared to similar forms of investment products, such as corporate bonds or covered bonds. This can be achieved, among other ways, by simplifying due diligence requirements for investors and adopting principle-based obligations. The adjustment of reporting obligations to an appropriate level and a risk-adequate design of risk weightings are of crucial importance.

For Germany, a **national securitisation law** or a specific regulatory framework is needed. One key point is the establishment of securitisation special-purpose vehicles as a special form of limited liability companies to create more legal certainty in Germany – within the standards for securitisations created by the EU Securitisation Regulation. The model can be based on the successful approach taken in Luxembourg, which is similar to the special investment trusts in Germany.

Another important aspect is the exemption of securitisations from the **double trade tax burden** beyond traditional bank loans, to enable the securitisation of further asset classes with a German SPV. Securitisation of key asset classes of the real economy would also become significantly more attractive for non-banks (e.g. financial leasing companies). This would clarify the tax neutrality of securitisations. This would not lead to a reduction in tax revenues in Germany, as currently the transactions always take place abroad due to the double trade tax burden.

In addition, a legal **clarification of the 'true sale' concept** is suggested. This should ensure that sales of receivables are considered 'true sales' under both civil and insolvency law. Securitisation special vehicles entities should always be able to assert a right to (replacement) segregation in the event of the originator's insolvency. Regulations from Spain and France could serve as a model for increasing legal certainty.

4.3 Implementation of the WIN initiative already launched and promotion of further initiatives to mobilise private capital for innovation and infrastructure

The **implementation and continuation of the ten measures of the so-called WIN initiative** (published in September 2024) should be consistently pursued and supplemented by further targeted initiatives to mobilise private capital for innovation and infrastructure.

To ensure the neutrality of the forms of financing and to avoid placing an additional burden on privately provided capital, the **withholding tax** should be retained in its current form. In addition, the saver's allowance should be increased.

The **expansion of national infrastructure** is an important step in increasing competitiveness in Germany. To achieve this, a clear political goal for the further development of Germany's infrastructure needs to be set, ideally targeted for each specific sector. A common position and visible commitment within the government is also required, particularly with regard to the financing of visible infrastructure improvements. This includes, for example, the further development of the debt brake or the provision of guarantees and budgetary funds. Such a clear political position is a prerequisite for the financial industry to successfully support the expansion of infrastructure.

5 Deep dive: Sustainable finance

At the end of 2024, the EU announced an important step towards simplifying sustainability reporting with the planned 'Omnibus Simplification Package', which is expected in spring 2025. The aim is to reduce the complexity of existing regulations and to relieve the burden on companies and investors, while continuing to consistently pursue ambitious climate targets.

Germany has actively supported this initiative at the EU level and should use the momentum to establish the financial centre as a pioneer for practical and internationally competitive sustainability solutions.

The ISSB standards[8] designed as a 'global baseline' play a central role here: they help to align EU requirements with a globally compatible and competitive level. Frankfurt could position itself as a key ISSB location and thus take a leading role in the implementation and further development of global sustainability standards.

5.1 Position Germany as a leading international centre for sustainable finance

Germany should position itself as a leading international centre for sustainable finance. This requires a **clear political commitment** to the importance of sustainable finance and the goal of taking a leading position in the international competition. An ambitious and positive narrative that focuses on the interplay between sustainability and profitability – and positions sustainability as an economic opportunity rather than a mere regulatory measure – is key to position Germany as an attractive and innovative pioneer internationally.

The **Sustainable Finance Cluster Germany**[9] in Frankfurt should be strengthened as the central platform for exchange between politics, the financial and real economy, and academia (e.g. the House of Finance). This could be achieved through closer cooperation with relevant associations, such as the 'Forum Nachhaltige Geldanlagen' (Forum for Sustainable Investments), the 'Bundesverband deutscher Banken' (Association of German Banks) or the 'Bundesverband der Deutschen Industrie' (Federation of German Industries).

In addition, incentives and structures should be created to promote **innovative and digital solutions** around sustainable finance – for example, through cooperation with incubators, development institutions or venture capital providers.

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[8] The International Sustainability Standards Board (ISSB) develops globally applicable standards for sustainability reporting that enhance transparency and enable investors to make informed decisions

[9] The Sustainable Finance Cluster Germany (SFCG) is an association based in Frankfurt that serves as a platform for promoting sustainable finance and advances the integration of sustainability criteria into the financial sector by networking science, politics, and practice

5.2 Ensuring and promoting capital allocation geared towards sustainability and transformation financing

Targeted **allocation of public resources** aligned with sustainability and transformation goals is crucial to financing Germany's transformation. Public investments, including investments and investment vehicles, should set an example by being clearly aligned with sustainability criteria.

Development banks such as KfW and state development institutions can also contribute to this and establish uniform sustainability guidelines for the granting of loans and funding.

In addition, a stable legal framework can be created to mobilise institutional funds more effectively for transformation projects and sustainable innovations. Incentives such as co-investments and risk sharing could increase the attractiveness and investability of such projects.

6 Deep dive: Academia and education

Germany has a good higher education landscape with top performances in many fields, which are, however, not yet sufficiently reflected in financial education and networking with the financial industry. The funding of both topics should therefore be significantly expanded.

6.1 Continuation of the federal initiative 'Finanzielle Bildung' in close cooperation with the financial centre

Germany needs an effective national strategy for the **acquisition of financial skills**. While 35 out of 38 OECD countries already have such a strategy, Germany still has a lot to catch up on.

Locations such as Frankfurt are ideal as real-world laboratories due to established networks between financial market players and universities. Concrete approaches could be developed through pilot projects to gather evidence.

6.2 Targeted funding of intellectual infrastructure at the financial centre to be a driving force in Europe

With institutions such as the ECB, the Bundesbank, EIOPA, ISSB, the House of Finance and the Frankfurt School of Finance & Management, Germany has an exceptional intellectual infrastructure in the financial sector.

Germany has the potential to become a leader **in forward-looking topics** such as digital finance, sustainable finance, artificial intelligence and regulation. To achieve this goal, research collaborations between universities and financial centre players should be specifically supported.

Particular attention should be paid to **internationalisation**. By expanding English-language offerings and targeted support, international talent could be better utilised and retained in the long term.

These measures can significantly strengthen Germany's position as an innovative and leading financial centre in Europe.

7 Deep dive: Marketing and communication

The German financial industry plays a central role in society and the economy but is often underestimated in political and public perception. The goal of the financial centre, together with the new federal government, is to strengthen the relevance of the financial industry as an important component of a sustainable economy and to ensure its competitiveness on a par with leading financial centres in Europe and the world.

7.1 Strengthen the acceptance of the financial industry as an essential part of a well-functioning economy and society, as well as the creation of regular, high-profile exchange formats

Regular exchange formats between top decision-makers from politics and the financial industry can be crucial for discussing strategic and operational issues to strengthen competitiveness. In addition, closer exchanges between the Federal Chancellery, ministries and foreign decision-makers are necessary to strengthen the international competitive position of the financial centre.

To this end, it helps to establish a **unified narrative** for Germany as a financial centre, with Frankfurt at its centre. This can help to bring the financial industry's role as an engine for growth, public services and transformation more to the fore.

In addition, the acceptance of the financial industry and its location marketing can be promoted by the **public engagement** of the Federal Chancellor and federal ministers, for example through an annual financial centre forum and a regular presence at international platforms. National formats could be modelled on proven examples such as the 'Paris Finance Forum' (PFF) in France or the annual 'TheCityUK Annual Dinner', and systematically promote dialogue between politics and the financial industry. Coordinated appearances by high-ranking representatives of the new federal government at important events, such as the IMF-World Bank Annual Meetings, are essential to underline the importance of the location and send a strong signal to international stakeholders.

7.2 Establishing a central office at the federal level to support the targeted recruitment of international institutions

A **central point of contact** should be created for all questions regarding relocation and location marketing activities. This point of contact should have direct access to ministries and cross-departmental functions to ensure effective cooperation. The aim is to support the recruitment of international institutions.

In this context, **budgeting for** the federal government to promote the financial centre would also be a sensible measure. This should be defined and sustainably secured in line with international competitors.

7.3 Development of a financial centre strategy for Germany for the first time, with clear goals for the financial centre and cascading to the federal state level

A **national financial centre strategy** is needed to define cross-sector goals and ensure Germany's competitiveness in international comparison. This strategy should be specifically tailored to the needs of banks, asset managers, private equity firms, venture capital providers and corporate treasury departments. Examples such as the 'Kalifa Report' from the United Kingdom can function as inspiration.

In addition, federal states should be encouraged to integrate this nationwide strategy into their own **regional financial centre strategies**. This would enable a uniform but regionally differentiated approach that is aligned with the specific strengths and needs of each state.

A shared vision for the German financial centre

The proposed measures show a clear path for making the German financial centre future-proof and internationally competitive. The stakeholders of the Frankfurt financial centre are ready to embark on this path together with the German government and to actively drive the transformation forward through targeted reforms in regulation, sustainable financing, innovation and capital mobilisation.

The signatories represent a broad diversity of business and research that are jointly committed to the future-oriented development of the financial centre.