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Scotland's Financial Services

Setting up in Scotland



 Burness Paull



Scottish
Financial
Enterprise

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Chapter 1: Welcome to Scotland



Welcome to Scotland, an ambitious, open, and dynamic nation with a long tradition of entrepreneurialism and global connectivity. The financial services sector is a cornerstone of the Scottish economy, blending deep-rooted history with cutting-edge innovation.

Scottish Financial Enterprise is the representative body for Scotland's financial services industry. Our sector contributes £17.7 billion to the Scottish economy and employs over 150,000 people, playing a vital role in the prosperity of the nation. This guide will lay out both the reasons why having a presence in Scotland is of benefit to your business, as well as the practicalities of doing so.

Scotland is not just a place to do business - it's a partner in your success. We invite you to explore why global firms continue to choose Scotland as their financial base in the UK and Europe.

Sandy Begbie CBE FRSE
Chief Executive, Scottish Financial Enterprise





Scotland has long been recognised as a global centre for financial services, blending centuries of expertise with an innovative, forward-looking outlook.

At Burness Paull, we see daily how Scotland provides the perfect environment to establish and grow financial services businesses. Edinburgh ranks among Europe's top financial centres, while Glasgow has become a fintech and customer service hub, supported by exceptional universities, world-class education, deep talent pools, and a highly collaborative ecosystem. The regulatory framework is sophisticated yet enabling, balancing growth with confidence and stability. Combined with excellent connectivity, competitive costs, and a government committed to innovation, it is clear why both international investors and home-grown entrepreneurs are thriving here.

Our financial services team led by market-leading lawyers, Caroline Stevenson and Jamie Gray, partners with both established institutions and innovative disruptors to shape the future of the sector. Burness Paull is uniquely placed to support businesses in all areas highlighted in this guide – from scaling up to launching products and accessing international markets from Scotland as a base.

Peter Lawson, Chair
Burness Paull

Scotland continues to play a vital role in the UK's financial services landscape, combining deep heritage with a forward-looking approach to innovation, sustainability, and global investment. Its thriving fintech ecosystem, world-class talent, and commitment to responsible finance make it an increasingly attractive destination for firms seeking long-term growth.

Our presence here, including our over 300-strong team in Edinburgh, recognises Scotland's growing impact.

Nikhil Rathi
CEO of the Financial Conduct Authority



Why Scotland? Strategic advantages at a glance

- **Market leading** - Part of the UK's globally respected regulatory regime.
- **Resource** - Highly skilled financial workforce and world leading universities, home to five of the UK's top 20 universities.
- **Connected** - Exceptional infrastructure and digital connectivity.
- **Thriving** - Home to banking, asset management, insurance, and fintech sectors, with all key sub-sectors represented here at scale.
- **Backed** - Business-friendly government with tailored support for foreign investors.
- **Importance** - The largest financial hub outside of London, worth £17.7bn GVA to the Scottish and UK economy.
- **Attractiveness** - The most attractive hub for inward investment in the UK outside of London.
- **Established** - Home to more than 2,000 financial services business.
- **Proven scale** - Managing £700bn in assets with 150,000+ skilled professionals.
- **Future-ready** - Home to 260+ fintech firms and pioneering digital asset frameworks, with new regulatory clarity coming in 2026 and dedicated blockchain research centres.

Chapter 2: Why Scotland?

The Scottish financial services industry dates back over 300 years to the beginnings of the enlightenment. Throughout that time it has been at the cutting edge of innovation, pioneering a range of developments to help the changing needs of its customers across the globe. It has been the birthplace of many innovations in finance, from savings banks to ATMs, life companies to ESG asset management. Today it is an established, diverse and vibrant financial centre with an enviable ecosystem and talent pool.

Scotland's two main financial centres, Edinburgh and Glasgow, both have their own unique characteristics and key strengths, and are supported by world-renowned universities. While Glasgow continues to build its reputation as a major hub for operations, technology and innovation, Edinburgh is using its long-standing heritage in banking, investment and asset management to strengthen its standing among the world's leading green finance and technology centres.

The Scottish financial services industry is part of the same regulatory and operating ecosystem as London – 'The City' – renowned globally as one of the foremost financial centres anywhere in the world. In such close proximity and with so much shared history, the links between Scottish financial services and the City of London are deeply integrated, established and complementary. When you invest in Edinburgh, Glasgow, or any of those other nearby locations, you are investing in this ecosystem, which is by every measure one of the best in the world for financial and related professional services.

A modern financial powerhouse

Scotland has evolved from its historic banking roots into a sophisticated, diverse financial services ecosystem. It is now a hub for multinational firms and nimble startups alike.

One of Scotland's unique strengths is the depth, breadth, and maturity of our financial and related professional services landscape. All areas of financial services are represented at scale across our major cities, including banking, asset management, insurance and long-term savings, private equity, wealth management and venture capital. And this well-established base is supported by an outstanding professional, legal and technical support services sector and a burgeoning tech ecosystem.

Key sectors

- **Banking:** Major UK and international banks operate from Scotland.
- **Asset management:** Edinburgh ranks among Europe's top centres, managing trillions in global assets.
- **Fintech:** Rapidly growing with over 260 active firms supported by incubators and tech-friendly regulation.
- **Life and Pensions:** Home to leading life and pensions businesses.

Financial clusters

- **Edinburgh** – HQs, asset management, fintech.
- **Glasgow** – Fintech, risk and compliance, shared services.
- **Aberdeen** – Energy finance and sustainability-linked investment.

Peripheral benefits

- 87,700 people in Scotland's digital tech workforce.
- Over 150 companies in Scotland's data science cluster creating data-based products and solutions.
- Home to a diverse network of industry bodies.
- High levels of investment helping Scotland become a global leader in AI.

A thriving talent pipeline

Scotland's workforce is its strongest asset. The nation boasts a deep pool of highly skilled professionals supported by world-class education and continuous development.

Talent sources

- Universities with leading business and finance faculties, including the University of Edinburgh, University of Glasgow and University of St Andrews.
- Strong graduate pipelines in fintech, AI, cybersecurity, and data analytics.
- Lifelong learning and upskilling through partnerships between academia and industry.

Employer advantages

- High levels of staff retention.
- Lower average salary costs than London.
- Multilingual and internationally experienced talent.
- Exceptionally attractive quality of life.

Infrastructure and connectivity

Scotland offers a modern, supportive environment for business operations, including both digital and physical infrastructure.

Digital readiness

- Full fibre broadband roll-out underway.
- 5G connectivity in major cities.
- Cyber resilience frameworks led by the Scottish Business Resilience Centre.

Business locations

- Grade-A office space in Edinburgh, Glasgow, and Aberdeen.
- High-quality co-working spaces for fintechs and startups.
- Competitive operating costs compared with other UK and European hubs.

Setting up an office in Scotland, particularly in Edinburgh, Glasgow or Aberdeen, offers compelling advantages over London, not least in terms of cost-efficiency, flexibility, and evolving demand dynamics.

Letting costs remain considerably lower than in London's premium districts. Plus, serviced office offerings in Scotland tend to be more economical. These spaces come fully furnished, often with utilities, cleaning, meeting rooms, and amenities bundled in – reducing both overheads and administrative burden, which is ideal for businesses requiring flexibility without sacrificing quality.

In summary, choosing Scotland over London for office space can yield significant savings while still giving access to a talented workforce and a desirable place to live. As evidenced by the strong demand, rising investment in quality office environments, and flexible serviced-office offerings, Scotland is an attractive alternative for businesses seeking value, flexibility, and strategic growth.

Global connections

- More than 100 daily flights between Scotland and London, with direct connections across Europe and the Middle East and a range of US destinations.
- Major seaports and rail links.
- Aligned with UK time zone, ideal for global trading.

Chapter 3: Opportunities for foreign businesses

Scotland welcomes foreign investment and offers a compelling value proposition for international financial firms.

Benefit from:

- Our robust and innovative regulatory environment, with an on-the ground presence from the Financial Conduct Authority (FCA), Bank of England (BoE), and Prudential Regulation Authority (PRA).
- Our leadership in sustainability, which helped us become one of the first countries to adopt the UN Sustainable Development Goals (SDGs) for Sustainable Development within our National Performance Framework.
- A mature, developed and high-quality legal and professional services network supporting our financial services ecosystem.
- Our outstanding universities and colleges – and their strong partnerships and connections with the financial services sector.
- Our diverse tech ecosystem with leading expertise in areas like AI, cyber security, data and analytics.

Market entry opportunities

- Set up and expand regulated financial services to access the UK market.
- Establish fintech development centres.
- Launch shared service operations (compliance, risk, IT).
- Collaborate in green finance and ESG innovation.

Government support

- **Scottish Development International (SDI):** Tailored investment support.
- **Innovation centres:** FinTech Scotland, The Data Lab.
- **Financial incentives:** Grants, R&D support, tax reliefs.

Success stories

- **JP Morgan Chase:** New European technology hub opened in Glasgow in 2024 for 2,700 staff.
- **BlackRock:** Edinburgh was the firm's first international office outside the US in 1998 and is now home to a highly skilled workforce of almost 1,500.
- **Nucleus Financial:** A homegrown success now supporting clients worldwide.
- **Walter Scott & Partners:** £80 billion under management with 230 employees.



Chapter 4: Navigating the financial regulatory landscape

By choosing Scotland, you will gain the stability and credibility of the UK’s regulatory regime, with the added benefit of being able to operate under Scots law (or even English law where advantageous or preferred). Whether your ambitions lie in asset management, fintech, insurance, or banking, Scotland benefits from the same regulatory regime as the rest of the UK, making it not just a strategic base for UK operations, but a launchpad for international growth.

The FCA regulates financial services providers such as banks and insurers (alongside the PRA for prudential aspects), credit unions, investment firms, asset manager, payment and e-money institutions and consumer lenders, brokers and other intermediaries. However, not every business carrying out financial activities requires direct authorisation under the Financial Services and Markets Act 2000 (FSMA). Instead, firms must first consider whether they meet the baseline test for regulated activities. In addition to this threshold test, there are certain exemptions and exclusions that may remove the need for authorisation.

Becoming Regulated

Another important alternative to obtaining direct authorisation is operating as an appointed representative (AR) or an agent of a payments firm. An AR or agent carries on regulated activities under the supervision and responsibility of an authorised firm (known as the “principal”). The principal firm accepts regulatory liability for the AR or agent’s activities, ensuring compliance with FCA rules. This arrangement allows businesses to offer regulated products or services without having to go through the often lengthy and complex authorisation process themselves, provided they operate within the scope of permissions granted by their principal. In the UK, many financial services and investment-related activities are classed as “regulated activities” under FSMA, and firms or individuals carrying them out will generally need to be authorised by the FCA or PRA unless an exemption applies.

Before authorisation is required,
the Four Tests under FSMA must be met:



Activity of a Specified Kind

- Is the person carrying out an activity listed in the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001?
- Examples include advising on investments, dealing in securities, or managing assets.



Relating to an Investment of a Specified Kind

- Is the activity connected to a type of investment defined in the same Order?
- This includes shares, bonds, derivatives, insurance contracts, and more.



By Way of Business

- Is the activity being done in a commercial or professional capacity, rather than casually or privately?
- The “business test” helps distinguish between regulated firms and individuals acting informally.



Carried on in the UK

- Is the activity taking place in the UK or having an effect within the UK market?
- Even overseas firms may need authorisation if they target UK clients.

These tests are cumulative — meaning all four must be met for authorisation to be required. If even one fails, the activity may fall outside the scope of regulation.

Authorisation is obtained by applying directly to the FCA (or PRA for certain dual-regulated firms, such as banks and insurers), providing detailed information about the business, its activities, and how it will meet regulatory standards. The process involves demonstrating that the firm has appropriate systems, controls, governance, and financial resources in place, as well as that its senior managers are fit and proper to perform their roles. Only once authorisation has been granted can a firm lawfully undertake regulated activities in the UK. The application process is the same regardless of where the firm is based in the UK.

The key regulators and their objectives

Financial Conduct Authority (FCA)

Role: Regulates conduct for around 50,000 financial services firms and financial markets.

The FCA focuses heavily on transparency, fair treatment of customers, and preventing misconduct.

Prudential Regulation Authority (PRA)

Role: Part of the Bank of England; supervises around 1,500 firms, including banks, building societies, credit unions, insurers, and major investment firms.

The PRA ensures firms have sufficient capital, effective risk management, and are resilient to market shocks.

Bank of England (BoE)

Role: Oversees monetary policy, systemic risk, and financial market infrastructure.

HM Treasury

Role: Sets the legal and policy framework for regulation, appoints key regulators, and brings forward new legislation when necessary.

Relevant legislation and why this matters

The general prohibition under FSMA

The Financial Services and Markets Act 2000 (FSMA) sets out the general prohibition in Section 19:

No person may carry out a regulated activity in the United Kingdom, or purport to do so, unless they are an authorised or exempt person.

The FCA and PRA actively enforce this prohibition by:

- Investigating unauthorised firms.
- Taking enforcement action (including fines, injunctions, and criminal prosecution).
- Issuing public warnings about unregulated operators.

The financial promotion restriction

Under FSMA, the UK imposes a general restriction on financial promotions to protect consumers.

In simple terms, a person must not, in the course of business, communicate an invitation or inducement to engage in investment activity unless they are authorised by the FCA or the PRA, or the communication has been approved by an authorised person.

This restriction applies broadly to all forms of communication, whether written, oral, or electronic, and covers a wide range of investment activities such as buying, selling, advising on, or arranging investments.

The effect of this is that overseas firms cannot actively target UK-based consumers to engage with their financial services products unless authorised to do so.

As with the general prohibition, breaching the restriction is a criminal offence and can result in fines or imprisonment, while agreements made as a result of an unlawful promotion may be unenforceable.

In practice, this means that only authorised firms, or unauthorised firms whose promotions are approved by an authorised firm, can lawfully issue financial promotions unless a relevant exemption applies.



Why this matters for setting up in Scotland

If you are looking to set up a regulated firm to access the UK markets, the general prohibition is both a compliance obligation and a market advantage:

- It keeps out unscrupulous operators, protecting the credibility of the market.
- It ensures that all authorised firms operate to consistent, high standards.
- It gives clients and counterparties confidence that your Scottish-based business is backed by the same trusted regulatory system as any London-based competitor.

Chapter 5: Global business mobility routes

When doing business in Scotland, it is important to ensure that the appropriate visa is in place to enable you to work, set up a business or live in Scotland. While nationals of some countries can enter Scotland for business trips without the need to obtain a visa in advance, anyone who is not British or Irish will need a visa in order to live in Scotland.

The UK, like many other countries, has been gradually tightening immigration laws in recent years. British and Irish citizens, as well as foreign nationals with indefinite leave to remain in the UK are exempt from immigration control – they can therefore work in the UK without restriction.

EU workers who were living in the UK by 31 December 2020 can usually apply under the EU Settlement Scheme for pre-settled status or settled status, depending on how long they have been resident in the UK.

Foreign employees from the rest of the world (which includes citizens of the European Union, the wider EEA and Switzerland coming to the UK on or after 1 January 2021) require a relevant visa which allows them to work in the UK.

The UK has a number of different visa categories that facilitate the attraction of skilled people to the UK for work, study or business. The visa that is required will depend upon the reason for coming to the UK and the intended length of stay. It is possible for employers to formally sponsor skilled employees for work visas or to transfer employees to the UK from overseas offices. The visa rules have various criteria that need to be met in order for employees to qualify for sponsorship. There are also family routes which help those with British or settled family members to come to the UK on the basis of their relationship.



Chapter 6: Practical information for setting up

Company formation

- Choose from limited company, branch office, LLP or subsidiary models.
- Simple registration via Companies House.
- Business banking readily accessible.

Taxation

- Competitive corporate tax rate (UK-wide).
- R&D tax credits and capital allowances.
- Double taxation treaties with 130+ countries.

Professional support network

- Access to legal, tax, and advisory firms with global experience.
- Local partnerships through Chambers of Commerce and FinTech Scotland.

Choice of law

The Scottish legal system is a distinct system within the United Kingdom, based on a unique blend of civil and common law traditions and with its own courts, procedures, and legal principles.

While it operates separately from the English legal system, parties to commercial contracts are free to agree a choice of law clause, meaning that contracts made in Scotland can still be governed by English law if preferred, which is often the case in cross-border or commercial contexts.

In practice, this flexibility is supported by the large number of English-qualified and dual-qualified lawyers living and working in Scotland, ensuring businesses and individuals have ready access to expertise in both systems and can confidently structure their arrangements under the governing law that best suits their needs. When making a business commitment to expand to Scotland, one of the first issues to be discussed should be how to appropriately structure your business from a commercial, corporate and tax perspective.

There are various ways in which investors may choose to enter the Scottish market, for example:

- Trading through a UK-incorporated entity;
- Establishing a UK branch;
- Acquiring an existing business in the UK;
- Entering into a joint venture or partnership with another business;
- Using a distributor or agent; or
- Running your business from another jurisdiction and selling into the UK.

When deciding which business vehicle is the most appropriate UK entity, it is important to consider factors such as the sector and the product or service being supplied. However, in most cases a UK-registered entity will be the most favourable in terms of managing international tax issues and can be set up in as little as 24 hours.

In Scotland, there are a number of different types of entities, including: a private limited company, a public limited company, a limited liability partnership, and a Scottish limited partnership. The private limited company is the most common choice.

Private limited company

Private companies limited by shares (Limited, Ltd or ltd) are by far the most common form of registered entity in the UK, benefiting from the limited liability of its shareholders and separate legal personality. It is common to see private limited companies used as a wholly owned subsidiary of an overseas parent. A UK company can be beneficial in terms of demonstrating commitment to Scotland and therefore providing additional credibility to third parties looking to trade or do business.

Although the company must have a registered office in the UK and retain its statutory records at its registered office, there is no requirement for either the shareholders or directors to be UK residents, or for board meetings to be held in the UK.

A private limited company cannot offer shares to the public or trade its shares on a public market such as the London Stock Exchange. If a private limited company wishes to raise capital, it can do so by issuing more shares “off market” (subject to the provisions in the articles of association) or increase its gearing by taking out a loan. Alternatively, it can convert itself into a public limited company.

Public limited company

A public limited company (PLC, Plc or plc) requires a minimum authorised share capital of £50,000, at least one shareholder and at least two directors, and may offer its shares to the public. However, such entities are subject to strict regulation and scrutiny. This guide does not address the intricacies of setting up a plc but please contact us if you are interested in this type of entity.

Limited liability partnership

Limited liability partnerships (LLPs) also have separate legal existence from their partners (referred to as members) and afford the partners flexibility in how to manage their business affairs. LLPs are tax transparent, meaning that each partner is responsible for their own tax, and are popular with professional services firms. LLPs require the involvement of two or more partners.

Scottish limited partnership

Scottish limited partnerships (SLPs) are a business entity unique to Scotland and are often used for private equity and property investment fund structures. Again, they are transparent for tax purposes but, unlike English limited partnerships, they have separate legal personality.

SLPs also require the involvement of two or more partners; one being a general partner who is responsible for the liabilities of the SLP and the other being a limited partner who is only liable for the extent of its capital contribution. The limited partner is not allowed to take part in the management of the SLP if it is to receive the benefits of limited liability. SLPs in some circumstances are not required to disclose details of their accounts.

The SLP’s separate legal personality means it can hold property, enter into contracts, borrow money in its own name and, most importantly, can be a partner in other limited partnerships. Because of this, SLPs are frequently used in layered structures and are ideal as fund of funds, carried interest, and co-invest or feeder/blocker vehicles.

An SLP may be designated as a private fund limited partnership. This type of vehicle is aimed specifically at the needs of private investment funds, including private equity and venture capital funds.

Bank accounts

Bank accounts for UK entities can be set up relatively quickly, although this is dependent on the overall structure of the business. Unlike some other European jurisdictions, there is no need to establish a bank account before incorporating your UK entity.

Employment

There are many reasons why businesses of all sizes are attracted to Scotland, including the ever-expanding talent pool in a variety of areas and professions, the reasonable cost of living compared to other parts of the UK, and the transport links to various global hubs including London.

However, there are many important issues to consider when hiring staff in Scotland, the first being whether the traditional “employee” model suits your business or whether engaging self-employed consultants, contractors or agency workers may be more suitable. Employees receive the greatest degree of protection but “workers” also receive some of the rights afforded to employees. The decision as to the best staffing model often comes down to the business requirements and tax considerations.

Much of UK employment law is derived from European law, and therefore applies throughout the UK, but these laws differ significantly from jurisdictions outside Europe. In recent years, there has been a move to reduce the burden of employment regulation on UK employers, with notable changes including the increase of the service requirement for unfair dismissal claims to two years and capping compensation for unfair dismissal claims at the lesser of one year’s gross pay or £115,115. Although, this is set to change (on a UK-wide basis) with the Employment Rights Bill which will remove the two years’ service requirement for unfair dismissal claims, together with several other significant changes, said to be “the biggest upgrade to workers’ rights in a generation”.

International employees

The UK, like many other countries, has been gradually tightening immigration laws in recent years. As the UK left the EU, workers from within the European Union, the wider EEA and Switzerland coming to the UK on will need to obtain permission to work under one of the visa categories.

EU workers who were living in the UK by 31 December 2020 need to apply under the EU settlement scheme for pre-settled status or settled status depending on how long they have been resident in the UK.

Foreign employees from outside the EU, EEA and Switzerland, unless they have indefinite leave to remain in the UK or are otherwise exempt from immigration control (and are therefore not restricted in the work they can carry out), also require a visa which allows them to work in the UK.

The UK has a number of different visa categories that facilitate the attraction of skilled people to the UK for work, study or business. The visa that is required will depend upon the reason for coming to the UK and the intended length of stay. It is possible for employers to formally sponsor skilled employees for work visas or to transfer employees to the UK from overseas offices. The visa rules have various criteria that need to be met in order for employees to qualify for sponsorship. There are also family routes which help those with British or settled family members to come to the UK on the basis of their relationship.

Chapter 7: Digital assets and blockchain: Scotland’s next financial frontier

Scotland is emerging as a trusted base for innovation in digital assets and blockchain technology. While London often dominates headlines, Scotland combines centuries of financial expertise with a collaborative fintech ecosystem, world-class universities, and supportive bodies like FinTech Scotland and Blockchain Scotland. This creates a natural environment for businesses exploring tokenisation, digital finance and blockchain-enabled solutions.

Real innovation, real application

Digital assets and distributed ledger technology are already reshaping sectors where Scotland excels:

Edinburgh is home to Zumo, a fintech pioneering in carbon-conscious digital asset services backed by Innovate UK funding, and Nethermind, a global blockchain research firm that chose Scotland for its new hardware R&D lab at Edinburgh Napier University. In the Orkney Islands, a blockchain energy marketplace, TraDER, has facilitated over 1,000 renewable energy trades, helping balance local supply and reduce curtailment. Meanwhile, Siccar improves component traceability in oil and gas, and emerging markets for environmental assets. In Aberdeen, Brewtoon and TrackGenesis use blockchain to verify ingredient origins for premium exports. These are practical, live applications demonstrating Scotland’s ability to deliver Scotland’s ability to deliver practical blockchain solutions.

The new Digital Trust Centre of Excellence, launched in January 2025 with Scottish Enterprise backing, brings together Edinburgh Napier and the Universities of Edinburgh and Glasgow to commercialise blockchain applications across finance, energy and healthcare. Following the Scottish Blockchain Roadmap’s identification of a £4.3 billion economic opportunity, the centre exemplifies Scotland’s commitment to leading in digital assets.

Regulatory clarity, competitive advantage

For international investors, Scotland offers something increasingly rare: regulatory responsiveness and clarity within a framework designed for innovation. As part of the UK system, Scottish firms benefit from the FCA’s progressive approach that balances consumer protection with technological advancement.

Reforms are under way across the UK to clarify the legal status of digital assets as property. The UK Government has published the Property (Digital Assets etc) Bill which is currently progressing through Parliament. In parallel, Scotland is taking its own steps: following recommendations from an Expert Reference Group, the Digital Assets Scotland Bill was introduced to the Scottish Parliament in September 2025. The Scottish Bill confirms that digital assets can be owned, transferred, and used as personal property, which is an essential step for enabling custody, lending and collateral arrangements with confidence. The Bill is currently at Stage 1 of parliamentary scrutiny and is expected to become law in 2026.

At the regulatory level, the FCA already oversees security tokens and e-money tokens, requires cryptoasset firms to register under the Money Laundering Regulations 2017, and enforces strict rules on financial promotions. A broader regime covering the issuance, custody, staking and operation of trading venues is due to take effect in 2026, following the principle of “same risk, same regulatory outcome.” It is currently not envisaged that the new regime will include special provisions for decentralised finance (DeFi) models. In truly decentralised models, where there is no person that could be seen to be undertaking the activity by way of business, then the requirement to seek authorisation will not apply.

Why Scotland?

Scotland offers digital asset businesses distinctive advantages:

- **Deep talent pool:** With over 150,000 people in Scotland’s financial services workforce and world-class universities producing graduates in computer science and cryptography, firms can access both financial expertise and technical capability. The presence of major technology centres, including JPMorgan Chase’s Glasgow hub, employing 2,700 people, demonstrates the availability of skilled professionals.
- **Thriving ecosystem:** Scotland is home to over 260 fintech companies, with FinTech Scotland providing a collaborative network for knowledge sharing and partnerships. Major financial institutions with significant Scottish operations – including those managing £700 billion in assets – provide potential partners for digital asset ventures.

- **Cost-effective operations:** As noted throughout this guide, Scotland offers competitive operating costs compared to London, enabling firms to invest more in growth and innovation while maintaining healthy margins.
- **Commitment to sustainability:** Scotland’s abundance of renewable energy and commitment to net zero by 2045 creates opportunities for sustainable blockchain operations. Companies like Zumo are already demonstrating how digital asset businesses can align with environmental goals.

Your next steps

Scotland offers international investors a location with a unique blend of innovation, regulation and support to lead in digital assets. Whether establishing European headquarters for a global exchange, developing institutional custody solutions, or pioneering asset tokenisation, Scotland delivers clear advantages.

The FCA provides transparent regulatory pathways, including pre-application meetings to streamline the authorisation process. Scottish Development International offers tailored support including regulatory introductions, assisting with site selection, and connections to the fintech community. Grant funding opportunities are available through Scottish Enterprise for research, development and innovation. All of this operates within a proven ecosystem where both international firms and local startups are building the future of digital assets.

As traditional finance and digital assets converge, Scotland stands ready with the frameworks in place and the ecosystem thriving. The digital asset revolution is here, and Scotland is not just participating – it’s leading.



Chapter 8: Financing the Net Zero Transition

Scotland is emerging as a leading international centre for green and sustainable finance, supported by one of the world's most progressive climate policies. The Climate Change (Scotland) Act 2009 currently applies a 'net zero' target to Scotland for 2045, which is five years ahead of the rest of the UK. With long-term policy stability, abundant natural resources, a well-established financial sector, and a progressive regulatory environment, Scotland offers a strategic base for investors and institutions seeking to generate environmental and social impact alongside financial returns.

Green finance leadership

Scotland hosts the Global Ethical Finance Initiative (GEFI) and several leading centres for climate finance research, uniting financial expertise, policy innovation, and academic excellence. Further, the Scottish Taskforce for Green and Sustainable Financial Services—a joint initiative of the Scottish Government, GEFI and Scottish Financial Enterprise—is actively advancing the Glasgow Financial Alliance for Net Zero (GFANZ) roadmap.

Consistent top tier rankings for Edinburgh and Glasgow in the Global Green Finance Index further validate the scale of expertise and commitment to sustainable investment across our financial centres.

Key highlights:

- Green investment pipeline exceeding £50 billion.
- Strong focus on sustainable infrastructure and net-zero transition projects.
- Access to talent and research from globally ranked universities with deep expertise in environmental economics and finance.

Regulatory foundations

Scotland operates within the UK's evolving sustainability regulatory regime, which includes mandatory climate disclosures aligned with the Taskforce on Climate-related Financial Disclosures (TCFD) and the incoming UK Sustainability Reporting Standard (UK SRS). These are based on the ISSB's IFRS S1 and S2 and signal a clear direction towards standardised, high quality disclosures that support credible transition planning.

The FCA's new Sustainability Disclosure Regime (SDR) and investment labelling system are also key parts of the regulatory toolkit. They include product and entity-level disclosures, investment labels and an anti-greenwashing rule that requires all sustainability-related claims regarding financial products or services to be fair, clear and not misleading. These measures support market integrity while helping investors identify products that genuinely contribute to environmental and social outcomes.

Transition planning and stewardship

Scotland is also part of the UK's evolving requirements on climate transition planning. Large companies and regulated financial institutions will soon be required to develop and publish credible transition plans in line with the UK's net zero objectives and the 1.5°C goal of the Paris Agreement. A consultation process is underway to finalise the scope and enforcement model.

In parallel, stewardship frameworks like the UK Stewardship Code and the UK Corporate Governance Code continue to embed sustainability into the investment process. Together, they establish a clear expectation that boards, asset managers and institutional investors must take a long-term, transparent approach to environmental and social risk.

Opportunities across the energy transition

Scotland already hosts landmark renewable projects such as the Seagreen Offshore Wind Farm, a 1.1 GW joint venture between SSE Renewables and TotalEnergies that came fully online in 2023. Building on this momentum, the country is seeing major commitments to battery storage – including plans for three of Europe's largest installations (Coalburn 1, Coalburn 2, Devilla) – which help to secure the stability of a renewables-driven grid.

In parallel, the Acorn Carbon Capture and Storage Project at St Fergus represents a frontier investment in industrial transition, which is backed by significant UK Government funding. Together, these projects illustrate how Scotland offers both scale and technological breadth: from proven offshore wind to next-generation carbon solutions.

Anchoring supply chains and innovation

Public investment is being used to crowd in private capital. The Scottish Government has committed up to £500 million to anchor the offshore wind supply chain, while the Green Investment Portfolio curates a pipeline of projects across renewables, low-carbon infrastructure and energy parks. These initiatives provide international investors with transparent entry points and demonstrate long-term policy commitment.

At a smaller scale, firms such as Nova Innovation are developing tidal energy solutions, showcasing Scotland's ability to foster world-leading marine technology. Local innovation in adaptation and resilience – from sustainable drainage systems to climate -proof infrastructure – widens the scope for ESG investment beyond generation alone.

Chapter 9: Next steps

Partner with Scottish Development International

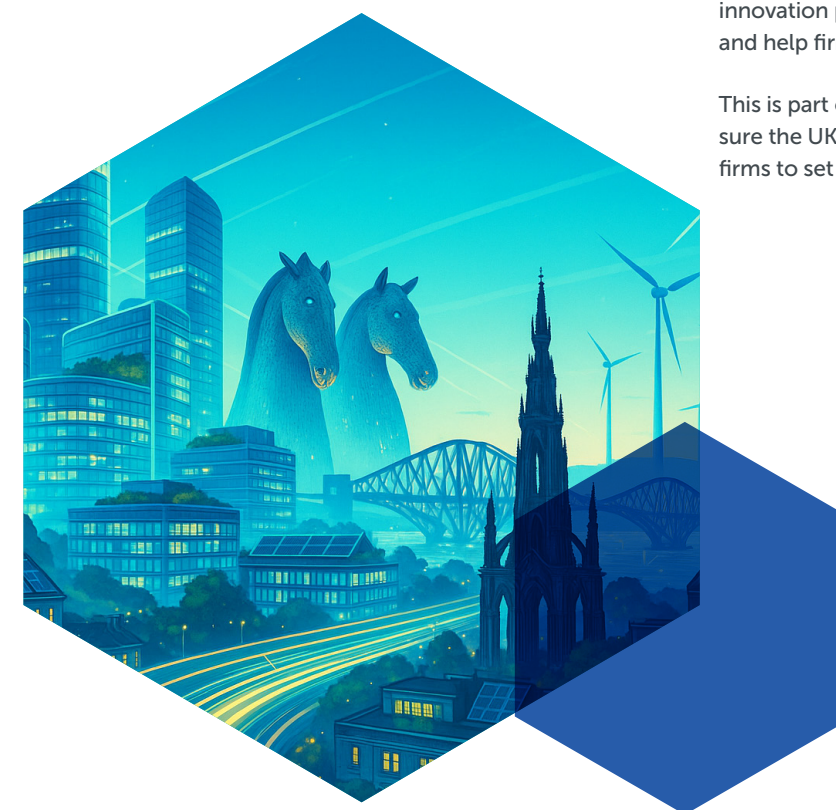
SDI provides bespoke support to international businesses seeking to establish or expand in Scotland. Services include:

- Market analysis and location advice.
- Connections with government, universities, and industry leaders.
- Help navigating incentives and regulatory requirements.

Attend key events

Scotland hosts a series of high-profile financial services events each year, providing valuable opportunities for networking, collaboration and insight, including

- Scotland Fintech Festival.
- Scottish Financial Services Week.
- Green Finance Summit.



Connect with our experts

For further information on Scotland's financial services sector, visit www.sfe.org.uk.

If you are ready to establish your financial services business in Scotland, Burness Paull can guide you every step of the way. Our market-leading financial services team has supported numerous international firms establish and grow their Scottish operations.

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Engage with the Financial Conduct Authority

The FCA is a key partner in the Office for Investment: Financial Services (OFI:FS), a new service supporting international investors in the UK's financial services sector.

Their **support services**, including pre-application support and innovation programmes, make it easy to interact with them and help firms who meet the UK's standards get authorised.

This is part of their commitment to support growth and make sure the UK is the best place in the world for financial services firms to set up and thrive.



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 **Burness Paull**



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