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## BET ON BRITAIN – COLUMN

BY M. RON WAHID

**Despite the doom and gloom, Brexit is an opportunity for American businesses.**

While Brexit may prompt the flight of some financial services companies from London, Britain's tradition of democracy and its belief in business as the driver of growth, combined with the weakening of the pound sterling, should prompt many others to stay.

In 2006 we opened our doors in the UK, culminating in 2015, when we moved our headquarters to London. I moved our headquarters to London because I knew the city was the gateway to the European economy, a hub for integrated markets and free movement of labor. While many financial services firms and big banks are considering plans to move work and workers to cities such as Dublin and Frankfurt, the volatility of the UK market is not enough incentive for me to move my business out of London.

International firms should look at Britain as a tax refuge in a European

sea of high corporate rates. Escaping the 39% corporation tax rate in the United States makes England look very attractive. Indeed, the country has worked hard to become one of the lowest-tax jurisdictions in the G20. At just 20% — and with the potential to fall to 15% in the future — the U.K. beats out Germany, the Netherlands and most other European countries. It is 2% lower than the EU average, which now stands at more than 22%.

As for the potential loss of passporting rights and doing business in European Economic Area countries, most international businesses already have offices in more than one European country, even if London is their main hub.

That Brexit will narrow the professional talent pool in Britain is also unfounded. Although the U.K. government has thus far refused to support a motion calling for EU nationals to be guaranteed the right to remain in Britain, the fear of repatriation remains unwarranted. The approximately three million citizens of other

EU countries living in the UK are vital to Britain's economy and its aging workforce.

For businesses, there are few feasible Western European alternatives to London. A company such as ours, which provides round-the-clock services to its clients, could not move its headquarters to France, where it would be bound by the 35-hour-work-week regulations, or to Germany, where we would become less accessible to North American markets and have to navigate daunting bureaucracy.

For American companies, there is a diplomatic advantage to staying in Britain. Brexit may well serve to strengthen U.S. relations with Britain by formalizing a trade agreement that gives American companies an advantage. After all, Britain shares many more characteristics with the United States than with its European neighbors, including cultural norms and the belief in capitalism as the driver of economic success. A trade agreement would not be difficult to develop between the two allies.

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As Europe and the United States steel themselves for the long-term economic devastation they believe Brexit will have on their economies, they should look for the entrepreneurial silver lining in this new reality. An influx of U.S. companies and American foreign direct investment into London is precisely what is needed to restore confidence in the UK market.

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