



HM Treasury



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Swiss Confederation

Federal Department of Finance FDF

Joint Statement between Her Majesty's Treasury and the Federal Department of Finance on deepening cooperation in financial services

1. Her Majesty's Treasury (HMT) from the United Kingdom of Great Britain and Northern Ireland (UK) and the Federal Department of Finance (FDF) from the Swiss Confederation (Switzerland) have agreed a shared ambition to conclude an international agreement that will enhance the cross-border market for financial services between the UK and Switzerland.
2. As the two leading financial centres in Europe, the UK and Switzerland have a strong and established financial services relationship as a major source of capital for the European economy. This relationship is underpinned by a commitment to international standards and a shared belief in the value of open and resilient financial markets.
3. In the context of the global COVID-19 pandemic and the resulting challenges for our economies, these commitments and values are of even greater importance today.
4. Both sides are committed to protecting investors, consumers, market integrity and financial stability, as well as maintaining world-leading regulatory standards.
5. The objective is to improve the cross-border market for financial services between the UK and Switzerland, with an intended focus on the provision of services to wholesale and sophisticated clients in the fields of insurance, banking, asset management and capital markets (including market infrastructure).
6. In that spirit, this joint statement signals both sides' intention to negotiate an ambitious future relationship that will build on the strengths of the UK and Swiss financial centres to deliver benefits to consumers, the financial services sector and the broader global economy.

Model of cooperation

7. The UK and Switzerland will work towards mutual recognition of each other's regulatory and supervisory regimes in the fields of insurance, banking, asset management and capital markets (including market infrastructure).
8. In line with work conducted by international bodies such as the G20 and the Financial Stability Board (FSB), both sides reiterate their commitment to an outcomes-based approach to mutual recognition and acknowledge that different approaches to financial regulation can achieve comparable overall aims with regard to market integrity, financial stability and the protection of investors and consumers.

9. On the basis of recognition, reciprocity and enhanced regulatory and supervisory cooperation, the UK and Switzerland will seek to improve access for the cross-border provision of financial services for wholesale and sophisticated clients as well as to reduce or remove ongoing frictions applying to cross-border activity between the two jurisdictions.
10. To avoid market fragmentation and build an open global financial system, both sides note their willingness to defer to each other's national regimes and supervisory practices where they achieve comparable overall outcomes with regard to market integrity, financial stability and the protection of consumers and investors.
11. In recognition of the leading role both countries have played in shaping the global approach to financial regulation, and the importance of using international standards as the basis for greater cooperation, the UK and Switzerland will seek to deepen their cooperation in international fora. The UK and Switzerland will cooperate on both the design and implementation of robust international standards, as well as on innovation and the role of technology in financial services.
12. Both sides intend to conclude a legally binding international agreement that will:
 - a. Establish outcomes-based mutual recognition, providing rights for the provision of relevant financial services from one jurisdiction into the other, and reducing regulatory frictions for cross-border activity;
 - b. Establish structures and appropriate safeguards to underpin these rights, including provisions for regulatory and supervisory cooperation; and
 - c. Create a clear, transparent and managed process in the event that recognition is withdrawn in the future or re-established after a withdrawal.
13. With the envisaged agreement, both sides intend to set a precedent for international cooperation in financial services and a basis for future cooperation.

Next steps

14. Since 2016, the UK and Switzerland have held an annual Financial Dialogue to discuss areas of shared interest.
15. The next UK-Swiss Financial Dialogue will be held on 8th September, attended by representatives from HMT, the State Secretariat for International Finance (SIF), the Bank of England, the Financial Conduct Authority, the Swiss National Bank and the Swiss Financial Market Supervisory Authority.
16. Joint technical work on the future financial services relationship is underway and will now be intensified ahead of discussions at the Financial Dialogue, which will also be used to agree next steps, including a process for negotiations.
17. As well as discussing the future relationship, both sides intend to use the Financial Dialogue to discuss shared interests in a range of other areas. For example, cooperation in multilateral fora and sustainable finance, as well as innovation and the role of technology in the financial sector.

18. Both sides aim to take stock of progress in the negotiations at a meeting before the end of 2020.
19. HMT and SIF will continue to engage with financial services firms and market participants to ensure that the agreement delivers practical impact.

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30 June 2020

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30 June 2020