The Berne Financial Services Agreement: Benefits for the UK

December 2023

HM Treasury

Contents

Executive summary

This is a ground-breaking and dynamic new agreement providing an institutional framework for cooperation and development of our financial services relationship with Switzerland.

Using outcomes-based mutual recognition of domestic laws and regulations, the agreement facilitates cross-border trade in financial services to wholesale and sophisticated clients. It includes a set of safeguard mechanisms to ensure consumers, investors, markets and financial stability are all protected.

The agreement will act as a bridge between the markets of the UK and Switzerland, who are two of the world's leading financial centres. The foundation of the agreement is a shared commitment to openness and commercial competition; regulatory and supervisory cooperation; and well-regulated markets. By employing a new and innovative framework that uses outcomes-based mutual regulatory recognition, firms from both nations will, in many cases, be able to rely on the regulation and supervision of their home country, avoiding duplicative and burdensome requirements. The agreement is a significant and novel example of how the UK can regulate cross-border activity whilst giving a smooth, safe and stable framework for firms to do business.

For some of our largest financial services sectors, including insurance, the agreement will bring unprecedented new market access to provide wholesale services into the Swiss domestic market, which will put our businesses at a competitive advantage in relation to those in other third countries. In other areas the agreement introduces commitments to secure the existing access that UK firms have into the Swiss market such that firms can plan and invest with greater certainty. UK clients, including high net-worth individuals, will benefit from more straightforward access to services from Swiss providers. This is also a 'living' agreement, with potential for future expansion where new opportunities arise.

The agreement establishes a new model for strong regulatory and supervisory cooperation, ensuring that our respective domestic objectives and high regulatory standards are upheld. This model will protect consumers and investors, as well as promoting financial stability and market integrity, whilst ensuring the benefits of the agreement are secure and long-lasting in a way that the Government hopes will provide a blueprint for future mutual recognition agreements.

Background

Since 2016, the UK and Switzerland have held an annual Financial Dialogue to discuss areas of shared interest across financial services. The UK and Switzerland have historically strong economic ties, and host two of the largest global financial centres. Trade in financial and insurance services with Switzerland has grown rapidly, reaching £3.28 billion in 2022. We share a common commitment to upholding international standards and a belief in open and resilient financial markets.

In June 2020, the UK and Switzerland published a ministerial Joint Statement confirming their intent to negotiate an agreement based on the mutual recognition of each other's regulatory and supervisory regimes for financial services, with the objective of enhancing the cross-border market for the provision of services to wholesale and sophisticated clients.

The Joint Statement marked the launch of joint technical work to establish the parameters of the agreement and a process for negotiations and set a mandate to:

- **Establish outcomes-based mutual recognition, facilitating the provision of relevant financial services from one jurisdiction into the other, and reducing regulatory frictions for cross-border activity.**
- **Establish structures and appropriate safeguards to underpin this supply, including provisions for regulatory and supervisory cooperation.**
- **Create a clear, transparent, and managed process in the event that recognition is withdrawn in the future or re-established after a withdrawal.**

The UK and Switzerland have engaged in negotiations, drawing on discussions with our respective financial services industries and market participants to ensure the agreement delivers commercial benefits. The Chancellor, Jeremy Hunt, and his Swiss counterpart, Finance Minister Karin Keller-Sutter, signed the final agreement in December 2023.

The establishment of the agreement reflects the shared values held by the United Kingdom and Switzerland and will serve as a catalyst for growth and competition in both countries, providing substantial benefits to investors and consumers. The joint architecture it creates presents a unique opportunity to enhance the stability and cooperation underpinning the UK's relationship with Switzerland and will encourage other jurisdictions to acknowledge the potential of outcomes-based mutual recognition. The Government hopes that this will serve as a template for possible future negotiations with other likeminded international partners.

The agreement

This section sets out some of the key provisions included in the agreement and summarises their rationale and benefits. (The full text of the agreement is available online.)

Institutional framework: A ground-breaking model for cross-border financial services trade

The agreement is by far the most ambitious and comprehensive outcomes-based bilateral MRA in financial services, and is a global first for the UK in terms of breadth and depth. It addresses regulatory barriers to cross-border business, not just market access, and does away with line-by-line equivalence assessments, instead employing an outcomes-based system of mutual recognition.

Outcomes-based mutual recognition is a flexible and pragmatic approach to international financial regulation. It allows the United Kingdom to maintain resolute standards for financial stability and investor protection whilst promoting international trade. It enables the United Kingdom and Switzerland to mutually benefit from the sophistication of one another's regulatory regimes, whilst minimising the need for businesses to navigate complex and potentially different regulatory requirements in both jurisdictions.

Unlike many existing trade agreements, the agreement is designed to be dynamic and 'living', which will enable the UK and Switzerland to build on sectoral commitments where new possibilities are identified in the future. In this regard, sustainable finance is already identified within the agreement as an avenue for further cooperation between the UK and Switzerland.

Benefits of deference-based commitments:

Flexibility	Domestic regulatory landscapes can continue to evolve, and the agreement provides cooperation mechanisms to manage this
Outcomes based recognition	Regulators identify principles and objectives that should be delivered by regulation and supervision in a foreign jurisdiction
Information exchange & supervisory cooperation	Authorities work together to make sure risks in UK and Swiss markets can be quickly and effectively addressed
Calibrated safeguards	Tools are available for authorities to manage down any residual regulatory risk in their domestic markets
Transparency	Ensuring that authorities and firms using the agreement are well informed about deference and any upcoming changes that could affect the ability to supply services covered by this agreement

What is 'deference'?

Under the agreement, Country A defers to the relevant standards in Country B where Country A decides that financial services suppliers from Country B that are regulated and supervised in Country B, can provide services on a cross-border basis into Country A without needing to comply with the regulatory and supervisory rules that apply to other financial services suppliers.

This helps to reduce the burden on firms because they don't have to follow different rules in other countries that achieve the same outcomes – instead they can rely on familiar rules from their home jurisdiction.

In this agreement, we only defer to the rules of Switzerland where we have made a recognition decision that judges they achieve comparable goals or outcomes in relation to our key regulatory and supervisory objectives to protect investors, consumers, market integrity and financial stability.

Deference goes hand in hand with cooperation, information sharing and supervisory tools for managing disagreements and safeguards, all of which help to ensure that deference is maintained and that risks to our markets can be adequately addressed in any situation. This includes supervisory cooperation arrangements and other safeguards to ensure that UK authorities can step in and act in relation to a firm operating under deference in extremis.

The agreement establishes a framework for increasing the deference-based supply of financial services between the United Kingdom and Switzerland over time and it already includes several commitments where deference has been put in place:

- The United Kingdom has deferred to Switzerland for certain investment services, meaning Swiss suppliers, when in compliance, can rely on Swiss rules and supervision when supplying those activities into the UK.

- Switzerland has deferred to the UK's insurance regulations and supervision, meaning that UK insurance firms within scope of the agreement will be able to supply certain insurance services into the Swiss domestic market, whilst complying with and relying on UK rules and supervision.

- Both parties have also deferred to one another's jurisdictional level rules regarding central counterparties (CCPs).

What does the agreement achieve for the financial services sectors it covers?

The Berne Financial Services Agreement draws in the vast majority of wholesale financial services sectors, setting an unprecedented breadth for a financial services agreement of this kind. This broad scope is designed to foster a more integrated and efficient financial services landscape between the UK and Switzerland, allowing firms to operate more seamlessly across borders and promoting healthy competition across our respective industries. For some covered sectors, the agreement unlocks new market access and establishes deference commitments and in others, where UK or Swiss regimes already permit liberal cross-border access, the agreement introduces stabilising provisions to help maintain the status quo.

	Insurance & reinsurance	Investment services	Asset management	Corporate banking	Over the counter derivatives	Central counterparties	Trading venues	Expansion of scope mechanism to bring in new sectors
New market access	✓	✓	✗	✗	✗	✓	✗	TBC
Recognition based commitments	✓	✓	✗	✗	✓	✓	✗	TBC
Stability enhancing commitments	✓	✓	✓	✓	✓	✓	✓	TBC

Insurance

The Berne Financial Services Agreement provides access for UK insurers and intermediaries providing wholesale services into the Swiss domestic insurance market, going beyond what Switzerland has offered to any other trading partner to date. When implemented, it will secure immediate access for many wholesale lines of business which are of value when dealing with large corporate clients. This includes, but isn't limited to, the provision of policies in the space of renewable energy, directors' & officers' liability, sellers and buyers warranty, indemnity, and cyber insurance.

The commitments from Switzerland are based on deference which means that UK insurers will be able to provide a wide range of wholesale services into the Swiss market with significantly reduced Swiss regulatory requirements, relying largely on familiar UK regulation.

In addition to this, the UK will be the sole trading partner exempted from new Swiss legislation which will require overseas insurance brokers to localise in Switzerland from 2024. This will allow UK brokers to continue to act cross-border and will ensure business can continue uninterrupted, and on an efficient, flexible basis.

With 67% of the UK's insurance enterprises based in areas of the UK outside of London, and over 300,000 employees in the sector, these commitments are set to unlock opportunities across the UK and will contribute toward retaining the UK's status as a world leading insurance market.

Investment services

The agreement builds on the highly liberalised access UK firms already have into the Swiss investment services market by introducing commitments designed to stabilise the access routes currently available to service institutional and professional clients, including high net worth individuals.

Face-to-face interactions make all the difference in initiating and maintaining business with high-net-worth clients and other private clients and this deal ensures it is easier than ever before for client advisers acting on behalf of UK firms to provide services directly to their clients whilst in the territory of Switzerland. Client advisers will no longer need to be registered by Swiss registration bodies, nor will they have to prove to these bodies that they meet the requirements necessary to provide their services to private clients in Switzerland. This will do away with the need to sit examinations and provide documentation relevant to the registration process.

Based on extensive discussions with UK industry, we have built on the UK's cross-border investment services regime under the Markets in Financial Instruments Regulation (MiFIR) to provide Swiss investment services firms with a forward leaning access offer to the UK market.

Whilst the access granted is similar to Article 47 of UK MiFIR, we have made two major improvements to the framework within our offer. First, we have granted Switzerland access in a way that allows for other forms of access to the UK's domestic market to remain open; notably, this means Swiss firms will have the choice of continuing to rely on the overseas persons exclusion or using this agreement to service clients in the UK. Secondly, we have created a new and bespoke mechanism for Swiss firms to do business with sophisticated high-net-worth investors. This has been designed to ensure access to these clients by Swiss firms will come with appropriate disclosures to clients, but at the same time, will broaden the choice available to sophisticated UK clients, driving competition and creation of better products, services and processes in the UK market.

Corporate banking

The agreement will bring stability to the market access UK banks currently have to service corporate clients in Switzerland, ensuring deposit taking and lending services can continue to be provided cross-border, cementing the UK's position as the world's most globally connected banking hub and the world's largest centre for cross-border banking.

The agreement also envisages the central banks of the United Kingdom and Switzerland drawing up a Memorandum of Understanding (MoU) with regards to banking resolution arrangements. This emphasises the importance of having coherent resolution arrangements in place not just domestically, but with our international partners with whom we have close financial ties. When agreed, this will ensure that in times of distress, we can have greater confidence that there are suitable frameworks for cooperation, information sharing and coordination in place to resolve cross-border financial institutions.

Asset management

The United Kingdom and Switzerland already have relatively open regimes for the marketing of funds. The Berne Financial Services Agreement ensures that the UK's ability to market funds to Swiss professionals and high net worth clients will remain stable, boosting the attractiveness of the UK as a world-leading location to sell funds globally. The UK has a wealth of investment expertise and holds £10.3tn of Assets under Management (AuM) – more than any other country bar the US. Nearly half of all AuM in the UK is managed on behalf of overseas clients and the ability to market these funds to potential professional clients overseas is therefore a cornerstone in sustaining the pre-eminence of the UK as an attractive place to locate and administer funds.

UK expertise in portfolio management is already a major global export, with 67% of total assets in UK-managed investment funds sitting in overseas domiciled funds. HM Government remains completely committed to supporting portfolio delegation from and to the UK as a means to promote market efficiency, investor choice and to reflect the international nature of financial markets. Portfolio delegation channels between the UK and Switzerland are already open. Whilst an agreement of this type is not a necessary precondition of portfolio delegation - a valued international norm - the agreement introduces commitments to maintain this openness. This means UK and Swiss asset managers can continue to select the best expertise available in our respective countries.

Over-the-counter derivatives

The UK is the single largest and most important global market for over-the-counter derivatives (OTCD) activity. In 2022, UK-based OTC interest rate transactions accounted for over 45% of total global turnover from these products, the most common type of OTC derivative globally, totalling more than $2.6 trillion. Through the Berne Financial Services Agreement, the UK and Switzerland have recognised certain risk mitigation rules of the other Party – those designed to reduce risks associated with the trade of these financial instruments. This means UK and Swiss counterparties to these contracts will be free to make a choice on whether to rely on either recognised UK or Swiss risk mitigation rules, so firms will be able to engage in cross-border trades more efficiently and flexibly.

Financial market infrastructures

Financial market infrastructures (FMI) play a critical role in the effective functioning of the UK's domestic and international financial systems. Our commitments in the Berne Financial Services Agreement have been designed to reflect the necessity of international collaboration on FMIs to promote stability, reduce risks and improve the efficient functioning of global financial markets.

For central counterparties (CCPs), the agreement embeds new regulatory recognition decisions from both parties. These decisions will receive full benefit of the agreement's stabilising features, including its transparent withdrawal procedure, which will ensure that UK CCPs can provide services in the Swiss market with greater certainty. Given the crucial role CCPs play in maintaining and enhancing financial stability, we have ensured that our regulators retain their existing functions to assess the individual characteristics of Swiss CCPs before they are able to access UK markets.

The agreement also includes commitments designed to stabilise the relatively open access currently permitted under UK and Swiss regimes for the regulation of trading venues (TVs). Taken together, this package of FMI commitments will help to promote competition, innovation, and efficiency in UK and Swiss financial markets. There is more we can do in this space and that is why we have also committed to further engagements with Swiss authorities to explore enhanced arrangements on a set of additional aspects of our financial market infrastructures.

A living agreement: future sectors

Many trade agreements are static, locking in a series of commitments at the time they are signed. This agreement is dynamic and introduces a flexible and transparent mechanism that will allow the UK and Swiss authorities to expand on the agreement's initial sectoral coverage, detailed below, including adding entirely new financial services sectors into its scope. This is not constrained to take place during the agreement's formal review points and can, with the agreement of both nations, be done at any time, ensuring that opportunities for mutual benefit do not pass us by.

The agreement already marks sustainable finance as one of the first areas that HM Government aims to bring within its scope going forward. In addition to commitments already included within the deal to enhance cooperation relating to regulatory developments in the field of sustainable finance, the UK has also committed to entering into future negotiations with Switzerland, aiming to introduce mutual recognition of rules and standards for mandatory climate-related corporate disclosures.

Benefits of the agreement

This section explains some of the overarching benefits of the agreement.

The Berne Financial Services Agreement creates opportunities for the UK's financial services sector and wider economy:

- **The agreement will enhance an already thriving financial services trade relationship** with Switzerland, cementing our positions as two of the leading global financial hubs and delivering benefits to UK consumers and our financial services sector.
- **The agreement will support jobs and boost economic growth across the UK,** providing new and better business opportunities for financial services firms across the UK.
- **The agreement marks the UK out as a global leader in financial regulatory innovation** by establishing a new global precedent for enhancing cross-border trade in financial services which, in turn, creates a blueprint for what can be achieved between trade partners who share belief in the value of open and resilient financial markets and high regulatory and supervisory standards.
- **The agreement deepens our economic ties with a like-minded trading partner,** cementing the UK's status as an independent trading nation.

Enhancing an already thriving financial services trading relationship with Switzerland

The UK is the world's leading net exporter of financial services, contributing approximately £254 billion to the UK economy, and exporting £2.7 billion worth of financial services to Switzerland in the four quarters to Q2 2023. Switzerland is likewise a services-focused economy and is the one of the UK's top trading partners with trade volumes only surpassed by the EU, US and China.

Trade in financial services between the UK and Switzerland has gone from strength to strength in recent years. Between 2016 and 2022, UK trade in financial and insurance services with Switzerland grew by 53% - reaching £3.28 billion in 2022. This compares to the growth of 28% for the UK's financial and insurance services trade with the world over the same period.

Financial and insurance services remain one of the leading contributors toward the UK's trade surplus and Figures 1 and 2 show that the UK has held a sizable trade surplus with Switzerland in every quarter since 2016 for these sectors. This is in line with the UK's unrivalled international financial reach, where we have retained the world's highest financial services trade surplus for many years, surpassing other centres including the US and Singapore. For financial services in particular the gap between exports and imports has grown rapidly since 2020, more than doubling between Q2 2020 and Q2 2023. This strong trade surplus is a driver of domestic growth and job creation and contributes towards a strengthening pound.

Together with the anticipated UK-Swiss FTA, the Berne Financial Services Agreement will serve to strengthen the long-standing trade and financial services relationship between the UK and Switzerland, whilst simultaneously fortifying their statuses as two of the most important global financial centres.

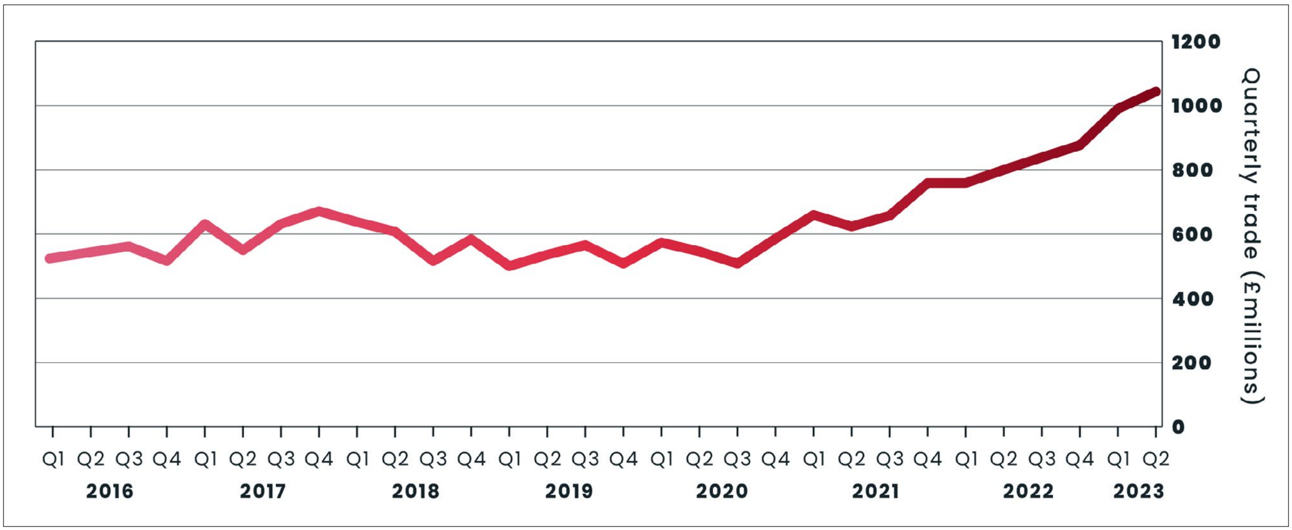

Figure 1: Total UK-Swiss financial & insurance services trade (exports and imports), quarterly, (Q1 2016 – Q2 2023), ONS

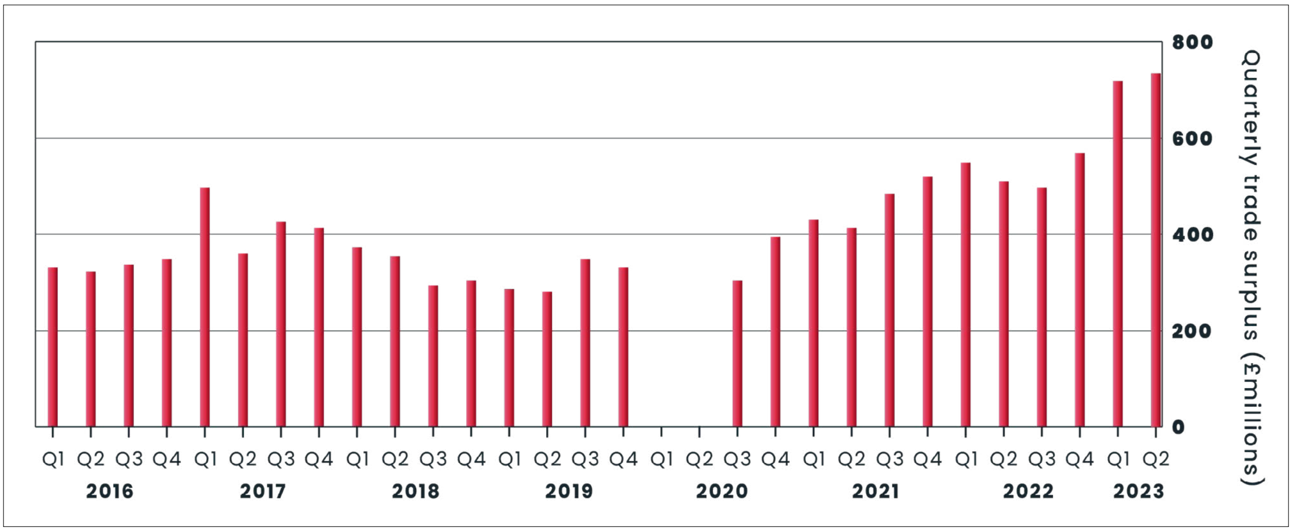

Figure 2: UK trade surplus generated by financial & insurance services trade with Switzerland (Q1 2016 – Q2 2023), ONS.
Note: Some figures have been suppressed to protect confidentiality.

Supporting jobs and boosting economic growth across the UK

The UK is a world-leading financial centre, with 1.1 million jobs in financial services, fostering a skilled and diversified labour force.

With leading financial services firms based across the UK, the Berne Financial Services Agreement presents unparalleled growth potential helping to drive innovation, create more job opportunities, and directly stimulating regional economic growth.

In 2020, around 40% of services to Switzerland were exported from UK regions outside of London and the South East, and two out of three jobs in financial services are based outside of London. Scotland and the North West exported more than £700 million worth of services to Switzerland, with financial and insurance services accounting for 30% of the total. Wales's largest export to Switzerland that year was also financial and insurance services, worth £175 million. The agreement will contribute to economic prosperity in regions throughout the UK, through the new business opportunities and added stability it provides for financial services firms.

Establishing the UK as a global leader for financial regulatory innovation

The UK is already viewed as having the world's preferred regulatory regime for financial services. This agreement demonstrates the UK's ongoing efforts to uphold international standards and stay agile and competitive whilst delivering better outcomes for consumers and businesses. The concept of mutual recognition is not itself new, however, past mutual recognition agreements in the financial sector have had a narrower scope. The scale and depth of the Berne Financial Services Agreement breaks new ground and establishes a new paradigm for how a large part of the UK's financial sector can export services overseas.

The model created by the agreement is underpinned by a series of rigorous assessments of each other's respective regimes relating to the covered financial services. Founded on this outcomes-based mutual recognition, Swiss authorities have deferred to UK regulation and supervision in certain specified areas. This means that UK firms providing cross-border services to Switzerland in these areas will largely only have to ensure compliance with UK regulation and supervision, without the added complexity of having to navigate a new regulatory regime overseas.

The model relies on a high degree of mutual trust between the UK and Swiss authorities in their ongoing supervision of firms which is made possible as it is supported by a 'three-tier' system of cooperation to address risks stemming from cross-border trade:

- Firstly, the provision of financial services to wholesale or sophisticated clients in the United Kingdom is only enabled where UK authorities have determined that Swiss regulatory and supervisory regimes achieve comparable protections to our own.

- Secondly, the agreement provides for enhanced supervisory cooperation channels and powers for financial regulators to act if risks emerge. Where we have deferred, it will largely be up to Swiss authorities to act on any risks created by their firms operating in the UK market. If a risk remains unresolved, the agreement also includes safeguards to provide a 'backstop' to allow UK authorities to intervene if necessary.

- Finally, the agreement contains extra safeguards that enable the swift implementation of any measures necessary to maintain financial stability and market integrity in unforeseen scenarios.

The outcomes-based model goes beyond many existing MRAs by allowing for ongoing flexibility and autonomy for UK and Swiss authorities to introduce new regulations for their domestic markets over time. This is particularly important for the UK to ensure the Edinburgh Reforms and the full set of measures set out in the Financial Services and Markets Act 2023 can still be brought in, taking forward the Government's ambition for the UK to be the world's most innovative and competitive global financial centre.

Deepening our economic ties with a like-minded trading partner

The UK and Switzerland have maintained strong enduring relations over many years, drawn together by shared values and objectives across a number of social and economic issues. At the heart of this relationship are our economic and financial market ties and our vision for enhancing benefits to both our markets.

The UK and Switzerland host two of the most important financial centres in Europe, and across the globe. Similar to the UK, Switzerland is committed to high regulatory standards and sees the value in the openness of financial markets. The Berne Financial Services Agreement provides a sensible framework for increasing the ties between the UK and Swiss systems, through establishment of its innovative joint architecture, or framework. This will provide a platform to enhance the stability and collaboration between our two nations on financial services issues and it will put our sectors at the forefront of global financial innovation.

The collaboration between the UK and Switzerland in building this framework is a significant moment for international financial services cooperation, and is a major step towards promoting the value of openness between financial jurisdictions. The agreement is envisaged as a precedent-setting blueprint for international financial cooperation and it provides a stepping stone to increase interconnectedness and further market access opportunities with other financial centres across the globe. The agreement will also complement other opportunities to enhance the existing relationship between the UK and Switzerland, including the upcoming UK-Swiss Free Trade Agreement (FTA). Although the agreement and the future FTA are different legal instruments, they will complement each other in the vital aim of liberalising financial services trade between the two parties.

Nine Key Benefits of the Berne Financial Services Agreement

1 Reducing regulatory burdens and making life easier for UK businesses of all sizes

To the extent that Switzerland has deferred to our rules under this agreement, UK firms will benefit from no longer having to navigate unfamiliar Swiss rules if they wish to access the Swiss market. Instead, Switzerland will consider them compliant provided they continue to meet the rules they are already familiar with in the UK.

2 No localisation requirements for UK insurance brokers

From 1 January 2024, new Swiss laws will mean foreign insurance intermediaries must ensure they have a local presence in Switzerland to serve clients. The Berne Financial Services Agreement secures UK insurance brokers a unique and full exemption from this requirement, meaning they will be able to continue to do business as they always have done with no disruption, whilst brokers from all other jurisdictions will need to set up a presence in Switzerland.

3 A major step toward the UK's goal of being the global leader in financial services innovation

The UK's historical strengths as a world leading financial centre have endured, but securing future success requires active steps. The UK's framework for financial services regulation is internationally respected and plays a major role in the UK's attractiveness for global business. This agreement represents a dramatic but practical shift forward in how we, and other financial centres around the world, can trade services across borders and it will retain the UK's status as a market leader in developing regulatory frameworks that unleash the full potential of our financial services industries.

4 Stronger cooperation on shared challenges

The UK and Switzerland already share a close relationship in financial services. The Berne Financial Services Agreement will take this relationship to new heights, bringing us together to discuss opportunities to strengthen international financial standards and how we can foster collaboration to ensure domestic and international financial systems are aligned with our pathways to net zero.

5 Unprecedented access for UK firms to wholesale insurance business in the Swiss market

UK insurance companies will now be able to provide an unprecedented range of wholesale insurance lines on a cross-border basis into the Swiss domestic market. This includes lines that UK industry have identified as being valuable when dealing with large corporate clients and that includes provision of insurance policies in the areas of renewable energy, directors' and officers' liability, sellers' and buyers' warranty and indemnity, and more.

6 **Stable access for a range of financial sub sectors where markets are already open**

For sectors where Swiss markets are already highly liberalised (for example, investment services, corporate banking or asset management), the agreement will require UK and Swiss authorities to come together to explore bilateral options to maintain the status quo, should Switzerland introduce domestic legislation that makes it more challenging for UK businesses to access the Swiss market.

7 **Streamlined registration arrangements for UK professionals**

Professional client advisers acting on behalf of UK investment services firms will no longer need to individually register with Swiss registration bodies to provide their services whilst in Switzerland. Instead, their firm can give confirmation on their behalf that they meet the prerequisites for giving business or investment advice to Swiss clients. This will do away with the need to sit examinations and provide documentation relevant to the registration process.

8 **Regional growth opportunities in UK**

In addition to directly promoting regional economic growth across the UK by generating new business prospects and bolstering stability for financial services firms, the agreement will also continue to encourage innovation and provide new job opportunities in financial service sectors.

9 **A flexible foundation to unlock further opportunities**

Unlike many international agreements, the agreement is not fixed at its point of signature. It provides a detailed pathway by which the UK and Switzerland can discuss and agree on future expansions to the scope of the agreement. We have already identified sustainable finance as one of the first areas where we will look to broaden the agreement's coverage.

Next steps

The Financial Services and Markets Act 2023 contains a power which allows the UK Government to give effect in domestic law to mutual recognition agreements relating to financial services via Statutory Instrument.

This gives HM Treasury the power to make the necessary changes to domestic legislation to ensure that the agreement can be fully implemented. This includes granting any additional powers to the UK's financial services regulators, as required.

HM Government will seek to implement and ratify the agreement in due course, in line with UK domestic parliamentary processes.

Legal disclaimer

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