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**Agreement  
between  
the Swiss Confederation  
and  
the United Kingdom of Great Britain and Northern  
Ireland  
on  
Mutual Recognition in Financial Services**

## **PREAMBLE**

The Swiss Confederation (“Switzerland”) and the United Kingdom of Great Britain and Northern Ireland (“the United Kingdom”), together referred to as “the Parties” or, individually, as “the Party”

CONSIDERING the close relations that exist between Switzerland and the United Kingdom, including in the areas of financial markets and financial services;

DESIRING to establish a framework providing for mutual recognition of each other’s regulatory and supervisory frameworks applicable to certain financial services, taking account of their respective constitutional, legal and regulatory systems;

RESOLVED to remove obstacles to the provision of financial services and to reduce regulatory frictions for cross-border activity, based on and safeguarded by mutual recognition as well as close regulatory and supervisory cooperation;

SEEKING to strengthen cooperation between the Parties in regard to the financial services covered by the present agreement on mutual recognition in financial services (“the Agreement”) and to ensure a predictable regulatory environment for firms, including in the event of a withdrawal of recognition;

DETERMINED to ensure financial stability, market integrity, and to protect investors and consumers within the scope of the Agreement;

CONSIDERING their obligations under existing international agreements and recognising the relevance of work undertaken by international organisations and bodies as well as the importance of international standards applicable to the financial services covered by the Agreement;

RECOGNISING the right of each Party to regulate and, preserving its regulatory autonomy, to introduce new measures concerning the supply of financial services within its territory in order to meet national policy objectives;

DETERMINED to consolidate and build upon their existing relations in the field of financial services regulation and supervision;

RESOLVED to create clear and transparent processes for managing future developments of the Agreement; and

BELIEVING in the need for cooperation relating to regulatory developments in the field of sustainable finance for an effective and progressive response to the urgent threat of climate change and loss of biodiversity;

*have agreed the following:*

## **Chapter 1 BASIC PROVISIONS**

### **Article 1 Definitions**

For the purpose of the Agreement, unless otherwise provided, the following definitions apply:

- a. "Covered Client" means a client as defined in a Sectoral Annex;
- b. "Covered Financial Services Supplier" means a financial services supplier as defined in a Sectoral Annex;
- c. "Covered Sector Activity" means the supply of a specific Covered Service by a specific Covered Financial Services Supplier to a specific Covered Client;
- d. "Covered Sectors" means the Covered Services that may be supplied by Covered Financial Services Suppliers to Covered Clients under a sector covered in a Sectoral Annex;
- e. "Covered Service" means a service as defined in a Sectoral Annex;
- f. "Home Supervisory Authority" means a Supervisory Authority of the Home Party;
- g. "Host Party" means the Party into whose territory a Covered Financial Services Supplier of the other Party supplies Covered Services;

- h. "In writing" means in written form, including by electronic means, where appropriate;
- i. "Joint Committee" means the joint committee established under Article 38;
- j. "Measure" means any measure by a Party, whether in the form of a law, regulation, rule, procedure, decision, administrative action, or any other form;
- k. "Sectoral Annex" means one of the Annexes 1 to 5 to the Agreement;
- l. "Supervisory Authority" means:
  - i. for Switzerland, Swiss Financial Market Supervisory Authority (FINMA), or the Swiss National Bank (SNB).
  - ii. for the United Kingdom, the Financial Conduct Authority (FCA), or the Bank of England (BoE), or the Prudential Regulatory Authority (PRA).Specified in the Agreement, as appropriate.
- m. "WTO Agreement" means the Marrakesh Agreement establishing the World Trade Organisation done at Marrakesh on 15 April 1994, its annexes and the decisions, declarations and understandings related thereto.

## Article 2

### **Purpose and objectives**

The purpose of the Agreement is to improve the supply of financial services between the Parties in the Covered Sectors through outcomes based mutual recognition of the domestic regulatory and supervisory frameworks of the Parties provided for in the Agreement, by:

- a. removing barriers to the supply of financial services in the Covered Sectors;
- b. ensuring financial stability, market integrity and the protection of investors and consumers within the scope of the Agreement;
- c. establishing an institutional framework for enhancing regulatory and supervisory cooperation in the Covered Sectors;
- d. promoting a stable and predictable relationship between the Parties in the field of financial regulation and supervision ensuring the maintenance of mutual recognition provided for in the Agreement; and
- e. providing for future expansion of the Agreement;

whilst preserving the regulatory autonomy of the Parties.

### Article 3

#### **Relation to the WTO Agreement and other international agreements**

1. The Agreement shall be without prejudice to the rights and obligations of the Parties under the WTO Agreement and any other international agreement to which they are both party. They confirm their understanding that nothing in the Agreement requires either Party to act in a manner inconsistent with those agreements.
2. The Parties shall cooperate in ensuring compliance with any rights and obligations under the WTO Agreement which may be applicable to the Agreement.
3. The Agreement shall be without prejudice to the Agreement between the Swiss Confederation and the United Kingdom of Great Britain and Northern Ireland on Direct Insurance other than Life Insurance, done in Davos on 25 January 2019.

### Article 4

#### **Private rights**

Nothing in the Agreement shall be construed as conferring rights or imposing obligations on natural and legal persons nor as permitting the Agreement to be directly invoked in the domestic legal systems of the Parties, including on grounds that the other Party has acted in breach of the Agreement.

### Article 5

#### **Right to regulate**

The provisions under the Agreement shall be without prejudice to the right of each Party to amend its laws and regulations to achieve domestic policy objectives. For greater certainty, each Party has the right to amend its domestic laws and regulations in respect of a Covered Sector.

### Article 6

#### **Confidentiality**

1. Unless otherwise expressly provided for, nothing in the Agreement shall require a Party to make available non-public information to the other Party or to disclose such information.
2. Unless otherwise expressly provided for in the Agreement, where a Party has stated that information submitted to the other Party is confidential, that other Party shall treat it as confidential.
3. Non-public information shared between Supervisory Authorities shall be treated as confidential unless otherwise agreed by Supervisory Authorities.

## **Chapter 2 APPLICATION**

### **Article 7 Purpose**

The Parties affirm that Covered Financial Services Suppliers are permitted to provide Covered Services to Covered Clients from the territory of one Party into the territory of the other Party, as set out and specified in the Sectoral Annexes.

### **Article 8 Recognition**

In respect of the Covered Sectors, each Party considers that the domestic regulatory and supervisory frameworks of the other Party achieve equivalent outcomes with regard to financial stability, market integrity and the protection of investors and consumers within the scope of the Agreement and its Sectoral Annexes (hereafter “Recognition”).

### **Article 9 Effects of Recognition**

The effects of Recognition are specified in the Sectoral Annexes.

### **Article 10 Principle of continuity**

Recognition shall continue to apply, irrespective of the adoption of any Measure of general application notifiable under Article 17, subject to Article 21.

### **Article 11 Expansion of scope**

1. Where the Parties agree to explore expanding the scope of Recognition under the Agreement, they shall instruct the Joint Committee to suggest the criteria for each Party to apply. Where the Parties agree these criteria, each Party shall assess whether domestic regulatory and supervisory frameworks of the other party in the expanded or new Covered Sector or Sectors achieve equivalent outcomes with regard to the prudential objectives of the Parties, or would do so subject to adjustments, based on those criteria.
2. The Parties may agree, by mutual consent, to adopt an alternative procedure to that set out in paragraph 1.

3. Following the completion of the procedure in paragraph 1 or any alternative procedure adopted pursuant to paragraph 2, if the Parties agree that an expansion to or addition of new Covered Sectors is feasible and desirable, the Joint Committee shall be tasked to propose appropriate amendments to the Agreement for adoption in accordance with Article 45.

### **Chapter 3 SUSTAINABLE FINANCE**

#### **Article 12 Sustainable finance**

1. The Parties shall engage in cooperation relating to regulatory developments in the field of sustainable finance. In particular, they shall cooperate:
  - a. with a view to establishing internationally comparable sustainability-related corporate disclosure standards of high quality;
  - b. with a view to making financial flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient developments as set out by the Paris Agreement on climate change, adopted in Paris on 12 December 2015 (hereafter “the Paris Agreement”);
  - c. bilaterally and in international fora, to promote transparency on the alignment of financial flows with the Paris Agreement; and
  - d. with a view to improving the framework conditions for green digital financial technologies.
2. The Parties shall enter into negotiations with a view to developing the necessary disciplines for recognising their respective rules and standards based on relevant international standards, where applicable, and in accordance with the procedure outlined in Article 11. In conducting these negotiations, the Parties:
  - a. shall address the mutual recognition of the quality and scope of mandatory climate-related corporate disclosures; and
  - b. shall recognise the role of private finance and the need to support private sector action for net-zero greenhouse gases.
3. A future work program shall determine how, and in what time-frame, negotiations on such disciplines will be conducted.
4. Supervisory Authorities shall continue their dialogue relating to sustainable finance, bilaterally as well as in international fora and standard setting bodies.

**Chapter 4**  
**SUPERVISORY COOPERATION**

Article 13

**Principle of supervisory cooperation**

1. The Parties shall take all necessary measures to enable their Supervisory Authorities to cooperate in accordance with the Agreement.
2. Unless otherwise agreed, the provisions on supervisory cooperation of the Agreement are not intended to replace or alter existing cooperation arrangements between Supervisory Authorities.

Article 14

**Supervisory cooperation**

1. The Supervisory Authorities, acting in the spirit of mutual trust and good faith, taking account of relevant international standards and existing arrangements for cooperation and enforcement between them, shall collaborate in the supervision of Covered Financial Services Suppliers.
2. The Supervisory Authorities shall, within their respective areas of competence as supervisory authorities, provide reasonable assistance and furnish each other with all documents and information necessary to carry out their supervisory activities under the scope of the Agreement.
3. Each Supervisory Authority shall endeavour to share, without prior request, any further information likely to be of assistance to the other Supervisory Authorities to carry out their supervisory activities under the scope of the Agreement.
4. Any exchange of information shall be carried out without undue delay.
5. The Supervisory Authorities may enter into appropriate arrangements to implement the provisions of this Article and any relevant provisions in the Sectoral Annexes.
6. Professional confidentiality rules to which the Supervisory Authorities are subject shall not hinder collaboration between them nor the supervisory cooperation provided for under the Agreement.
7. In the event of an inconsistency between this Article and a provision in a Sectoral Annex, the Sectoral Annex shall prevail



**Chapter 5**  
**REGULATORY COOPERATION**

Article 15

**Scope of regulatory cooperation**

1. Unless otherwise agreed, regulatory cooperation shall apply to all Covered Sectors, including emerging issues of mutual interest relating to them.
2. This Chapter shall be without prejudice to domestic procedures of the Parties.

Article 16

**Principles of regulatory cooperation**

Regulatory cooperation under the Agreement shall be conducted in a transparent manner with a view to:

- a. enabling each Party to maintain an overview over regulatory developments relevant for the functioning and development of the Agreement;
- b. enabling the Parties to take their respective interests into consideration;
- c. fostering mutual understanding and compatibility of the respective regulatory and supervisory frameworks of the Parties, including by developing consistent regulatory approaches through an outcomes based approach as well as reducing unnecessarily burdensome, duplicative or divergent regulatory requirements; and
- d. promoting good regulatory practices through dialogue and cooperation in any area related to the Agreement.

Article 17

**Notifications**

1. Each Party shall notify the other Party of a proposed Measure of general application (hereafter “Proposed Measure”) that is relevant to the functioning or development of the Covered Sectors.
2. Notifications shall be submitted in writing, and be sufficiently concise, clear and complete so as to enable the notified Party to assess the potential effects of the Proposed Measure on the Covered Sector or Sectors.
3. An amending Party shall notify a Proposed Measure to the other Party as early as practicable and no later than the beginning of domestic public consultations, if applicable.
4. The notified Party may request additional information after receipt of the notification.

5. The notified Party may make observations on the Proposed Measure within the time period specified by the notifying Party. The notifying Party shall give due consideration to any such observations.
6. The notifying Party shall inform the notified Party about the adoption of the Proposed Measure and, where available, its proposed date of entry into force.

#### Article 18

##### **Consultations on Proposed Measure**

1. A Party may, at any time, request consultations in the Joint Committee regarding a Proposed Measure and its potential effects on the functioning of the Agreement.
2. The requesting Party shall submit the request in writing, providing reasons.
3. The responding Party shall provide comments in writing no later than 30 days after the receipt of the request, unless justified. The comments shall address the matters raised under paragraph 2 as well as the policy objective and rationale of the Proposed Measure.
4. The Parties may agree a timetable for the consultations.
5. Consultations under this Article shall not oblige a Party to delay the adoption of the Proposed Measure.

#### Article 19

##### **Cooperation in international fora**

1. The Parties shall endeavour to deepen regulatory cooperation and coordination in international fora relating to financial services and the functioning of financial markets, including by:
  - a. exchanging information on Measures of the Parties, including those regarding the implementation of international standards;
  - b. jointly contributing, where appropriate, to activities in international and regional fora;
  - c. reinforcing the role of international standards as a basis for domestic rules and regulations; and
  - d. promoting the recognition of equivalence of financial regulation, on the basis of international standards
2. Each Party shall endeavour to ensure that international standards for regulation and supervision in financial services are implemented and applied in its territory.

3. The Parties shall endeavour to collaborate, share knowledge, experiences and developments with a view, where appropriate, to facilitate the development of new financial services.

## **Chapter 6 SAFEGUARDS**

### **Article 20 Prudential Safeguard**

1. Notwithstanding any other provisions of the Agreement, where circumstances arise which, due to factors such as their severity or the need for urgency, cannot otherwise be addressed adequately under the Agreement, a Party shall not be prevented from adopting Measures for:
  - a. the protection of investors, depositors, policy holders or persons to whom a fiduciary duty is owed by a financial services supplier;
  - b. the maintenance of the safety, soundness, integrity or financial responsibility of financial services suppliers;
  - c. ensuring the integrity and stability of the financial system of the Party; or
  - d. for some other prudential reason
2. Measures adopted under paragraph 1 shall not be used as a means of avoiding the commitments or obligations of the Party under the Agreement.
3. Measures under paragraph 1 may be adopted without prior consultation or notification.
4. The Party adopting Measures under paragraph 1 shall notify the other Party in writing as soon as reasonably practicable.
5. Articles 17 and 18 shall apply to Measures notified under paragraph 4, subject to the following adjustments:
  - a. Article 17 paragraphs 1, 3 and 6 and Article 18 paragraph 5 shall not apply;
  - b. Article 18 paragraph 1 applies *mutatis mutandis*;
  - c. in addition to the information required under Article 18 paragraph 3, the responding Party shall provide reasons for notified Measures; and
  - d. consultations under this Article shall have no suspensive effect on notified Measures.

6. In consultations pursuant to paragraph 5, the Parties shall take into account the arrangements available under the Agreement, in order to address the situation giving rise to the adoption of the Measures under paragraph 1.
7. The Party adopting Measures under paragraph 1 shall revoke them as soon as possible after it deems them to be no longer required.

#### Article 21

#### **Withdrawal of Recognition**

1. Where a Party defers under a Covered Sector, that Party may withdraw Recognition with respect to a Covered Sector, or part thereof, in accordance with the following procedure.
2. A Party that wishes to withdraw Recognition shall issue a notice of intent to withdraw (hereafter "Notice of Intent") to the other Party without delay, providing reasons and information, including:
  - a. the affected Covered Sector or Sectors or parts thereof;
  - b. the facts giving rise to the proposed decision to withdraw;
  - c. an explanation of why withdrawal is deemed necessary;
  - d. whether any criteria or conditions may no longer be satisfied;
  - e. the scope and extent of the proposed withdrawal; and
  - f. any other matters that the Party seeking to withdraw considers relevant.
3. Unless otherwise agreed, upon receipt by the notified Party, the Parties shall immediately enter into consultations with a view to resolving the matters raised in the Notice of Intent.
4. With a view to maintaining Recognition, either Party may make proposals to achieve a mutually agreeable solution in advance or during consultations under this Article.
5. During consultations under this Article, in examining the matters raised, the Parties shall use best endeavours to maintain Recognition, or limit the scale of withdrawal. To that end, they shall consider options as appropriate, such as the application of additional conditions or other adjustments.
6. With a view to finding a mutually acceptable solution, the Parties may agree to have recourse to mediation according to Article 25.
7. If no mutually agreed solution can be found following the procedures under paragraphs 3 to 6, and the notifying Party deems that maintenance of Recognition in any Covered

Sector or Sectors or parts thereof included in the Notice of Intent is no longer possible, it may issue a notice of cessation (hereafter “Notice of Cessation”) to the other Party.

8. The Notice of Cessation shall provide at least the following information:
  - a. the affected Covered Sector or Sectors or parts thereof;
  - b. the reasons for the decision to withdraw Recognition; and
  - c. the date from when Recognition ceases.
9. The Notice of Cessation may only be issued after 90 days from the date of issue of the Notice of Intent to Withdraw, or from the date the Parties have concluded the consultations referred to in paragraph 3, if earlier. In the interest of transparency, the Notice of Cessation or details of it shall be published.
10. The date from when Recognition ceases shall not be less than 90 days after the date of issue of the Notice of Cessation.
11. Recognition for the Covered Sector or Sectors or part thereof shall cease to apply at the point in time specified in the Notice of Cessation.

## Article 22

### **Wind down arrangements**

1. The Parties acknowledge the importance of market integrity, financial stability and the protection of investors and consumers under the Agreement, as well as the necessity for arrangements for the transparent, orderly and proportionate wind down of any Covered Sector Activity initiated prior to the date:
  - a. on which Recognition ceases as specified in the Notice of Cessation pursuant to Article 21;
  - b. of termination according to Article 47 paragraph 1.a; or
  - c. of denunciation according to Article 47 paragraph 1.b.
2. The Parties shall enter into consultations within 10 days with a view to establishing appropriate wind down arrangements (hereafter “Wind Down Arrangements”) in accordance with the objectives set out in paragraph 1 in the following instances:
  - a. issuance of the Notice of Cessation under Article 21 paragraph 7;
  - b. a joint agreement on termination under Article 47 paragraph 1.a; or
  - c. a notification of denunciation under Article 47 paragraph 1.b.

3. Unless otherwise agreed, such consultations shall be concluded within 30 days.
4. The Parties may consult with Covered Financial Services Suppliers on any Wind Down Arrangements.
5. In the instances referred to in paragraph 2, and, where applicable, in accordance with the Notice of Cessation, where private parties have entered into arrangements in respect of any Covered Sector Activity based on Measures adopted by a Party to give effect to the Agreement, the provisions of the Agreement shall continue to be effective:
  - a. where the Parties have agreed Wind Down Arrangements, in accordance with the dates and terms specified in those arrangements; or
  - b. where no Wind Down Arrangements have been agreed, in accordance with the dates and terms:
    - i. specified in the Notice of Cessation, where applicable; or
    - ii. determined by the Host Party taking into account the objectives set out in paragraph 1, provided such date is not prior to the date
      1. specified in the Notice of Cessation under Article 21 paragraph 7;
      2. of termination under Article 47 paragraph 1.a; or
      3. denunciation under Article 47 paragraph 1.b taking effect.
6. The Joint Committee may publish information relating to any matters under this Article.

## **Chapter 7 INSTITUTIONAL PROVISIONS**

### **Article 23 Joint Committee**

1. The Parties hereby establish the Joint Committee composed of representatives of the Parties to carry out the functions assigned to it under the Agreement.
2. The Joint Committee shall, by consensus, take decisions as provided for under the Agreement and make recommendations on other matters.
3. The Joint Committee shall adopt its rules of procedure at its first meeting.
4. The Joint Committee shall meet at any time at the request of either Party, or at least once a year.

5. The Joint Committee shall be chaired in turn every year by each of the Parties in accordance with its rules of procedure.
6. The Joint Committee may establish standing or ad hoc sub-committees or working groups, to assist it in the carrying out of its tasks.
7. The Joint Committee shall have the following functions:
  - a. to oversee the administration of the Agreement;
  - b. to monitor and review the implementation and application of the Agreement;
  - c. to make recommendations to the Parties;
  - d. to supervise and coordinate the work of sub-committees and working groups established pursuant to the Agreement;
  - e. to serve as a forum for regulatory cooperation, in accordance with Chapter 5;
  - f. to discuss cooperation in international fora in accordance with Article 19;
  - g. to consider the development of the Agreement, including its possible expansion in accordance with Article 11;
  - h. to serve as a forum to resolve disagreements between the Parties regarding the interpretation or application of the Agreement; and
  - i. to consider any other matter that may affect the functioning or development of the Agreement.
8. Without prejudice to the internal procedures of the Parties, the Joint Committee may adopt decisions to amend:
  - a. the Agreement, provided that such amendments are necessary to correct errors, or to address omissions or other deficiencies; and
  - b. its rules of procedure

**Chapter 8**  
**DISPUTE SETTLEMENT**

Article 24

**Cooperation and consultations**

1. Recognising the importance of maintaining the orderly functioning of the Agreement, the Parties shall, at all times, endeavour to agree on its interpretation and application. They shall seek to arrive at a mutually satisfactory resolution of any matter that might affect its operation through cooperation and consultations and in a timely manner.
2. Each Party may refer any matter relating to the interpretation or application of the Agreement to the Joint Committee for consultations. The requesting Party shall notify in writing to the other Party the matters giving rise to the request for consultations together with its assessment of how they amount to a breach of the obligations of the other Party under the Agreement.
3. The responding Party shall reply in writing within 15 days after the date of receipt of the request for consultations. Unless otherwise agreed, consultations shall commence in the Joint Committee within 45 days after the date of receipt.
4. To ensure the orderly conduct of consultations, each Party shall:
  - a. provide the necessary information for a full examination of the matter at issue; and
  - b. make available the necessary personnel with expertise on the matter at issue.
5. Unless otherwise agreed, the consultations shall be concluded within 90 days after the date of receipt of the request for consultations by the responding Party.
6. Unless otherwise agreed, consultations shall be held in person and in the territory of the responding Party.
7. If the Parties reach a partial or full settlement of the matter following consultations, the Joint Committee shall record it. The Parties shall take any actions necessary to give effect to it.

Article 25

**Good offices, conciliation and mediation**

1. Without prejudice to the rights of either Party in any proceedings under this Chapter, the Parties may agree, at any time, to undertake an alternative method of dispute resolution, such as good offices, conciliation or mediation.
2. Proceedings under this Article may be terminated at any time by either Party.



3. The Parties may agree to continue the proceedings referred to under paragraph 1 while the matter is being examined by a panel of experts established under Article 26 (hereafter “Panel of Experts”).

Article 26  
**Panel of Experts**

1. Unless otherwise agreed, a Party may, 90 days after the date of receipt of the request for consultations in accordance with Article 24, request in writing that a Panel of Experts be established to examine the matter that has not been satisfactorily addressed.
2. Decisions made by the Supervisory Authorities are out of scope of this Article. A Panel of Experts shall not be established to consider such decisions.
3. If the Parties fail to agree otherwise within 10 days from the date of the establishment of the Panel of Experts, its terms of reference shall be:

*“To examine, in the light of the relevant provisions of the Agreement, the matter specified in writing by the Party requesting consultations under Article 24 and to make findings, together with the reasons therefore, as well as recommendations, if any, for its resolution”.*

4. Subject to paragraph 6, the Panel of Experts shall be convened within 60 days of a Party’s request. It shall be composed of three experts appointed in accordance with the procedures set out in paragraph 5 to 7.
5. Each Party shall appoint one expert. The Parties shall decide on the appointment of the third expert, who shall act as chair. The chair shall not be a national or permanent resident of either Party.
6. If any expert has not been appointed 30 days after the receipt of the request for the establishment of the Panel of Experts, a Party may, within a period of 15 days, request the Secretary-General of the Permanent Court of Arbitration to make the remaining appointments. If neither Party has made such request within 45 days after the receipt of the request for the establishment of the Panel of Experts, proceedings shall lapse, unless the Panel of Experts has been established or the Parties decide otherwise.
7. Experts shall be persons of recognised authority with expertise relevant to the matter referred. They shall be independent and impartial, serving in their individual capacities and not be affiliated with, nor take instructions from any Party nor have dealt with the matter in any previous capacity.
8. The Panel of Experts shall be deemed established on the date the last expert is appointed.
9. The establishment and proceedings of the Panel of Experts shall have no suspensive effect in relation to the matter referred.

Article 27  
**Rules of procedure of the Panel of Experts**

Unless otherwise agreed, the Panel of Experts shall adopt its rules of procedure in accordance with the provisions of this Chapter within 30 days of its establishment.

Article 28  
**Decisions of the Panel of Experts**

The Panel of Experts shall decide by majority vote.

Article 29  
**Venue for hearings**

The venue for hearings shall be decided by agreement between the Parties. If there is no agreement, the venue shall be The Hague.

Article 30  
**Receipt of information and technical advice**

1. Submissions to the Panel of Experts shall be made in accordance with its rules of procedure.
2. Where both Parties have given their consent, the Panel of Experts may seek information and technical advice from any individual or body it deems appropriate.
3. The Panel of Experts shall provide the Parties with any information or technical advice received and provide them with an opportunity to comment.
4. Where the Panel of Experts takes the information or technical advice into account in the preparation of its findings, it shall also take into account any comments received from the Parties in accordance with paragraph 3.

Article 31  
**Rules of interpretation**

1. Unless otherwise agreed between the Parties under paragraph 2 below, the Panel of Experts shall interpret the provisions of the Agreement in accordance with customary rules of interpretation of public international law, including those codified in the Vienna Convention on the Law of Treaties, done in Vienna on 23 May 1969.

2. The Parties may agree a joint interpretation of any provision of the Agreement. It shall be binding on a Panel of Experts and any of its findings or recommendations shall be consistent with it.

#### Article 32

##### **Findings and recommendations**

1. Unless otherwise agreed, the Panel of Experts shall, within 60 days of the adoption of its rules of procedures, submit a draft report to the Parties. The draft report shall contain its proposed findings and recommendations.
2. The Panel of Experts shall seek written comments from the Parties on the draft report within 15 days and take them into account, as appropriate, in its final report.
3. The Panel of Experts shall present its final report to the Parties within 90 days of the adoption of its rules of procedures.
4. The findings and recommendations of the Panel of Experts shall not be legally binding.
5. Where the Parties agree with the recommendations of the Panel of Experts, they shall take whatever measures are necessary to give effect to them.
6. The Parties shall decide upon a mutually satisfactory plan of action to implement the recommendations of the Panel of Experts in accordance with paragraph 5. Implementation shall be monitored by the Joint Committee.

#### Article 33

##### **Adjustment of time periods**

The Parties may modify the time periods applicable to the proceedings of the Panel of Experts by mutual agreement.

#### Article 34

##### **Mutually agreed solution**

1. The Parties may decide upon a mutually agreed solution at any time.
2. In such case, the Parties may terminate the proceedings of the Panel of Experts by jointly notifying the chair.
3. The Parties shall take whatever measures are necessary to give effect to the mutually agreed solution. Implementation shall be monitored by the Joint Committee.

Article 35  
**Publication of mutually agreed solutions**

Where the Parties agree, any mutually agreed solution under this Chapter and the steps taken to implement it may be published.

Article 36  
**Confidentiality of proceedings**

In respect of this Chapter and unless otherwise agreed,

- a. the Parties and their advisers shall maintain confidentiality of any proceedings;
- b. each Party and its advisers shall treat any information submitted by or exchanged with the other Party in the course of any proceedings as confidential; and
- c. the Panel of Experts shall treat any information it receives in the course of its examination of a matter as confidential and shall ensure that any information it provides to an individual or body pursuant to Article 30 is treated as confidential.

Article 37  
**Costs**

1. Each Party shall bear its own legal and other costs incurred in relation to proceedings under this Chapter.
2. Unless otherwise agreed, the expenses incurred in the course of proceedings under this Chapter, including the remuneration of mediators or experts, shall be borne by the Parties in equal shares.

Article 38  
**Choice of forum**

1. Disputes regarding the same matter arising under both the Agreement and the WTO Agreement may be settled in either forum at the discretion of the requesting Party. The forum thus selected shall be used to the exclusion of the other.
2. For the purposes of paragraph 1 dispute settlement procedures under the WTO Agreement are deemed to be selected by request of a Party for the establishment of a panel under article 6 of Annex 2 of the WTO Agreement (WTO Understanding on Rules and Procedures Governing the Settlement of Disputes), whereas proceedings under this Chapter are deemed to be selected upon a request for establishment of a Panel of Experts.

**Chapter 9**  
**EXCEPTIONS AND EXCLUSIONS**

Article 39  
**Security exceptions and sanctions**

1. Nothing in the Agreement shall be construed as:
  - a. requiring either Party to furnish any information, the disclosure of which it considers contrary to its essential security interests;
  - b. preventing either Party from taking any action which it considers necessary for the protection of its essential security interests taken in time of war or other emergency in international relations; or
  - c. preventing either Party from taking any action in pursuance of its obligations under the United Nations Charter for the maintenance of international peace and security.
  
2. A Party may deny the benefits of the Agreement to a Covered Financial Services Supplier of the other Party, if the denying Party adopts or maintains measures related to the maintenance of international peace and security, the protection of human rights and upholding the rule of law which:
  - a. prohibit transactions with that Covered Financial Services Supplier; or
  - b. would be violated or circumvented if the benefits of the Agreement were accorded to that Covered Financial Services Supplier, including where the measures prohibit transactions with a natural or legal person directly or indirectly owning or controlling it.

Article 40  
**Central bank activities**

The Agreement only applies to a central bank of a Party where it acts in its capacity as a supervisory authority for a Covered Sector under the Agreement. For the avoidance of doubt, activities conducted by a central bank or monetary authority of either Party in pursuit of all central banking activities or operations, including monetary or related credit policies, or exchange rate policies are outside the scope of the Agreement.

**Chapter 10**  
**FINAL PROVISIONS**

Article 41  
**Integral parts of the Agreement**

The Annexes to the Agreement shall form integral parts thereof.

Article 42  
**Language**

Communications between the Parties on any matter relating to the Agreement shall be made in English, where appropriate.

Article 43  
**Territorial scope**

The provisions of the Agreement shall apply, on the one hand, to the Swiss Confederation and, on the other hand to the United Kingdom of Great Britain and Northern Ireland.

Article 44  
**References to domestic laws**

Unless otherwise specified, references in the Agreement to the domestic laws of the Parties refer to the domestic laws in force at the date of signature of this Agreement.

Article 45  
**Amendment**

1. Without prejudice to Article 46 the Parties may agree, in writing, to amend the Agreement.
2. If a Party wishes to amend the Agreement, it shall request the other Party in writing to begin negotiations. The Parties may task the Joint Committee to examine the request and to present its views. The Parties may thereafter decide to open negotiations.
3. Unless otherwise agreed by the Parties, an amendment made under this Article shall enter into force on the first day of the second month following the date of receipt of the latter of the notifications of completion of domestic procedures by the Parties.

Article 46  
**Review**

Unless otherwise agreed, the Parties shall jointly review the implementation of the Agreement and any matters related thereto five years after its entry into force and every five years thereafter.

Article 47  
**Termination**

1. The Agreement may be terminated
  - a. by joint agreement on such date as the Parties agree; or
  - b. by denunciation by one Party taking effect 12 months after receipt by the other Party of written notification thereof.

Notwithstanding paragraph 1, in the event that the Agreement is terminated, the provisions of Articles 6 and 22 shall continue to be effective.

2. The Parties shall take the necessary steps to communicate the effect of termination in their respective jurisdictions.

Article 48  
**Diplomatic communications**

Communications done in accordance with Article 21, paragraphs 2 and 7, and Articles 45, 47, 50, or any other notification on the completion of domestic procedures shall be made through diplomatic channels.

Article 49  
**Contact points**

Unless otherwise provided, notifications and other information shall be exchanged through the contact points set out in Annex Contact Points.

Article 50  
**Entry into force**

1. The Parties shall ratify the Agreement in accordance with their domestic procedures.
2. The Agreement shall enter into force on the first day of the second month following the date of receipt of the latter of the notifications of completion of domestic procedures by the Parties.

IN WITNESS WHEREOF the undersigned, duly authorised thereto by their respective Governments, have signed this Agreement.

Done at Berne on 21 December 2023 in duplicate in the English and German languages, each text being equally authentic. In the event of any inconsistency between the authentic texts, the English language text shall prevail.

FOR THE SWISS CONFEDERATION

FOR THE UNITED KINGDOM OF GREAT  
BRITAIN AND NORTHERN IRELAND



## Annex – Contact Points

### **Switzerland:**

#### Contact point

Swiss Federal Department of Finance (FDF)  
State Secretariat for International Finance  
(SIF)  
Policy Planning & Strategy

#### Postal address

Bundesgasse 3, CH-3003 Berne  
Switzerland

#### Email address

ukmra@sif.admin.ch

### **United Kingdom:**

#### Contact point

His Majesty's Treasury (HMT)  
International Group  
International Policy & Partnerships

#### Postal address

1 Horse Guards Road, London SW1A 2HQ  
United Kingdom

#### Email address

uk.ch.mra@hmtreasury.gov.uk

## **Annex 1 – Sectoral Annex Asset Management**

This Sectoral Annex consists of two parts:

Part 1 Marketing of Covered Financial Instruments

Part 2 Portfolio management delegation

### **Part 1. Marketing of Covered Financial Instruments**

#### I. Purpose of Part 1 of the Sectoral Annex

For the purpose of Part 1 of this Sectoral Annex, the Parties affirm that Covered Financial Services Suppliers are permitted to provide Covered Services to Covered Clients from the territory of one Party into the territory of the other Party, as set out and specified in Part 1 of this Sectoral Annex. This may be based on either deference or other arrangements, if provided for herein, or under the domestic law of a Party.

#### II. Definitions

For the purpose of Part 1 of this Sectoral Annex, the following terms shall have the following meaning:

- a. “Covered Services” means the services specified under Part 1, Section III;
- b. “Covered Financial Services Suppliers” means the suppliers specified under Part 1, Section IV;
- c. “Covered Clients” means the clients specified under Part 1, Section V;
- d. “Covered Financial Instruments” means the instruments specified under Part 1, Section VI.

#### III. Covered Services

##### A. From Switzerland into the United Kingdom

In respect of the supply of Covered Services into the United Kingdom, the marketing of Covered Financial Instruments to Covered Clients under the domestic law on national private placement of the United Kingdom.

##### B. From the United Kingdom into Switzerland

In respect of the supply of Covered Services into Switzerland, the advertising and offering of Covered Financial Instruments to Covered Clients under the Federal Act on Collective Investment Schemes of 23 June 2006 and the regulations based thereon.

#### IV. Covered Financial Services Suppliers

##### A. From Switzerland into the United Kingdom

In respect of the supply of Covered Services into the United Kingdom, any financial services supplier which:

- a. is authorised and supervised under the:
  - i. Federal Act on Financial Institutions of 15 June 2018;
  - ii. Federal Act on Collective Investment Schemes of 23 June 2006;
  - iii. Federal Act on Banks and Savings Banks of 8 November 1934; or
  - iv. Federal Act on Insurance Supervision of 17 December 2004;
- b. is authorised to supply the Covered Services in Switzerland;
- c. has notified its intention to market the relevant Covered Financial Instruments to the FCA, in accordance with the domestic law on national private placement of the United Kingdom; and
- d. is entitled to market the financial instruments under the domestic law on national private placement of the United Kingdom.

##### B. From the United Kingdom into Switzerland

In respect of the supply of Covered Services into Switzerland, any financial service supplier which is entitled to market under the domestic law of Switzerland and ensures that the collective investment schemes it markets in Switzerland meet applicable Swiss regulatory requirements.

#### V. Covered Clients

##### A. From Switzerland into the United Kingdom

In respect of clients in the United Kingdom, professional investors domiciled or having a registered office in the United Kingdom, as defined under the domestic law on national private placement of the United Kingdom:

- a. per se professional clients
  - i. entities which are required to be authorised or regulated to operate in the financial markets;
  - ii. large undertakings;

- iii. national and regional governments, international and supranational institutions; or
  - iv. other institutional investors whose main activity is to invest in financial instruments;
- b. eligible counterparties
- i. investment firms;
  - ii. credit institutions;
  - iii. insurance companies;
  - iv. collective investment schemes authorised under the domestic law of the United Kingdom which implemented Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS), or their management companies;
  - v. pension funds or their management companies;
  - vi. other financial institutions authorised or regulated under the domestic law of the United Kingdom;
  - vii. national governments or their corresponding offices, including public bodies that deal with public debt at national level; or
  - viii. supranational organisations; and
- c. other clients:

Clients that satisfy the relevant criteria under the domestic law of the United Kingdom and have elected, under relevant procedures, to waive some or all of the protections afforded by the conduct of business rules so as to be treated (post-assessment) as elective professional clients by financial services suppliers.

## B. From the United Kingdom into Switzerland

In respect of clients in Switzerland, the following, as defined under the domestic law of Switzerland:

- a. professional clients:
  - i. financial intermediaries as defined in the

1. Federal Act on Financial Institutions of 15 June 2018;

- 2. Federal Act on Collective Investment Schemes of 23 June 2006; or
- 3. Federal Act on Banks and Savings Banks of 8 November 1934;
- ii. insurance companies as defined in the Federal Act on Insurance Supervision of 17 December 2004;
- iii. foreign clients, subject to prudential supervision as the persons listed under paragraphs i or ii;
- iv. central banks;
- v. public entities with professional treasury operations;
- vi. occupational pension schemes with professional treasury operations and other occupational pension institutions providing professional treasury operations;
- vii. companies with professional treasury operations;
- viii. large companies, as defined in the Federal Act on Financial Services of 15 June 2018; or
- ix. private investment structures with professional treasury operations created for high net worth retail clients;
- b. other clients:
  - i. high net worth retail clients and private investment structures created for them who have declared that they wish to be treated as professional clients; or
  - ii. national and supranational public entities with professional treasury operations.

## VI. Covered Financial Instruments

### A. From Switzerland into the United Kingdom

In respect of the supply of Covered Services into the United Kingdom:

alternative investment funds (AIFs) as specified within the scope of the domestic law on national private placement of the United Kingdom, except recognised schemes.

B. From the United Kingdom into Switzerland

In respect of the supply of Covered Services into Switzerland:

collective investment schemes that are exclusively open to qualified investors, as defined under the Federal Act on Collective Investment Schemes of 23 June 2006 and, when applicable, meeting the prospectus requirements in the Federal Act on Financial Services of 15 June 2018.

VII. Supply based on deference, domestic law or other arrangements

A. Deference

Not applicable.

B. Domestic law

1. From Switzerland into the United Kingdom

The United Kingdom permits the supply of the Covered Services into the United Kingdom by Covered Financial Services Suppliers to Covered Clients, in accordance with its domestic law. Where the United Kingdom proposes to amend its domestic law in a manner which would restrict or make this supply more burdensome, the procedures under Articles 17 and 18 of the Agreement shall apply with a view to allow the supply of services to be continued.

2. From the United Kingdom into Switzerland

Switzerland permits the supply of Covered Services into Switzerland by Covered Financial Services Suppliers to Covered Clients in accordance with its domestic law. Where Switzerland proposes to amend its domestic law in a manner which would restrict or make this supply more burdensome, the procedures under Articles 17 and 18 of the Agreement shall apply with a view to allow the supply of services to be continued.

C. Other arrangements

Not applicable.

VIII. Conditions

Not applicable.

IX. Sector-specific supervisory cooperation in addition to the provisions under Chapter 4 of the Agreement

Not applicable.

## **Part 2. Portfolio management delegation**

### **I. Purpose of Part 2 of the Sectoral Annex**

For the purpose of Part 2 of this Sectoral Annex, the Parties affirm that Covered Clients in the territory of one Party may delegate Covered Services to Covered Financial Services Suppliers in the territory of the other Party, as set out and specified in Part 2 of this Sectoral Annex. This may be based on either deference or other arrangements, if provided for herein, or under the domestic law of a Party.

### **II. Definitions**

For the purpose of Part 2 of this Sectoral Annex, the following terms shall have the following meaning:

- a. "Covered Services" means the services specified under Part 2, Section III.
- b. "Covered Financial Services Suppliers" means the suppliers specified under Part 2, Section IV.
- c. "Covered Clients" means the clients specified under Part 2, Section V.

### **III. Covered Services**

#### **A. From Switzerland into the United Kingdom**

In respect of the supply of Covered Services into the United Kingdom, portfolio management and/or risk management provided under a delegation arrangement with respect to the assets of:

- a. AIFs or UCITS;
- b. occupational pension schemes; or
- c. insurance companies.

#### **B. From the United Kingdom into Switzerland**

In respect of the supply of Covered Services by a Covered Financial Services Supplier into Switzerland portfolio and risk management provided under a delegation arrangement with respect to the assets of:

- a. collective investment schemes, in accordance with the Federal Act on Collective Investment Schemes of 23 June 2006, managed by Covered Clients;
- b. occupational pension schemes, in accordance with the Federal Act on Occupational Pension Schemes of 25 June 1982; or

- c. insurance companies, in accordance with the Federal Act on Insurance Supervision of 17 December 2004.

#### IV. Covered Financial Services Suppliers

##### A. From Switzerland into the United Kingdom

In respect of the supply of Covered Services into the United Kingdom, any financial services supplier which is:

- a. incorporated in, or formed under the domestic law of Switzerland;
- b. authorised and supervised under the Federal Act on Financial Institutions of 15 June 2018 or the Federal Act on Banks and Savings Banks of 8 November 1934; and
- c. authorised to supply the relevant Covered Service in or from Switzerland under the Federal Act on Financial Institutions of 15 June 2018 or the Federal Act on Banks and Savings Banks of 8 November 1934.

##### B. From the United Kingdom into Switzerland

In respect of the supply of Covered Services into Switzerland, any financial services supplier which:

- a. is authorised and supervised by the relevant Supervisory Authority of the United Kingdom;
- b. meets the additional requirements under the following, including requirements in the implementing regulations thereof:
  - i. Federal Act on Financial Institutions of 15 June 2018;
  - ii. Federal Act on Insurance Supervision of 17 December 2004; or
  - iii. Federal Act on Occupational Pension Schemes of 25 June 1982;
- c. is incorporated in, or formed under the domestic law of the United Kingdom, or a national of the United Kingdom; and
- d. has permission to supply the relevant Covered Services in the United Kingdom.

#### V. Covered Clients

##### A. From the United Kingdom into Switzerland

In respect of clients in Switzerland, any Covered Client:



- a. incorporated in, or formed under the domestic law of Switzerland;
- b. authorised and supervised under the:
  - i. Federal Act on Financial Institutions of 15 June 2018;
  - ii. Federal Act on Banks and Savings Banks of 8 November 1934;
  - iii. Federal Act on Insurance Supervision of 17 December 2004; or
  - iv. Federal Act on Occupational Pension Schemes of 25 June 1982;
- c. authorised to supply the relevant Covered Services in Switzerland;
- d. regularly engaged in providing the Covered Services in or from Switzerland; and
- e. that delegates the relevant Covered Services in accordance with requirements under the relevant domestic law of Switzerland.

#### B. From Switzerland into the United Kingdom

In respect of the clients in the United Kingdom, any Covered Client who:

- a. is a legal person in accordance with the domestic law of the United Kingdom;
- b. is authorised by the relevant Supervisory Authority in the United Kingdom and has permission to supply the relevant Covered Service in the United Kingdom; and
- c. delegates, or persons acting on its behalf delegate Covered Services in accordance with the following requirements under the domestic law of the United Kingdom:
  - i. if supplying services concerning assets under Section III paragraph A.a (AIFs or UCITS):
    - 1. manages one or more AIFs in the United Kingdom or manages one or more UK UCITS; and
    - 2. complies with the relevant requirements for delegation by investment funds;
  - ii. if supplying services concerning assets under Section III paragraph A.b (occupational pension schemes):
    - the trustee has complied with the applicable law relating to the delegation of discretionary management powers to a fund manager; and

iii. if supplying services concerning assets under Section III paragraph A.c (insurance companies):

1. the company has produced and complied with their written outsourcing policy; and
2. the additional requirements applying to the outsourcing of critical or important operational functions or activities as set out in the domestic law on outsourcing by insurance companies have been complied with.

## VI. Supply based on deference, domestic law or other arrangements

### A. Deference

Not applicable.

### B. Domestic laws

#### 1. From Switzerland into the United Kingdom

The United Kingdom permits Covered Clients in the United Kingdom to delegate Covered Services to Covered Financial Services Suppliers in Switzerland in accordance with its domestic law. Where the United Kingdom proposes to amend its domestic law in a manner which would restrict the ability to delegate the Covered Services or make it more burdensome to do so, the procedures under Articles 17 and 18 of the Agreement shall apply with a view to allow the delegation of Covered Services to be continued.

#### 2. From the United Kingdom into Switzerland

Switzerland permits Covered Clients in Switzerland to delegate Covered Services to Covered Financial Services Suppliers in the United Kingdom in accordance with its domestic law. Where Switzerland proposes to amend its domestic law in a manner which would restrict the ability to delegate the Covered Services or make it more burdensome to do so, the procedures under Articles 17 and 18 of the Agreement shall apply with a view to allow the delegation of Covered Services to be continued.

### C. Other Arrangements

Not applicable.

## VII. Conditions

Not applicable.

VIII. Sector-specific supervisory cooperation in addition to the provisions under Chapter 4 of the Agreement

Not applicable.

IX. Miscellaneous provisions

For greater certainty, the provisions in Part 2 of this Sectoral Annex do not constitute additional requirements to international practice in respect of the arrangements for portfolio management delegation.

## **Annex 2 – Sectoral Annex Banking**

### **I. Purpose of the Sectoral Annex**

For the purpose of this Sectoral Annex, the Parties affirm that Covered Financial Services Suppliers are permitted to provide Covered Services to Covered Clients from the territory of one Party into the territory of the other Party, as set out and specified in this Sectoral Annex. This may be based on either deference or other arrangements, if provided for herein, or under the domestic law of a Party.

### **II. Definitions**

For the purpose of this Sectoral Annex, the following terms shall have the following meaning:

- a. “Covered Services” means the services specified under Section III;
- b. “Covered Financial Services Suppliers” means the suppliers specified under Section IV;
- c. “Covered Clients” means the clients specified under Section V.

### **III. Covered Services**

#### **A. From Switzerland into the United Kingdom**

In respect of the supply of Covered Services into the United Kingdom, as defined under the domestic law of the United Kingdom:

- a. for deposit-taking:  
acceptance of deposits where such deposits are accepted in Switzerland;
- b. for lending:  
lending services.

#### **B. From the United Kingdom into Switzerland**

In respect of the supply of Covered Services into Switzerland, as defined under the domestic law of Switzerland:

- a. for deposit-taking:  
acceptance of deposits from the public on a commercial basis;
- b. for lending:  
lending services.

#### IV. Covered Financial Services Suppliers

##### A. From Switzerland into the United Kingdom

In respect of the supply of Covered Services into the United Kingdom, any financial services supplier which:

- a. for deposit-taking, is authorised and supervised as a:
  - i. bank in accordance with the Federal Act on Banks and Savings Banks of 8 November 1934; or
  - ii. securities firm in accordance with the Federal Act on Financial Institutions of 15 June 2018;
- b. for lending, is:
  - i. authorised and supervised as a bank in accordance with the Federal Act on Banks and Savings Banks of 8 November 1934; or
  - ii. incorporated in, or formed under the domestic law of Switzerland, as follows:
    1. simple partnership;
    2. general partnership;
    3. limited partnership;
    4. company limited by shares;
    5. cooperative;
    6. partnership limited by shares;
    7. limited liability company;
    8. association;
    9. foundation;
    10. investment company with variable capital (SICAV);
    11. investment company with fixed capital (SICAF); or
    12. public institutions legally incorporated on the basis of public law.

## B. From the United Kingdom into Switzerland

In respect of the supply of Covered Services into Switzerland, any financial services supplier which:

- a. for deposit-taking, is:
  - i. incorporated in, or formed under the domestic law of the United Kingdom; and
  - ii. authorised to supply the relevant Covered Services in the United Kingdom;
- b. for lending, is: incorporated in, or formed under the domestic law of the United Kingdom.

## V. Covered Clients

### A. From Switzerland into the United Kingdom

In respect of clients established in the United Kingdom, any entity incorporated in, or formed under the domestic law of the United Kingdom, excluding a relevant recipient of credit under the domestic law on consumer credit of the United Kingdom.

### B. From the United Kingdom into Switzerland

In respect of clients established in Switzerland, any entity incorporated in, or formed under the domestic law of Switzerland as the following, excluding “consumers” within the scope of the Federal Act on Consumer Credit of 23 March 2001:

- a. simple partnership;
- b. general partnership;
- c. limited partnership;
- d. company limited by shares;
- e. cooperative;
- f. partnership limited by shares;
- g. limited liability company;
- h. association;
- i. foundation;
- j. investment company with variable capital (SICAV);

- k. investment company with fixed capital (SICAF); or
- l. public institutions legally incorporated on the basis of public law.

VI. Supply based on deference, domestic law or other arrangements

A. Deference

Not applicable.

B. Domestic law

1. From Switzerland into the United Kingdom

The United Kingdom permits the supply of Covered Services into the United Kingdom by Covered Financial Services Suppliers to Covered Clients in accordance with its domestic law. Where the United Kingdom proposes to amend its domestic law in a manner which would restrict or make this supply more burdensome, the procedures under Articles 17 and 18 of the Agreement shall apply with a view to allow the supply of services to be continued.

2. From the United Kingdom into Switzerland

Switzerland permits the supply of Covered Services into Switzerland by Covered Financial Services Suppliers to Covered Clients in accordance with its domestic law. Where Switzerland proposes to amend its domestic law in a manner which would restrict or make this supply more burdensome, the procedures under Articles 17 and 18 of the Agreement shall apply with a view to allow the supply of services to be continued.

C. Other arrangements

Not applicable.

VII. Conditions

Not applicable.

VIII. Sector-specific supervisory cooperation in addition to the provisions under Chapter 4 of the Agreement

Not applicable.

IX. Miscellaneous provisions

In view of the interconnectedness of the world's financial markets and the cross-border nature of operations and activities of financial institutions, the Bank of England and FINMA may enter into arrangements to further deepen their bilateral cooperation relating to the exchange of

information and cooperation in connection with resolution for banks with cross-border operations in their jurisdictions.



## **Annex 3A – Sectoral Annex Financial Market Infrastructures, Central Counterparties**

### **I. Purpose of the Sectoral Annex**

For the purpose of this Sectoral Annex, the Parties affirm that Covered Financial Services Suppliers are permitted to provide Covered Services to Covered Clients from the territory of one Party into the territory of the other Party, as set out and specified in this Sectoral Annex. This may be based on either deference or other arrangements, if provided for herein, or under the domestic law of a Party.

### **II. Definitions**

For the purpose of this Sectoral Annex, the following terms shall have the following meaning:

- a. “Covered Services” means the services specified under Section III;
- b. “Covered Financial Services Suppliers” means the suppliers specified under Section IV;
- c. “Covered Clients” means the clients specified under Section V.

### **III. Covered Services**

#### **A. From Switzerland into the United Kingdom**

In respect of the supply of Covered Services into the United Kingdom:

clearing services relating to trading in financial instruments, as specified in the domestic law of the United Kingdom.

#### **B. From the United Kingdom into Switzerland**

In respect of the supply of Covered Services into Switzerland:

clearing services relating to trading in financial instruments, as specified in the Financial Market Infrastructure Act (FinMIA) of 19 June 2015.

### **IV. Covered Financial Services Suppliers**

#### **A. From Switzerland into the United Kingdom**

In respect of the supply of Covered Services into the United Kingdom, any financial services supplier which is:

- a. authorised and supervised by the competent Supervisory Authorities of Switzerland under FinMIA to supply the relevant Covered Services in Switzerland; and

- b. incorporated in, or formed under the domestic law of Switzerland.

#### B. From the United Kingdom into Switzerland

In respect of the supply of Covered Services into Switzerland, any financial services supplier which is:

- a. authorised and supervised by the Bank of England under the domestic law of the United Kingdom to supply the relevant Covered Services in the United Kingdom; and
- b. incorporated in, or formed under the domestic law of the United Kingdom.

### V. Covered Clients

#### A. From Switzerland into the United Kingdom

In respect of clients established in the United Kingdom, as defined under the domestic law of the United Kingdom:

- a. clearing members; and
- b. trading venues.

#### B. From the United Kingdom into Switzerland

In respect of clients established in Switzerland, as defined under article 60 paragraph 1 letters a and b FinMIA:

- a. supervised Swiss direct participants; and
- b. Swiss financial market infrastructures.

### VI. Supply based on deference, domestic law or other arrangements

#### A. Deference

##### 1. From Switzerland into the United Kingdom

- a. The United Kingdom shall defer to the domestic authorisation and prudential measures of Switzerland that apply solely to financial service suppliers, in respect of the supply of Covered Services into the United Kingdom by Covered Financial Services Suppliers to Covered Clients to the extent specified in this Sectoral Annex.
- b. Accordingly, such Covered Financial Services Suppliers are relieved from any obligation to comply with the authorisation and prudential measures of the United Kingdom that apply solely to financial services suppliers as follows:

- i. for the supply of Covered Services into the United Kingdom, the deference provided for under this Sectoral Annex is subject to:
  1. in respect of a Covered Financial Services Supplier, that Covered Financial Services Supplier being recognised by the Bank of England to supply Covered Services in accordance with the domestic law of the United Kingdom. Such recognition may include a determination by the Bank of England as to whether a Covered Financial Services Supplier is, or is likely to become, systemically important to the financial stability of the United Kingdom;
  2. that a Covered Financial Services Supplier, if determined to be, or likely to become, systemically important may be:
    - required to comply with some or all of the measures of the United Kingdom referred to in paragraph ii; and
    - required to establish in the United Kingdom and comply with authorisation measures under the domestic law of the United Kingdom;
  3. effective cooperation arrangements being in place between the Supervisory Authorities of the Parties; and
  4. the exercise by the Bank of England of its powers in connection with paragraph 1 or 2.
- ii. Subject to the foregoing, Covered Financial Services Suppliers established in Switzerland are relieved from any obligation to comply with the following:

prudential measures deferred to, all as more fully set out in the domestic law of the United Kingdom:

  1. organisational requirements;
  2. conduct of business rules;
  3. prudential requirements; and
  4. supervision and enforcement.

## 2. From the United Kingdom into Switzerland

- a. Switzerland shall defer to the domestic authorisation and prudential measures of the United Kingdom that apply solely to financial service suppliers, in respect of the supply of Covered Services into Switzerland by Covered Financial Services Suppliers to Covered Clients to the extent specified in this Sectoral Annex.

- b. Accordingly, such Covered Financial Services Suppliers are relieved from any obligation to comply with the authorisation and prudential measures of Switzerland that apply solely to financial services suppliers as follows:
  - i. for the supply of Covered Services into Switzerland, the deference provided for under this Sectoral Annex shall be without prejudice to the right of the competent Supervisory Authorities of Switzerland in accordance with the domestic law of Switzerland to:
    - 1. assess the circumstances specific to the Covered Financial Services Supplier, including the assessment of its systemic importance. If a Covered Financial Services Supplier is determined by the competent Supervisory Authority of Switzerland to be, or likely to become, systemically important, it may be required to comply with some or all of the measures under the domestic law of Switzerland; and
    - 2. evaluate whether the Bank of England meets the requirements set out in article 60 paragraph 2 letter b FinMIA, including in relation to the Covered Financial Services Supplier;
  - ii. subject to the foregoing, in respect of the supply of Covered Services into Switzerland, Covered Financial Services Suppliers established in the United Kingdom are relieved from the requirement with respect to the appropriateness of the United Kingdom's regulatory and supervisory framework of the Covered Financial Services Suppliers set as per article 60 paragraph 2 letter a FinMIA.

B. Domestic law

Not applicable.

C. Other arrangements

Not applicable.

VII. Conditions

Not applicable.

VIII. Sector-specific supervisory cooperation in addition to provisions under Chapter 4 of the Agreement

Not applicable.

## **Annex 3B – Sectoral Annex Financial Market Infrastructures, Over-The-Counter Derivatives**

### **I. Purpose of the Sectoral Annex**

For the purpose of this Sectoral Annex, the Parties affirm that Covered Financial Services Suppliers established in the territory of a Party are permitted to enter into Covered Services with other Covered Financial Services Suppliers established in the territory of either Party, as set out and specified in this Sectoral Annex. This may be based on either deference or other arrangements, if provided for herein, or under the domestic law of a Party.

### **II. Definitions**

For the purpose of this Sectoral Annex, the following terms shall have the following meaning:

- a. “Covered Services” means the services specified under Section III;
- b. “Covered Financial Services Suppliers” means the suppliers specified under Section IV;

### **III. Covered Services**

In respect of the supply of Covered Services, services that meet both of the following definitions:

- a. Over-The-Counter (OTC) derivatives contracts not cleared by a central counterparty, as defined in the domestic law of the United Kingdom; and
- b. derivatives transactions, which were not conducted via a trading venue and which do not have to be cleared by a central counterparty authorised or recognised by FINMA, according to the Financial Market Infrastructure Act (FinMIA) of 19 June 2015.

### **IV. Covered Financial Services Suppliers**

#### **A. For the United Kingdom, in respect of Covered Services:**

a counterparty to an OTC derivatives contract not cleared by a central counterparty as defined in the domestic law of the United Kingdom.

#### **B. For Switzerland, in respect of Covered Services:**

a counterparty to a derivatives transaction as defined in article 2 letter c FinMIA established in Switzerland which was not conducted via a trading venue and which does not have to be cleared by a central counterparty authorised or recognised by FINMA, as defined in article 93 FinMIA.

V. Supply based on deference, domestic law, or other arrangements

A. Deference

Not applicable.

B. Domestic law

Not applicable.

C. Other arrangements

1. For the United Kingdom:

- a. In respect of the Covered Services entered into by Covered Financial Services Suppliers established in the United Kingdom with other Covered Financial Services Suppliers established in Switzerland, the United Kingdom shall deem a Covered Financial Services Supplier of the United Kingdom that complies with risk mitigation obligations under the domestic law of Switzerland, except for standards and supervision of initial margin models and variation margin on physically settled foreign exchange swaps and forwards, to have fulfilled the risk mitigation requirements under the domestic law of the United Kingdom.
- b. To benefit from the treatment under paragraph a, where a Covered Financial Services Supplier of the United Kingdom is classified under the domestic law of the United Kingdom as a:
  - i. category of financial counterparty, it must comply with the risk mitigation obligations required of that category of financial counterparty under the domestic law of Switzerland; or
  - ii. category of non-financial counterparty, it must comply with the risk mitigation obligations required of that category of non-financial counterparty under the domestic law of Switzerland.

2. For Switzerland:

In respect of the Covered Services entered into by Covered Financial Services Suppliers established in Switzerland with other Covered Financial Services Suppliers established in the United Kingdom, Covered Financial Services Suppliers established in Switzerland that comply with risk mitigation requirements under the domestic law of the United Kingdom, are deemed to have fulfilled the risk mitigation obligations under articles 107 to 110 FinMIA.

VI. Conditions

Not applicable.

VII. Sector-specific supervisory cooperation in addition to provisions under Chapter 4 of the Agreement

Not applicable.

VIII. Withdrawal and wind down

The Parties confirm that where a Party wishes to withdraw Recognition, or part thereof, under this Annex, Article 21 paragraphs 2 to 11 and Article 22 of the Agreement shall apply *mutatis mutandis*.

## **Annex 3C – Sectoral Annex Financial Market Infrastructures, Trading Venues**

### **I. Purpose of the Sectoral Annex**

For the purpose of this Sectoral Annex, the Parties affirm that Covered Financial Services Suppliers are permitted to supply Covered Services to Covered Clients from the territory of one Party into the territory of the other Party, as set out and specified in this Sectoral Annex. This may be based on either deference or other arrangements, if provided for herein, or under the domestic law of a Party.

### **II. Definitions**

For the purpose of this Sectoral Annex, the following terms shall have the following meaning:

- a. “Covered Services” means the services specified under Section III;
- b. “Covered Financial Services Suppliers” means the suppliers specified under Section IV;
- c. “Covered Clients” means the clients specified under Section V.

### **III. Covered Services**

#### **A. From Switzerland into the United Kingdom**

In respect of the supply of Covered Services into the United Kingdom:

- a. any activity carried out as part of the exchange’s business as a recognised overseas investment exchange as specified in the domestic law of the United Kingdom; or
- b. any activity carried out as part of an investment firm or market operator’s business as a multilateral trading facility as specified in the domestic law of the United Kingdom.

#### **B. From the United Kingdom into Switzerland**

In respect of the supply of Covered Services into Switzerland, any activity carried out by a trading venue as specified in the Financial Market Infrastructure Act (FinMIA) of 19 June 2015.

### **IV. Covered Financial Services Suppliers**

#### **A. From Switzerland into the United Kingdom**

In respect of the supply of Covered Services into the United Kingdom, any financial services supplier which is a:



- a. recognised overseas investment exchange, as specified under the domestic law of the United Kingdom and incorporated in, or formed under the domestic law of Switzerland; or
- b. market operator or investment firm operating as a multilateral trading facility, as specified under the domestic law of the United Kingdom and incorporated in, or formed under the domestic law of Switzerland.

#### B. From the United Kingdom into Switzerland

In respect of the supply of Covered Services into Switzerland, any financial services supplier which is both:

- a. a trading venue incorporated in, or formed under the domestic law of the United Kingdom, as either:
  - i. a stock exchange as defined in FinMIA; or
  - ii. multilateral trading facility as defined in FinMIA;
- b. recognised by FINMA in accordance with article 41 FinMIA.

#### V. Covered Clients

##### A. From Switzerland into the United Kingdom

In respect of clients established in the United Kingdom, as defined in the domestic law of the United Kingdom:

- a. of recognised overseas investment exchanges, for:
  - i. the listing and admission to trading activities, issuers of securities; and
  - ii. trading, any party to a trade in securities.
- b. of multilateral trading facility operators:
  - firms authorised in the United Kingdom under Part 4A authorisation of the Financial Services and Markets Act 2000.

##### B. From the United Kingdom into Switzerland

In respect of clients established in Switzerland, in accordance with FinMIA:

- a. of stock exchanges, for:
  - i. the listing and admission to trading activities, issuers of securities; and

- ii. trading, any party to a trade in securities.

- b. of multilateral trading facilities, for:

- i. the admission to trading activities, issuers of securities; and

- ii. trading, any party to a trade in securities.

## VI. Supply based on deference, domestic law or other arrangements

### A. Deference

Not applicable.

### B. Domestic law

#### 1. From Switzerland into the United Kingdom

The United Kingdom permits the supply of the Covered Services into the United Kingdom by Covered Financial Services Suppliers to Covered Clients, in accordance with its domestic law. Where the United Kingdom proposes to amend its domestic law in a manner which would restrict or make this supply more burdensome, the procedures under Articles 17 and 18 of the Agreement shall apply with a view to allow the supply of services to be continued.

#### 2. From the United Kingdom into Switzerland

Switzerland permits the supply of Covered Services into Switzerland by Covered Financial Services Suppliers to Covered Clients in accordance with its domestic law. Where Switzerland proposes to amend its domestic law in a manner which would restrict or make this supply more burdensome, the procedures under Articles 17 and 18 of the Agreement shall apply with a view to allow the supply of services to be continued.

### C. Other arrangements

Not applicable.

## VII. Conditions

Not applicable.

## VIII. Sector-specific supervisory cooperation in addition to the provisions under Chapter 4 of the Agreement

Not applicable.

## Annex 4 – Sectoral Annex Insurance

### I. Purpose of the Sectoral Annex

For the purpose of this Sectoral Annex, the Parties affirm that Covered Financial Services Suppliers are permitted to supply Covered Services to Covered Clients from the territory of one Party into the territory of the other Party, as set out and specified in this Sectoral Annex. This may be based on either deference or other arrangements, if provided for herein, or the domestic law of a Party.

### II. Definitions

A. For the purpose of this Sectoral Annex, the following terms shall have the following meaning:

- a. “Covered Services” means the services specified under Section III;
- b. “Covered Financial Services Suppliers” means the suppliers specified under Section IV;
- c. “Covered Clients” means the clients specified under Section V;
- d. “Reinsurance” means reinsurance including retrocession, and reinsurer shall be read accordingly;
- e. “Covered Subsidiary” means
  - i. a legal entity established in Switzerland or the United Kingdom in which a Covered Client as defined in Section V paragraph B:
    1. directly holds the majority of the votes in the general assembly or any other supreme body of the legal entity; or
    2. directly has the right to appoint or remove the majority of the members of the board of directors or similar body; or
  - ii. a joint venture established in Switzerland or the United Kingdom in which the Covered Client holds 50 per cent of the votes in the general assembly or any other supreme body of the legal entity.

B. For the purpose of this Sectoral Annex, a risk is situated in a territory:

- a. for insurance relating either to buildings or to buildings and their contents both being covered by the same insurance policy, where the property is situated in that territory;
- b. for insurance relating to vehicles of any type, where the vehicle is registered in that territory;

- c. for policies of a duration of four months or less covering travel risks, regardless of the class of insurance concerned, where the policyholder took out the policy in that territory; or
- d. in all other cases, in the territory where the establishments of the policyholder or its insured subsidiaries to which the contract relates, are situated.

### III. Covered Services

#### A. From Switzerland into the United Kingdom

In respect of the supply of Covered Services into the United Kingdom:

- a. effecting and carrying out contracts of insurance by an insurer as principal, in the following classes, all as defined under the domestic law of the United Kingdom, for the following risks:
  - i. maritime shipping and commercial aviation and space launching and freight (including satellites), with such insurance to cover any or all of the following:
    - 1. the goods being transported;
    - 2. the vehicle transporting the goods; and
    - 3. any liability arising therefrom;
  - ii. goods in international transit;
  - iii. credit and suretyship;
  - iv. land vehicles
  - v. fire and natural forces;
  - vi. other damage to property;
  - vii. motor vehicle liability, except in relation to any liability which, in accordance with national laws or regulations, must be insured by an insurer who is authorised under such law;
  - viii. general liability, except in relation to any liability which, in accordance with national laws or regulations, must be insured by an insurer who is authorised under such law;
  - ix. miscellaneous financial loss; and

- x. difference in conditions and difference in limits, where the difference in conditions or difference in limits cover is provided under a master policy issued by an insurer to cover risks across multiple jurisdictions;
- b. services auxiliary to insurance, such as consultancy, actuarial, risk assessment, and claim settlement services;
- c. effecting and carrying out contracts of reinsurance by a reinsurer for all classes of underlying risk; and
- d. distribution activities by an insurance or reinsurance intermediary for all classes of insurance risks related to the services listed in paragraphs a and c.

The supply of Covered Services under the Agreement shall not require notification and authorisation according to article 4 paragraph 2 letter c and article 5 paragraph 2 of the Insurance Supervision Act of 17 December 2004 (status as of 1 January 2024) (ISA), as applicable.

#### B. From the United Kingdom into Switzerland

- a. provision of insurance cover by an insurer for the following classes:
  - i. damage to or loss of land or railway vehicles, and lake, river and canal vessels;
  - ii. damage to or loss of goods in non-cross border transit including merchandise, baggage and all other goods, irrespective of the form of transport;
  - iii. damage to property caused by theft, wilful damages caused by third parties or other causes of any kind such as frost, except for damages caused by fire, explosion, flood, inundation, storm, hail, avalanche, snow pressure, rockfall and landslide;
  - iv. damage to nuclear facilities;
  - v. credit (general insolvency, export credit, instalment credit, mortgages, agricultural credit);
  - vi. suretyship, direct and indirect;
  - vii. miscellaneous financial losses, such as the following (excluding financial interests in a subsidiary or affiliate which may be sought through a financial interest clause in a contract of insurance):
    - 1. employment risks;
    - 2. insufficiency of income;

3. bad weather;
  4. loss of profits;
  5. continuing general expenses;
  6. unforeseen trading expenses;
  7. loss of market value;
  8. loss of rent or revenue;
  9. indirect trading losses; and
  10. other non-trading financial losses;
- viii. legal protection (legal expenses and costs of litigation);
- ix. business travel assistance for employees (including members of the board of directors) of Covered Clients;
- x. third party liability exclusively for:
1. directors and officers claims resulting from breaches of their duty towards Covered Clients as their employer and committed by them in their capacity as directors and officers of Covered Clients;
  2. seller's and buyer's warranty and indemnity for Covered Clients in the context of mergers and acquisitions, project finance, capital markets transactions and other transactions of that nature; and
  3. cyber risks indemnity covering claims which are made exclusively by enterprises that fulfil the criteria in Section V paragraph B against Covered Clients.
- xi. For greater certainty, subject to the exclusions in paragraph iii above and paragraph b below, the following is included in the classes according to paragraph i to ix:
1. for cyber:
    - business interruption;
    - property damage which includes cover for an installation or equipment; and

- any miscellaneous financial loss relating to the replacement or recovery of software;
2. for renewable energy:
- business interruption;
  - property damage which includes cover for an installation or equipment
  - any miscellaneous financial loss relating to the installation or equipment being offline; and
  - delays in commencement of projects.
- b. The provision of cover is excluded for insurances:
- i. subject to a public law regime in particular in the area of state monopolies and cantonal monopolies of building insurers; or
  - ii. requiring a legally enforceable pool participation.
- c. insurance distribution activities by an insurance intermediary where the insurance service is:
- i. listed under paragraph a.i to x above and supplied by a Covered Financial Services Supplier specified in Section IV paragraph B as an insurer; or
  - ii. written under ISA by an insurance company authorised and supervised by FINMA.
- d. The Covered Services shall only be supplied to Covered Clients:
- i. concerning risks situated in Switzerland for their own risks, and own direct and own consequential losses; and
  - ii. for the own risks, and own direct and own consequential losses of their Covered Subsidiaries established in Switzerland for their risks situated in Switzerland or of their Covered Subsidiaries established in the United Kingdom for their risks situated in the United Kingdom provided that in each case such Covered Subsidiaries are referred to individually or collectively as insured in the insurance contract.

#### IV. Covered Financial Services Suppliers

##### A. From Switzerland into the United Kingdom

In respect of the supply of Covered Services into the United Kingdom, any insurance services supplier which is authorised and supervised in accordance with article 2 paragraph 1 letters a and c ISA as an:

- a. insurance company of Switzerland that conducts direct insurance or reinsurance;  
or
- b. insurance intermediary.

##### B. From the United Kingdom into Switzerland

In respect of the supply of Covered Services into Switzerland, any insurance services supplier which:

- a. is authorised and supervised by the relevant Supervisory Authority under the domestic law of the United Kingdom as an:
  - i. insurer; or
  - ii. insurance intermediary;
- b. is incorporated in, or formed under the domestic law of the United Kingdom, a resident of the United Kingdom, or a UK branch of a Covered Financial Services Supplier of Switzerland;
- c. supplies the relevant Covered Services in respect of risks located outside Switzerland;
- d. as an insurer, at an entity level:
  - i. is generally subject to Solvency II regulatory requirements, except for UK branches of a Covered Financial Services Supplier of Switzerland according to paragraph b;
  - ii. meets the solvency requirements without capital relief measures, in particular basing its solvency calculations on the risk-free yield curve without the application of adjustments such as:
    - 1. matching adjustment (MA);
    - 2. volatility adjustment (VA);
    - 3. dynamic volatility adjustment (DVA);



- 4. transitional measures on the risk free interest rate (TMIR); and
  - 5. transitional measures on technical provisions (TMTP);
- iii. fulfils the requirements of the company specific management buffer;
  - iv. has no life insurance liabilities except for those stemming from non-life insurance contracts; and, where it has such liabilities, the gross best estimate of these liabilities does not exceed 10 per cent of the total best estimate liabilities according to Solvency II figures without using any of the capital relief measures in paragraph ii; and
  - v. ensures that its staff involved in the distribution of insurance contracts under the domestic law of Switzerland possess relevant knowledge of the insurance legislation of Switzerland;
- e. as an insurer, has notified FINMA, in a form further specified between the Supervisory Authorities of the Parties and provided the relevant Supervisory Authority of the United Kingdom with a copy, indicating the Covered Services it wishes to supply into Switzerland to Covered Clients, including the relevant classes of insurance for the purposes of being placed on a register maintained by FINMA (hereafter, the “Register”);
  - f. as an insurer, has been placed on the Register with respect to the supply of the notified Covered Services to Covered Clients into Switzerland; and
  - g. as an insurer, notifies FINMA, and provides the relevant Supervisory Authority of the United Kingdom with a copy, any change relevant to its Register entry.

## V. Covered Clients

### A. From Switzerland into the United Kingdom

In respect of clients incorporated in the United Kingdom, enterprises that, at the moment of conclusion, renewal or amendment of an insurance or intermediation contract, meet at least two out of the three following requirements:

- a. turnover in excess of GBP 36 million;
- b. balance sheet total in excess of GBP 18 million; or
- c. in excess of 250 employees.

### B. From the United Kingdom into Switzerland

In respect of clients incorporated in Switzerland, enterprises that, at the moment of conclusion, renewal or amendment of an insurance or intermediation contract, meet at least two out of the three following requirements:

- a. net turnover in excess of CHF 40 million;
- b. balance sheet total in excess of CHF 20 million; or
- c. in excess of 250 employees.

## VI. Supply based on deference, domestic law or other arrangements

### A. Deference

#### From the United Kingdom into Switzerland

- a. Switzerland shall defer to the domestic authorisation and prudential measures of the United Kingdom that apply solely to financial services suppliers, in respect of the supply of Covered Services into Switzerland by Covered Financial Services Suppliers to Covered Clients to the extent specified in this Sectoral Annex.
- b. Accordingly, such Covered Financial Services Suppliers are relieved from any obligation to comply with the authorisation and prudential measures of Switzerland that apply solely to financial service suppliers as follows and as set out under the ISA, including the corresponding implementing measures:
  - i. for insurance companies
    - 1. data reporting due to cross-sectoral risks (article 2b ISA);
    - 2. authorisation (articles 3 and 6 ISA);
    - 3. authorisation request and business plan (article 4 ISA);
    - 4. amendment of the business plan (article 5 ISA);
    - 5. legal status (article 7 sentence I ISA);
    - 6. minimal equity and capital requirements (articles 8, 9, 9a, 9b and 9c ISA);
    - 7. organisation fund (article 10 ISA);
    - 8. business in addition to the insurance business (article 11 ISA);
    - 9. sound and proper business conduct (article 14 ISA);
    - 10. avoidance of conflict of interests (article 14a ISA);
    - 11. underwriting reserves (article 16 ISA);

12. tied assets (articles 17 to 20 ISA);
  13. participations (article 21 ISA);
  14. risk management (article 22 ISA);
  15. recovery planning (article 22a ISA);
  16. responsible actuary (articles 23 and 24 ISA);
  17. reporting requirements (article 25 ISA);
  18. accounting (article 26 ISA);
  19. internal and external audits (articles 27 to 30 ISA);
  20. insurance companies that insure professional policyholders, intragroup direct and reinsurance (articles 30a, 30b, 30c and 30d ISA);
  21. legal protection (article 32 ISA);
  22. reinsurance (article 35 ISA);
  23. education and training (article 43 ISA);
  24. interdiction to work with a non-authorized insurance intermediary (article 44 paragraph 2 ISA), in so far as the Covered Financial Services Supplier is allowed to distribute its insurance contracts through an insurance intermediary that is also a Covered Financial Services Supplier, in accordance Section IV paragraph 2;
  25. information to the client (article 45 ISA);
  26. conflicts of interests (article 45a ISA);
  27. supply of documents to clients (articles 80 and 81 ISA);
  28. recovery and resolution requirements (articles 51 to 59 ISA); and
  29. end of business requirements (articles 60 to 63 ISA);
- ii. for insurance intermediaries in a fiduciary relationship with and acting in the interest of the Covered Client, and not as an employee of an insurance services supplier in accordance with article 40 paragraph 2 ISA, the domestic law of Switzerland applies, except for the localisation requirement in article 41 paragraph 2 letter a ISA;

- iii. for greater certainty, Covered Financial Services Suppliers incorporated in the United Kingdom continue to be exempt from supervision by FINMA if, in addition to the activities according to Section III paragraph A, they:
  - 1. supply insurance services without having a branch in Switzerland exclusively in the following lines of business in accordance with article 1 paragraph 2 Insurance Supervision Ordinance (ISO) of 9 November 2005 (status as of 1 January 2024):
    - cover of insurance risks related to maritime shipping, air transport and international transport;
    - cover of risks located outside Switzerland; or
    - cover of war risks; or
  - 2. exclusively supply reinsurance services in Switzerland in accordance with article 2 paragraph 2 letter a ISA; and
- iv. for greater certainty, the distribution of an insurance contract covering the classes of insurance according to Section III paragraphs B.a.i to xi supplied solely by a Covered Financial Services Supplier does not qualify as an unauthorised activity of an insurance intermediary in accordance with article 44 paragraph 1 letter a ISA.

#### B. Domestic law

##### From Switzerland into the United Kingdom

The United Kingdom permits the supply of Covered Services into the United Kingdom by Covered Financial Services Suppliers to Covered Clients, in accordance with its domestic law. Where the United Kingdom proposes to amend its domestic law in a manner which would restrict or make this supply more burdensome, the procedures under Articles 17 and 18 of the Agreement shall apply with a view to allow the supply of services to be continued.

#### C. Other arrangements

Not applicable.

### VII. Conditions

#### From the United Kingdom into Switzerland

In respect of the supply of Covered Services into Switzerland, Covered Financial Services Suppliers as defined in Section IV paragraph B are required to comply with the following conditions:

## 1. pre-contractual disclosures to Covered Clients

Covered Financial Services Suppliers of the United Kingdom supplying Covered Services into Switzerland are required to disclose in writing to Covered Clients within a reasonable time before the conclusion of the contract, drafted clearly and stating at least the following:

### a. for an insurer:

- i. name and address of the Covered Financial Services Supplier;
- ii. that the Covered Financial Services Supplier is authorised and supervised for the relevant classes of insurance by the relevant Supervisory Authority under the domestic law of the United Kingdom and is not authorised and supervised by FINMA;
- iii. that the Covered Client is personally responsible for the payment of compulsory taxes levied on the premium payments for insurance in Switzerland to the competent tax authority;
- iv. contact details of the Covered Financial Services Supplier for:
  1. obtaining information on the required knowledge and capabilities of its staff responsible for the distribution of insurance contracts;
  2. addressing complaints regarding professional negligence; and
  3. addressing errors or inaccurate information connected with the distribution activities of the Covered Financial Services Supplier; and
- v. place of jurisdiction and applicable law of the contract to be entered into;

### b. for an insurance intermediary:

- i. that the Covered Client is personally responsible for the payment of compulsory taxes levied on the premium payments for insurance in Switzerland to the competent tax authority; and
- ii. place of jurisdiction and applicable law of the contract to be entered into;

## 2. ad hoc disclosures to Covered Clients on request

Upon request, a Covered Financial Services Supplier must, subject to the relevant requirements under the applicable data protection and confidentiality rules, provide their Covered Client within 30 days with a full copy of the file of the Covered Client and all other documents within the scope of their business relationship;

### 3. reporting

A Covered Financial Services Supplier, as an insurer, shall provide the following information on a yearly basis to FINMA, with copy to the relevant Supervisory Authority of the United Kingdom:

- a. its name;
- b. types of Covered Services including class of insurance according to Section III paragraph B supplied to Covered Clients; and
- c. the total value of gross premiums for activities carried out in the Reporting Period specified by type of Covered Services including classes of insurance according to Section III paragraph B, where the total value of gross premiums of the Covered Sector Activities of the Covered Financial Services Supplier exceeds CHF 5,000,000 in the previous 12 months (thereafter the "Reporting Period").

### VIII. Sector-specific supervisory cooperation in addition to provisions under Chapter 4 of the Agreement

A. Where a Party defers to the domestic authorisation and prudential measures of the other Party according to Section VI paragraph A the following provisions apply.

#### 1. Principle of sector-specific Supervisory cooperation

Unless otherwise agreed, where a Party defers to the domestic authorisation and prudential measures of the other Party, the relevant Supervisory Authorities of that other Party remain responsible for the supervision of Covered Financial Services Suppliers pursuant to its domestic law and shall be responsible for supervising and, if necessary, for ensuring compliance with the requirements of the Agreement.

#### 2. Notifications

- a. The relevant Supervisory Authority of the United Kingdom shall verify and inform FINMA within 30 days of receiving a notification according to Section IV paragraph B.e whether or not it is satisfied that the insurance services supplier:
  - i. fulfils the eligibility requirements for Covered Financial Services Suppliers in Section IV paragraph B.a to c and d.i, ii and iv; and
  - ii. is of good standing.
- b. Where the relevant Supervisory Authority of the United Kingdom informs FINMA that it is satisfied that the conditions in paragraph a are met, FINMA shall place the insurance services supplier on the Register within 30 days of receiving such confirmation.

- c. Where a notification from a Covered Financial Services Supplier pursuant to Section IV paragraph B.g concerns:
  - i. additional Covered Services including the relevant classes of insurance, paragraphs a and b shall apply *mutatis mutandis*; or
  - ii. any other modifications, FINMA shall amend the Register within 30 days after the date on which it receives the notification.
- d. The relevant Supervisory Authority of the United Kingdom shall inform FINMA without undue delay, when it becomes aware that a Covered Financial Services Supplier:
  - i. ceases to fulfil one or more eligibility requirements as set out in Section IV paragraphs B.a to c and d.i, ii and iv;
  - ii. is no longer of good standing; or
  - iii. is subject to complaints of a material nature by Covered Clients regarding the supply of Covered Services.

### 3. Dialogue between Supervisory Authorities and exchange of information

- a. Notwithstanding paragraph 1, where FINMA has reasonable grounds to suspect that:
  - i. a Covered Financial Services Supplier of the United Kingdom does not comply with the requirements pursuant to the Agreement; or
  - ii. the conduct of a Covered Financial Services Supplier of the United Kingdom causes or is likely to cause material harm to:
    - 1. Covered Clients according to Section V paragraph B; or
    - 2. the integrity or stability of the financial system of Switzerland;

FINMA shall, without undue delay, notify the relevant Supervisory Authority of the United Kingdom and provide relevant information in accordance with Chapter 4 of the Agreement.

- b. The Supervisory Authorities of the Parties shall immediately thereafter enter into a dialogue with a view to finding a commonly acceptable solution.
- c. The relevant Supervisory Authority of the United Kingdom shall for this purpose:
  - i. provide the information necessary to support the assessment of FINMA with regard to paragraph a; and

- ii. where appropriate take measures to address the situation without undue delay.
- d. In the event that the dialogue according to paragraph b has not resolved the matter, FINMA may submit a request directly to a Covered Financial Services Supplier of the United Kingdom to provide it with information.
- e. FINMA shall, so far as is reasonably practicable, taking account of the urgency of the particular circumstances, notify the relevant Supervisory Authority of the United Kingdom of any request under paragraph d before or, in urgent cases, at the same time as the request is submitted to the Covered Financial Services Supplier of the United Kingdom.
- f. Supervisory Authorities shall make all necessary arrangements within their respective legal frameworks to enable the direct transmission of confidential information by Covered Financial Services Suppliers to the relevant Supervisory Authority of the other Party.

#### 4. Host intervention power

- a. Where the dialogue pursuant to paragraph 3.b has not resolved the matter raised under paragraph 3.a., FINMA may decide to restrict a Covered Financial Services Supplier from supplying certain or all relevant Covered Services into Switzerland as it deems necessary to mitigate that risk.
- b. Where FINMA restricts a Covered Financial Services Supplier pursuant to paragraph a, it may also:
  - i. determine that the Covered Financial Services Supplier discloses specified information to Covered Clients as defined under Section V paragraph B or such potential persons;
  - ii. determine arrangements for the purpose of the orderly wind down of Covered Sector Activities affected by the restriction, in coordination, where necessary, with the relevant Supervisory Authority of the United Kingdom;
  - iii. remove or amend its entry in the Register; and
  - iv. publicly inform on the measures taken pursuant to paragraphs a and, where applicable, b.
- c. Any measure taken by FINMA under paragraphs a and b shall not affect the ability of the relevant Supervisory Authority of the United Kingdom to act under the domestic law of the United Kingdom.



- d. For the purpose of paragraphs a and b, FINMA may effect service of documents, including the transmission of its decisions, directly to the Covered Financial Services Supplier of the United Kingdom.
- e. Where FINMA decides to take a measure under paragraph a or b, it shall notify the relevant Supervisory Authority of the United Kingdom as soon as practicable and before the measure is taken.
- f. Where a measure is taken under paragraph a or b, FINMA shall notify the Joint Committee as soon as practicable and provide regular updates thereafter.
- g. Where FINMA takes a measure pursuant to paragraph a or b, the Covered Financial Services Supplier of the United Kingdom shall be accorded the rights that would be accorded to a financial services supplier authorised in Switzerland in like circumstances, including the right to a prompt review of the measures taken and access to an independent judicial, arbitral or administrative tribunal.
- h. When the matter raised under paragraph 3.a has been resolved, FINMA shall immediately review any relevant measure taken under paragraph a or b, with a view to rescinding it.
- i. Where it is not practicable to notify the relevant Supervisory Authority of the United Kingdom under paragraph 3.a and there are exceptional circumstances that require immediate action to mitigate the risk of harm as referred to in paragraph 3.a.ii.2, FINMA may take a measure under paragraph a or b as it deems necessary. Paragraphs 3.a to c shall therefore not apply. In such circumstances:
  - i. FINMA shall notify the relevant Supervisory Authority of the United Kingdom, when or immediately after the measure is taken and provide relevant information;
  - ii. the relevant Supervisory Authorities shall, as soon as practicable, enter into a dialogue with a view to finding a commonly acceptable solution, taking into account any proposals made by the relevant Supervisory Authority of the United Kingdom; and
  - iii. measures adopted under this paragraph shall not be used as a means of avoiding the commitments or obligations of a Party under this Agreement.
- j. FINMA shall notify the relevant Supervisory Authority of the United Kingdom and the Joint Committee immediately upon rescinding of any measure taken pursuant to paragraph a or b.

## **Annex 5 – Sectoral Annex Investment Services**

### **I. Purpose of the Sectoral Annex**

For the purpose of this Sectoral Annex, the Parties affirm that Covered Financial Services Suppliers are permitted to supply Covered Services to Covered Clients from the territory of one Party into the territory of the other Party, as set out and specified in this Sectoral Annex. This may be based on either deference or other arrangements, if provided for herein, or under the domestic law of a Party.

### **II. Definitions**

For the purpose of this Sectoral Annex, the following terms shall have the following meaning:

- a. “Covered Services” means the services specified under Section III;
- b. “Covered Financial Services Suppliers” means the suppliers specified under Section IV;
- c. “Covered Clients” means the clients specified under Section V;
- d. “Covered Financial Instruments” means the financial instruments specified under Section VI;
- e. “Net Assets” means the assets specified under Section VII.

### **III. Covered Services**

#### **A. From Switzerland into the United Kingdom**

In respect of the supply of Covered Services into the United Kingdom, including activities relating thereto covered by Section VIII paragraph A.1.d:

investment services and activities, and ancillary services supplied by a Covered Financial Services Supplier, as follows, all as defined under the domestic law of the United Kingdom and in relation to Covered Financial Instruments under Section VI paragraph A:

- a. investment services and activities:
  - i. reception and transmission of orders in relation to one or more Covered Financial Instruments;
  - ii. execution of orders on behalf of clients;
  - iii. dealing on own account;
  - iv. portfolio management;

- v. investment advice;
  - vi. underwriting of Covered Financial Instruments and/or placing of Covered Financial Instruments on a firm commitment basis;
  - vii. placing of Covered Financial Instruments without a firm commitment basis; and
  - viii. communications made to or directed at natural persons resident in the United Kingdom and their agents and as well as private investment structures established in the United Kingdom to ascertain whether any such person qualifies as a High Net Worth Covered Client, as defined in Section V paragraph A.1;
- b. services ancillary to the main investment services business of the supplier, which may also be supplied on a standalone basis:
- i. safekeeping and administration of Covered Financial Instruments for the account of clients, including custodianship and related services such as cash or collateral management, but excluding providing and maintaining securities accounts at the top-tier level by central securities depositories and the provision of depository services to funds which are required under the domestic law of the United Kingdom to be provided by a legal entity incorporated in the United Kingdom;
  - ii. granting credits or loans to an investor to allow the investor to carry out a transaction in one or more Covered Financial Instruments where the firm granting the credit or loan is involved in the transaction;
  - iii. advice to undertakings on capital structure;
  - iv. advice on industrial strategy and related matters, and advice and services relating to mergers and the purchase of undertakings;
  - v. foreign exchange services where these are connected to the provision of investment services;
  - vi. investment research and financial analysis or other forms of general recommendation relating to transactions in Covered Financial Instruments; and
  - vii. services related to underwriting.
- c. If a Covered Financial Services Supplier is authorised in the United Kingdom under part 4A of the Financial Services and Markets Act 2000 (FSMA), Covered Services notified under Section IV paragraph A.e, and activities relating thereto covered by Section VIII paragraph A.1.d, cannot be carried on from or under the supervision or control of its permanent establishment in the United Kingdom.

## B. From the United Kingdom into Switzerland

In respect of the supply of Covered Services into Switzerland:

- a. financial services in accordance with the Federal Act on Financial Services of 15 June 2018 (“FINSA”) and in relation to Covered Financial Instruments under Section VI paragraph B:
  - i. acquisition or disposal of financial instruments;
  - ii. receipt and transmission of orders in relation to financial instruments;
  - iii. administration of financial instruments (portfolio management);
  - iv. provision of personal recommendations on transactions with financial instruments (investment advice); and
  - v. granting of loans to finance transactions with financial instruments;
- b. services in accordance with the Federal Act on Financial Institutions of 15 June 2018:
  - i. trading in securities in its own name for the account of clients;
  - ii. trading in securities for its own account on a short-term basis;
  - iii. trading in securities for its own account on a short-term basis and publicly quoting prices for individual securities upon request or on an ongoing basis (market maker);
  - iv. underwriting securities issued by third parties as a firm commitment or on commission and offer these to the public on the primary market on a commercial basis;
  - v. creating derivatives itself on a commercial basis, which it offers to the public on the primary market on its own behalf or on behalf of another party;
  - vi. underwriting securities issued by third parties and offering these to the public on a primary market on a commercial basis;
  - vii. creating derivatives in the form of securities and offering these to the public on the primary market on a commercial basis;
  - viii. holding accounts for settling securities trade, either itself or with third parties; and

- ix. acting as custodian of securities of clients, either itself or in its own name with third parties.
- c. For greater certainty, Covered Services include the following:
  - i. investment research and financial or portfolio analysis-related services;
  - ii. foreign exchange services; and
  - iii. advice and services relating to mergers and the purchase of undertakings.

#### IV. Covered Financial Services Suppliers

##### A. From Switzerland into the United Kingdom

In respect of the supply of Covered Services into the United Kingdom, including activities relating thereto covered by Section VIII paragraph A.1.d, any financial services supplier which:

- a. is authorised and supervised as a:
  - i. bank in accordance with the Federal Act on Banks and Savings Banks of 8 November 1934; or
  - ii. securities firm, fund management company, manager of collective assets or as a portfolio manager in accordance with the Federal Act on Financial Institutions of 15 June 2018;
- b. is incorporated in, or formed under the domestic law of Switzerland;
- c. is authorised by FINMA to supply the notified Covered Services in Switzerland;
- d. supplies the relevant Covered Services in Switzerland;
- e. has notified the FCA, in a form specified between FINMA and the FCA, and provided FINMA with a copy, indicating, for the purposes of being placed on a register maintained by the FCA (hereafter, the "Register"), the Covered Services it wishes to supply into the United Kingdom by Covered Financial Instruments and categories of Covered Clients;
- f. is not authorised in the United Kingdom under Part 4A of FSMA to supply the Covered Service or Covered Services in respect of which it has made a notification in accordance with paragraph e;
- g. has been placed on the Register with respect to the supply into the United Kingdom of the notified Covered Services with reference to the relevant Covered Financial Instruments and categories of Covered Clients; and

- h. notifies the FCA, and provides FINMA with a copy, of any change relevant to its Register entry.

## B. From the United Kingdom into Switzerland

1. In respect of the supply of Covered Services into Switzerland, any financial services supplier which:
  - a. is authorised by the relevant Supervisory Authority under the domestic law of the United Kingdom;
  - b. is incorporated in, or formed under the domestic law of the United Kingdom;
  - c. is authorised by the relevant Supervisory Authority of the United Kingdom to supply the relevant Covered Service in the United Kingdom; and
  - d. supplies the relevant Covered Service in the United Kingdom.
2. For the supply of Covered Services, as defined in Section III paragraph B.a, in the territory of Switzerland through a natural person performing Covered Services as an employee on behalf of a Covered Financial Services Supplier in the territory of Switzerland on a temporary basis to Covered Clients (hereafter “Client Advisers”), any financial services supplier:
  - a. authorised and supervised by the relevant Supervisory Authority under the domestic law of the United Kingdom;
  - b. incorporated in, or formed under the domestic law of the United Kingdom;
  - c. authorised by the relevant Supervisory Authority of the United Kingdom to supply the relevant Covered Services in the United Kingdom;
  - d. supplying the relevant Covered Services in the United Kingdom;
  - e. whose activities and that of its Client Advisers relating to the supply of Covered Services to Covered Clients in Switzerland do not amount to a permanent establishment in Switzerland; and
  - f. that has notified the FCA, indicating the Covered Services, as defined in Section III paragraph B.a, it wishes to supply through its Client Advisers in Switzerland.

## V. Covered Clients

### A. From Switzerland into the United Kingdom

In respect of clients resident or established in the United Kingdom:

1. high net worth clients:

- a. a natural person who:
  - i. has Net Assets in excess of GBP 2,000,000;
  - ii. in light of the services and the nature of the related transactions, is capable of making his or her own investment decisions and understanding the risk involved; and
  - iii. has declared in writing in a stand alone document that he or she:
    - 1. wishes to be treated as a High Net Worth Covered Client, as defined in this Section, in respect of a particular Covered Service; and
    - 2. is aware that the protections and investor compensation rights normally available under the domestic law of the United Kingdom will not be available to him or her in respect of Covered Services provided by a Covered Financial Services Supplier of Switzerland and that they are aware of the consequences;
- b. a private investment structure with professional treasury operations, that is a structure which has at least one qualified expert with appropriate professional skills in financial matters to whom a natural person entrusts the principal responsibility for managing his or her assets on a continuous basis, and which acts for that natural person, where:
  - i. the natural person is resident in the United Kingdom;
  - ii. the natural person has Net Assets in excess of GBP 2,000,000;
  - iii. the person authorised to carry out transactions on behalf of the private investment structure is capable of making investment decisions and understanding the risk involved for the natural person, in light of the services and the nature of the related transactions;
  - iv. an officer of the private investment structure has declared in writing in a stand alone document that he or she is aware that the protections and investor compensation rights normally available under the domestic law of the United Kingdom will not be available to the private investment structure in respect of Covered Services provided by a Covered Financial Services Supplier of Switzerland and that it is aware of the consequences; and
  - v. an officer of the private investment structure has declared in writing in a stand alone document that he or she wishes the private investment structure to be treated as a High Net Worth Covered Client, as defined in this Section, in respect of a particular Covered Service; or

- c. a private investment structure, with no qualified expert with appropriate professional skills in financial matters, which acts for a natural person and through which the natural person will invest, where:
  - i. the natural person is resident in the United Kingdom;
  - ii. the natural person has Net Assets in excess of GBP 2,000,000;
  - iii. the natural person is capable of making his or her own investment decisions and understanding the risk involved, in light of the services and the nature of the related transactions;
  - iv. the natural person has declared in writing in a stand alone document that he or she is aware that the protections and investor compensation rights normally available under the domestic law of the United Kingdom will not be available to him or her in respect of Covered Services provided by a Covered Financial Services Supplier of Switzerland and that he or she is aware of the consequences; and
  - v. an officer of the private investment structure has declared in writing in a stand alone document that the private investment structure wishes to be treated as a High Net Worth Covered Client, as defined in this Section, in respect of a particular Covered Service;

each, hereafter a “High Net Worth Covered Client”;

- 2. per se professional clients, as defined under the domestic law of the United Kingdom:
  - a. entities which are required to be authorised or regulated to operate in the financial markets;
  - b. large undertakings;
  - c. national and regional governments, international and supranational institutions; or
  - d. other institutional investors whose main activity is to invest in financial instruments;
- 3. eligible counterparties, as defined under the domestic law of the United Kingdom:
  - a. investment firms;
  - b. credit institutions;
  - c. insurance companies;



- d. collective investment schemes authorised under the domestic law of the United Kingdom which implemented Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS), or their management companies;
- e. pension funds or their management companies;
- f. other financial institutions authorised or regulated under the domestic law of the United Kingdom;
- g. national governments or their corresponding offices, including public bodies that deal with public debt at national level; or
- h. supranational organisations.

#### B. From the United Kingdom into Switzerland

In respect of clients in Switzerland, the following, as defined under the domestic law of Switzerland:

##### 1. institutional clients in accordance with FINSA:

- a. financial intermediaries, as defined in the:
  - i. Federal Act on Banks and Savings Banks of 8 November 1934;
  - ii. Federal Act on Financial Institutions of 15 June 2018; and
  - iii. Federal Act on Collective Investment Schemes of 23 June 2006;
- b. insurance companies, as defined in the Federal Act on Insurance Supervision of 17 December 2004;
- c. foreign clients subject to prudential supervision as the persons listed under paragraphs a and b;
- d. central banks; or
- e. national and supranational public entities with professional treasury operations; or

##### 2. other professional clients in accordance with FINSA:

- a. public entities with professional treasury operations;
- b. occupational pension schemes with professional treasury operations and other occupational pension institutions providing professional treasury operations;

- c. companies with professional treasury operations;
  - d. large companies; or
  - e. private investment structures with professional treasury operations created for high-net-worth retail clients; or
3. high net worth clients in accordance with article 5 paragraph 2 letter b FINSA:
- natural persons and private investment structures created for them qualifying as high net worth clients in accordance with article 5 paragraph 2 letter b FINSA that:
- a. have declared that they wish to be treated as professional clients; and
  - b. have assets at their disposal of at least CHF 2,000,000, as defined in article 5 paragraphs 1 and 2 of the Federal Ordinance on Financial Services of 6 November 2019.

## VI. Covered Financial Instruments

### A. From Switzerland into the United Kingdom

In respect of the supply of Covered Services into the United Kingdom, including activities relating thereto covered by Section VIII paragraph A.1.d, all as defined under the domestic law of the United Kingdom:

- a. transferable securities;
- b. money market instruments;
- c. collective investment schemes (CIS) or alternative investment funds (AIFs), including money market funds (MMFs); or
- d. options, futures, swaps, forward rate agreements and any other derivative contracts which are financial instruments.

### B. From the United Kingdom into Switzerland

In respect of the supply of Covered Services under Section III paragraph B.a into Switzerland, all as defined in FINSA:

- a. equity securities:
  - i. securities in the form of shares including share-like securities allowing for participation or voting rights, such as participation certificates and dividend rights certificates; and

- ii. securities which, on conversion or exercise of the rights evidenced by them, enable the acquisition of equity securities, as set forth in paragraph 1, as soon as they have been registered for conversion;
- b. debt instruments: securities not classified as equity securities;
- c. units in collective investment schemes in accordance with articles 7 and 119 of the Federal Act on Collective Investment Schemes of 23 June 2006;
- d. structured products, such as capital protected products, capped return products and certificates;
- e. derivatives in accordance with article 2 letter c of the Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading of 19 June 2015;
- f. deposits whose redemption value or interest is risk- or price-dependent, excluding those whose interest is linked to an interest rate index; and
- g. bonds: units in an overall loan subject to uniform conditions.

## VII. Net Assets

### From Switzerland into the United Kingdom

In respect of the supply of Covered Services into the United Kingdom, including activities relating thereto covered by Section VIII paragraph A.1.d, property, rights, entitlements or interests, except:

- a. the property which is the primary residence of a client or any money raised through a loan secured on that property;
- b. any rights of the client under a long-term contract of insurance which is not:
  - i. a reinsurance contract, or
  - ii. a contract in respect of which the following conditions are met:
    1. the benefits under the contract are payable only on death or in respect of incapacity due to injury, sickness or infirmity;
    2. the contract has no surrender value, or the consideration consists of a single premium and the surrender value does not exceed that premium; and
    3. the contract makes no provision for its conversion or extension in a manner which would result in it ceasing to comply with any of the above conditions;

- c. any benefits in the form of pensions, or otherwise, which are payable on the termination of the service of a client or on his death or retirement and to which the client is, or their dependents are, or may be, entitled; or
- d. any withdrawals from the pension savings of a client, except where the withdrawals are used directly for income in retirement.

## VIII. Supply based on deference, domestic law or other arrangements

### A. Deference

#### 1. From Switzerland into the United Kingdom

- a. The United Kingdom shall defer to domestic authorisation and prudential measures of Switzerland that apply solely to financial service suppliers, in respect of the supply of Covered Services into the United Kingdom by Covered Financial Services Suppliers to Covered Clients to the extent specified in this Sectoral Annex.
- b. Accordingly such Covered Financial Services Suppliers are relieved from any obligation to comply with the authorisation and prudential measures of the United Kingdom that apply solely to financial service suppliers as follows:
  - i. authorisation measures deferred to, all as more fully set out under the domestic law of the United Kingdom:
    - all.
  - ii. prudential measures deferred to, all as more fully set out under the domestic law of the United Kingdom:
    - 1. requirements to ensure firms have adequate financial resources;
    - 2. operational resilience and operational continuity requirements;
    - 3. outsourcing requirements (excluding portfolio management delegation requirements);
    - 4. recovery and resolution requirements;
    - 5. risk control and governance requirements, including in relation to individual accountability and remuneration;
    - 6. reporting requirements;
    - 7. prudential disclosure requirements;
    - 8. change in control requirements;

9. systems and controls requirements;
10. record keeping requirements;
11. compensation requirements;
12. dispute resolution requirements;
13. conduct of business requirements, other than those in relation to product intervention measures;
14. training and competence;
15. requirements on individual officers and employees of financial services suppliers;
16. client money and client assets requirements;
17. marketing requirements other than in relation to marketing of CISs and AIFs; and
18. disclosure of regulatory status.

c. Limitation

Notwithstanding the provisions of this Sectoral Annex, within the United Kingdom, a:

- i. Covered Financial Services Supplier is not relieved of the obligations in relation to, or arising from, trading on a trading venue under the domestic law of the United Kingdom; and
- ii. trading venue is not relieved of obligations under the domestic law of the United Kingdom to report transactions of Covered Financial Services Suppliers to the FCA.

d. Territory

Without prejudice to the respective visa and other entry requirements of the United Kingdom applicable to the temporary movement of business persons and taking account of relevant arrangements between the Parties relating thereto, the deference accorded in respect of the cross-border supply of Covered Services from Switzerland into the United Kingdom under this Sectoral Annex shall extend, without the need for further authorisation, to activities relating to the cross-border supply of Covered Services by a Covered Financial Services Supplier of Switzerland to a Covered Client carried out in the territory of the United Kingdom by its employees on a temporary basis, which is not such as to amount to a

permanent establishment of the Covered Financial Services Supplier of Switzerland in the United Kingdom.

For the avoidance of doubt, deference in respect of the provision of Covered Services in the territory of the United Kingdom under this Sectoral Annex does not extend to employees of a branch of the Covered Financial Service Supplier located in the United Kingdom and authorised under Part 4A of FSMA or to the supply of Covered Services on a temporary basis in the territory of the United Kingdom by persons other than employees of a Covered Financial Services Supplier of Switzerland. For this purpose, an “employee” includes any person acting in that capacity on behalf of the Covered Financial Services Supplier.

## 2. From the United Kingdom into Switzerland

a. Switzerland shall defer to the domestic authorisation and prudential measures of the United Kingdom that apply solely to financial service suppliers, in respect of the supply of Covered Services in the territory of Switzerland as defined in Section III paragraph B.a by Covered Financial Services Suppliers in accordance with Section IV paragraph B.2 to Covered Clients to the extent specified in this Sectoral Annex.

b. Accordingly, such Covered Financial Services Suppliers are relieved from any obligation to comply with the authorisation and prudential measures of Switzerland that apply solely to financial service suppliers as follows:

i. authorisation measures deferred to, all as more fully set out in the domestic law of Switzerland:

for Covered Financial Services Suppliers in accordance with Section IV paragraph B.2, duty to register as a Client Adviser in the Register of Advisers as set out in article 28 paragraph 1 FINSA.

c. For greater certainty, the deference accorded above in respect of the supply of Covered Services, as defined in Section III paragraph B.a, in the territory of Switzerland under this Sectoral Annex relieves the Client Advisers of a Covered Financial Services Supplier of the United Kingdom in accordance with Section IV paragraph B.2 from the duty to register with a Swiss registration body as set out in article 28 paragraph 1 FINSA. It does not relieve a Covered Financial Services Supplier of the United Kingdom from satisfying itself that the following conditions of FINSA are met:

i. its Client Advisers have sufficient knowledge of the code of conduct set out in FINSA and that they possess the necessary expertise required to perform their activities in accordance with article 6 FINSA;

ii. its Client Advisers have professional indemnity insurance coverage or equivalent collateral exists in accordance with article 29 paragraph 1 letter b and paragraph 3 FINSA; and

iii. it is affiliated to a Swiss ombudsman where required under article 77 FINSA;

d. For greater certainty, the deference accorded above in respect of the supply of Covered Services, as defined in Section III paragraph B.a, in the territory of Switzerland is without prejudice to the respective visa and other entry requirements of Switzerland applicable to the temporary movement of business visitors and taking account of relevant arrangements between the Parties relating thereto.

## B. Domestic law

From the United Kingdom into Switzerland

Switzerland permits the supply of Covered Services into Switzerland by Covered Financial Services Suppliers, as defined in Section IV paragraph B.1 to Covered Clients, in accordance with its domestic law. Where Switzerland proposes to amend its domestic law in a manner which would restrict or make this supply more burdensome, the procedures under Articles 17 and 18 of the Agreement shall apply with a view to allow the supply of services to be continued.

## C. Other arrangements

Not applicable.

## IX. Conditions

### A. From Switzerland into the United Kingdom

In respect to the supply of Covered Services, Covered Financial Services Suppliers, as defined in Section IV paragraph A, are required to comply with the following conditions:

#### 1. pre-contractual disclosures to Covered Clients

A Covered Financial Services Supplier of Switzerland supplying Covered Services into the United Kingdom to Covered Clients is required to provide each Covered Client, in good time, with a disclosure document in which the following is clearly and prominently stated, as specified in Section X paragraph 5.a and b:

a. that the named Covered Financial Services Supplier is:

- i. an entity incorporated in, or formed under the domestic law of Switzerland;
- ii. authorised and supervised in Switzerland; and

- iii. not authorised or regulated in the United Kingdom or, if authorised under Part 4A of FSMA, is not authorised in the United Kingdom to supply the Covered Service or Covered Services notified under Section IV paragraph A.e;
- b. the place of jurisdiction and applicable law of the contract to be entered into;
- c. that the financial services compensation scheme of the United Kingdom is not available; and
- d. that the financial services out-of-court dispute resolution scheme of the United Kingdom is not available;

## 2. reporting

A Covered Financial Services Supplier is required to provide the following information on a yearly basis to the FCA, with copy to FINMA:

- a. the number of Covered Clients supplied in the preceding 12 months (hereafter the “Reporting Period”), by categories of Covered Services and Covered Clients;
- b. the total turnover attributable to the supply of Covered Services to Covered Clients in the Reporting Period;
- c. where the total turnover in paragraph b exceeds GBP 50,000,000 in each of two consecutive Reporting Periods, total turnover in the Reporting Period:
  - i. per category of Covered Services; and
  - ii. for the following Covered Services, total turnover by Covered Financial Instruments:
    - 1. dealing on own account;
    - 2. executing orders on behalf of clients; and
    - 3. reception and transmission of orders;
- d. information on complaints of a material nature made by a Covered Client against the Covered Financial Services Supplier in the Reporting Period regarding the supply of Covered Services, on an anonymous basis; and
- e. whether the Covered Financial Services Supplier has entered into title transfer collateral arrangements with Covered Clients in the United Kingdom in the Reporting Period;



### 3. High Net Worth Covered Clients tests

#### a. Natural person test

To supply Covered Services to a natural person as referred to in Section V paragraph A.1.a, a Covered Financial Services Supplier is required to:

- i. satisfy itself that the natural person has Net Assets in excess of GBP 2,000,000;
- ii. undertake an adequate assessment of the expertise, experience and knowledge of the natural person that gives reasonable assurance, in light of the services and the nature of the related transactions, that the natural person is capable of making his or her own investment decisions and understands the risks involved; and
- iii. take the following steps:
  1. obtain a signed declaration from the natural person that he or she wishes to be treated as a High Net Worth Covered Client in respect of a particular Covered Service;
  2. give such natural person a clear written warning of the protections and investor compensation rights the natural person will lose as a High Net Worth Covered Client; and
  3. obtain a written statement from the natural person, in a document separate from the contract, that he or she is aware of the consequences of such protections being lost.

#### b. Private investment structure with professional treasury operations test

To supply Covered Services to a private investment structure as referred to in Section V paragraph A.1.b, a Covered Financial Services Supplier is required to:

- i. satisfy itself that the natural person has Net Assets in excess of GBP 2,000,000;
- ii. undertake an adequate assessment of the expertise, experience and knowledge of the person authorised to carry out transactions on behalf of the private investment structure that gives reasonable assurance, in light of the services and the nature of the related transactions, that that person is capable of making investment decisions and understands the risks involved for the natural person; and
- iii. take the following steps:

1. obtain a signed declaration from an officer of the private investment structure that they wish the private investment structure to be treated as a High Net Worth Covered Client in respect of a particular Covered Service;
2. give the private investment structure and the natural person a clear written warning of the protections and investor compensation rights that will be lost; and
3. obtain a written statement from an officer of the private investment structure, in a document separate from the contract, that they are aware of the consequences of such protections being lost.

c. Private investment structure with no qualified expert test

To supply Covered Services to a private investment structure as referred to in Section V paragraph A.1.c, a Covered Financial Services Supplier is required to:

- i. satisfy itself that the natural person for whom the private investment structure acts has Net Assets in excess of GBP 2,000,000;
- ii. undertake an adequate assessment of the expertise, experience and knowledge of the natural person for whom the private investment structure acts that gives reasonable assurance, in light of the services and the nature of the related transactions, that the natural person is capable of making his or her own investment decisions and understands the risks involved; and
- iii. take the following steps:
  1. obtain a signed declaration in writing from an officer of the private investment structure that they wish the private investment structure to be treated as a High Net Worth Covered Client in respect of a particular Covered Service;
  2. give the natural person a clear written warning of the protections and investor compensation rights that will be lost; and
  3. obtain a written statement from the natural person that they are aware of the consequences of such protections being lost;

4. client consent

- a. A Covered Financial Services Supplier is required, prior to supplying any Covered Services, to obtain consent from a Covered Client resident or established in the United Kingdom for the disclosure of relevant information to any Supervisory

Authority of the United Kingdom pursuant to a request made under Section X paragraph A.3.d.

- b. If a Covered Client withdraws such consent, a Covered Financial Services Supplier may no longer supply the Covered Services to the Covered Client.
- c. For the purposes of paragraphs a and b, “relevant information” means any information held or controlled by a Covered Financial Services Supplier which relates to the supply of Covered Services to the Covered Client, including:
  - i. personal data; and
  - ii. information which a Covered Financial Services Supplier is under a legal obligation to the Covered Client to keep confidential; and

#### 5. sub custodians

A Covered Financial Services Supplier may deposit Covered Financial Instruments held on behalf of a Covered Client in the United Kingdom with a person with whom a Covered Financial Services Supplier deposits financial instruments held on behalf of a Covered Client for the purpose of safekeeping (hereafter, “Sub Custodian”), located outside the United Kingdom or Switzerland, provided that the Covered Financial Services Supplier:

- a. exercises due skill, care and diligence in the selection, appointment and periodic review of the Sub Custodian as well as of its arrangements for the holding and safekeeping of Covered Financial Instruments;
- b. maintains a record of the grounds upon which it satisfies itself of the appropriateness of its selection and appointment of the Sub Custodian and of its periodic review, and keeps such records for five years after it ceases to use the Sub Custodian to hold Covered Financial Instruments on behalf of a Covered Client; and
- c. takes the necessary steps to ensure the Covered Financial Instruments of a Covered Client deposited with the Sub Custodian are identifiably separate from the assets belonging to the Covered Financial Services Supplier and the assets belonging to that Sub Custodian.

#### B. From the United Kingdom into Switzerland

The United Kingdom shall ensure that a financial service supplier, intending to supply Covered Services, as defined in Section III paragraph B.a, to Covered Clients as defined in Section V paragraph B.3 as a Covered Financial Services Supplier, as defined in Section IV paragraph B.2, complies with the following conditions:

## 1. notifications

Before commencing the supply of Covered Services through Client Advisers, the financial services supplier notifies the FCA once of its intention to do so; and

## 2. disclosure to Covered Clients

Before commencing the supply of Covered Services, a Covered Financial Services Supplier provides each Covered Client as defined in Section V paragraph B.3 with a disclosure document in which the following is clearly and prominently stated:

- i. that the named Covered Financial Services Supplier is:
  1. an entity incorporated in, or formed under the domestic law of the United Kingdom; and
  2. authorised and supervised by the relevant Supervisory Authority under the domestic law of the United Kingdom;
- ii. that the duty to register as a Client Adviser in relation to article 28 paragraph 1 FINSA is disapplied in accordance with this Sectoral Annex; and
- iii. information relating to the affiliation of the financial service supplier to an ombudsman in accordance with article 77 FINSA where required.

## X. Sector-specific supervisory cooperation in addition to the provisions under Chapter 4 of the Agreement

A. Where a Party defers to the domestic authorisation and prudential measures of the other Party according to Section VIII paragraph A, the following provisions apply.

### 1. Principle of sector-specific supervisory cooperation

Unless otherwise agreed, where a Party defers to the domestic authorisation and prudential measures of the other Party, the relevant Supervisory Authorities of that other Party remain responsible for the supervision of Covered Financial Services Suppliers pursuant to its domestic law and shall be responsible for supervising and, if necessary, for ensuring compliance with the requirements of the Agreement.

### 2. Notifications

- a. FINMA shall verify and inform the FCA within 60 days of receiving a notification according to Section IV paragraph A.e, whether or not it is satisfied that the financial services supplier:
  - i. fulfils the eligibility requirements for Covered Financial Services Suppliers in Section IV paragraphs A.a to d and f; and

- ii. is of good standing.
- b. Where FINMA informs the FCA that it is satisfied that the conditions in paragraph a are met, the FCA shall place the financial services supplier on the Register within 30 days of receiving this confirmation.
- c. Where a notification from a Covered Financial Services Supplier pursuant to Section IV paragraph A.h concerns:
  - i. additional Covered Services, Covered Clients or Covered Financial Instruments, paragraphs a and b shall apply *mutatis mutandis*; or
  - ii. any other modifications, the FCA shall amend the Register within 30 days after the date on which it receives the notification.
- d. FINMA shall inform the FCA without undue delay, when it becomes aware that a Covered Financial Services Supplier:
  - i. ceases to fulfil one or more eligibility requirements as set out in Section IV paragraphs A.a to d and f;
  - ii. is no longer of good standing; or
  - iii. is subject to complaints of a material nature made by Covered Clients regarding the supply of Covered Services.

### 3. Dialogue between Supervisory Authorities and exchange of information

- a. Notwithstanding paragraph 1, where the relevant Supervisory Authority of the United Kingdom has reasonable grounds to suspect that:
  - i. a Covered Financial Services Supplier of Switzerland does not comply with the requirements pursuant to the Agreement; or
  - ii. the conduct of a Covered Financial Services Supplier of Switzerland causes or is likely to cause material harm to:
    - 1. Covered Clients according to Section V paragraph A; or
    - 2. the integrity or stability of the financial system of the United Kingdom;

it shall, without undue delay, notify FINMA and provide relevant information in accordance with Chapter 4 of the Agreement.

- b. The relevant Supervisory Authority of the United Kingdom and FINMA shall immediately thereafter enter into a dialogue with a view to finding a commonly acceptable solution.

- c. FINMA shall for this purpose:
  - i. provide the information necessary to support the assessment of the relevant Supervisory Authority of the United Kingdom with regard to paragraph a; and
  - ii. where appropriate, take measures to address the situation without undue delay.
- d. In the event that the dialogue according to paragraph b has not resolved the matter, the relevant Supervisory Authority of the United Kingdom may submit a request for information directly to a Covered Financial Services Supplier of Switzerland.
- e. The relevant Supervisory Authority shall, so far as is reasonably practicable, taking account of the urgency of the particular circumstances, notify FINMA of any request under paragraph d before or, in urgent cases, at the same time as the request is submitted to the Covered Financial Services Supplier.
- f. The Supervisory Authorities shall make all necessary arrangements within their respective legal frameworks to enable the direct transmission of confidential information by Covered Financial Services Suppliers to the relevant Supervisory Authority of the other Party.

#### 4. Host Intervention Power

- a. Where the dialogue pursuant to paragraph 3.b has not resolved the matter raised under paragraph 3.a, the relevant Supervisory Authority of the United Kingdom may decide to restrict a Covered Financial Services Supplier of Switzerland from supplying certain or all relevant Covered Services into the United Kingdom as it deems necessary to mitigate that risk.
- b. Where a Supervisory Authority of the United Kingdom restricts a Covered Financial Services Supplier of Switzerland pursuant to paragraph a, it may also:
  - i. determine that the Covered Financial Services Supplier of Switzerland discloses specified information to Covered Clients as defined under Section V paragraph A or such potential persons;
  - ii. determine arrangements for the purpose of the orderly wind down of Covered Sector Activities affected by the restriction, in coordination, where necessary, with FINMA;
  - iii. remove or amend its entry in the Register or, where relevant, arrange for this to be done; and

- iv. publicly inform on the measures taken pursuant to paragraphs a and, where applicable, b.
- c. Any measure taken by the relevant Supervisory Authority of the United Kingdom under paragraphs a and b shall not affect the ability of FINMA to act under the domestic law of Switzerland.
- d. For the purpose of paragraphs a and b, the relevant Supervisory Authority of the United Kingdom may effect service of documents, including the transmission of its decisions, directly to the Covered Financial Services Supplier of Switzerland.
- e. Where a Supervisory Authority of the United Kingdom decides to take a measure under paragraph a or b, it shall notify FINMA as soon as practicable and before the measure is taken.
- f. Where a measure is taken under paragraph a or b, the relevant Supervisory Authority of the United Kingdom shall notify the Joint Committee as soon as practicable and provide regular updates thereafter.
- g. Where a Supervisory Authority of the United Kingdom takes a measure pursuant to paragraphs a or b, the Covered Financial Services Supplier of Switzerland shall be accorded the rights that would be accorded to a financial services supplier authorised in the United Kingdom in like circumstances, including the right to a prompt review of the measures taken and access to an independent judicial, arbitral or administrative tribunal.
- h. When the matter raised under paragraph 3.a has been resolved, the relevant Supervisory Authority of the United Kingdom shall immediately review any relevant measure taken under paragraph a or b, with a view to rescinding it.
- i. Where it is not practicable to notify FINMA under paragraph 3.a and there are exceptional circumstances that require immediate action to mitigate the risk of harm as referred to in paragraph 3.a.ii the relevant Supervisory Authority of the United Kingdom may take a measure under paragraph a or b as it deems necessary. Paragraphs 3.a to c shall therefore not apply. In such circumstances:
  - i. the relevant Supervisory Authority of the United Kingdom shall notify FINMA, when or immediately after the measure is taken and provide relevant information;
  - ii. the relevant Supervisory Authorities shall, as soon as practicable, enter into a dialogue with a view to finding a commonly acceptable solution, taking into account any proposals made by FINMA; and
  - iii. measures adopted under this paragraph shall not be used as a means of avoiding the commitments or obligations of a Party under the Agreement.

- j. The relevant Supervisory Authority of the United Kingdom shall notify FINMA and the Joint Committee immediately upon rescinding of any measure taken pursuant to paragraph a or b.

#### 5. Details of disclosures to Covered Clients

- a. The wording of the disclosures according to Section IX paragraph A.1 will be further specified by the Supervisory Authorities of the United Kingdom. The FCA will specify, following consultation with FINMA, details of when and the way in which such disclosures must or may be provided.
- b. The FCA may exclude the requirement to disclose all or any of the matters in Section IX paragraph A.1 in relation to specified categories of Covered Clients.
- c. The wording of the required disclosures according to Section IX paragraph B.2 will be specified by FINMA, together with details of the wording, form and manner in which such disclosures shall be required to be provided to Covered Clients as defined in Section V paragraph B.3.