



Switzerland and the UK sign agreement on mutual recognition in financial services

Bern, 21.12.2023 - Today in Berne, Federal Councillor Karin Keller-Sutter and the UK Chancellor of the Exchequer, Jeremy Hunt, signed an agreement on mutual recognition in financial services, the Berne Financial Services Agreement. The agreement boosts competitiveness and fosters the close cooperation between these two major international financial centres.

After more than two years of negotiations, the Head of the Federal Department of Finance (FDF), Karin Keller-Sutter, and the United Kingdom's Chancellor of the Exchequer, Jeremy Hunt, have signed an agreement that is unique in the area of financial services in terms of approach and scope in the world. It will strengthen the cooperation between two major international financial centres. In a challenging environment in particular, the *Berne Financial Services Agreement* sends a strong signal for open and resilient financial markets and demonstrates Switzerland's ability to act internationally.

For the first time, two countries have mutually recognised the equivalence of their respective legal and supervisory frameworks in selected areas of the financial sector on the basis of an in-depth review. This enables or facilitates access to the other party's market. This is complemented by enhanced regulatory and supervisory cooperation, ensuring stability, integrity and the protection of clients.

Federal Councillor Karin Keller-Sutter expressed her satisfaction with the outcome of the negotiations: "This agreement helps to retain and boost the international competitiveness of the Swiss financial centre in the long term."

The agreement covers the recognition of equivalence in the areas of banking, investment services, insurance, asset management and financial market infrastructures for sophisticated clients. For investment and banking services, in particular wealth

management, the agreement enables Swiss financial service providers to supply certain cross-border activities into the UK and confirms the current framework for UK firms to supply such activities into Switzerland. Based on the agreement, Swiss firms may provide UK clients, including individuals, with assets in excess of GBP 2 million with cross-border investment services directly from Switzerland.

In the insurance sector, the *Berne Financial Services Agreement* covers selected lines of the non-life insurance business for large corporate clients, where UK insurance companies will be allowed to engage in cross-border activities, while the UK is confirming its current framework enabling Swiss firms to provide cross-border insurance services to large corporate clients. The provision of life, accident, health and most kinds of liability insurance, as well as monopoly insurance of all kinds for professional policyholders into Switzerland are not covered. Based on the agreement, certain insurance intermediaries of the UK will be relieved from the localisation requirement under the revised Insurance Oversight Act entering into force on 1 January 2024.

In the area of asset management, the agreement confirms the existing access for the advertising and offering of collective investment schemes as well as the delegation of portfolio management and risk management. With respect to financial market infrastructures, the *Berne Financial Services Agreement* recognises the equivalence of the relevant framework for central counterparties, confirms the existing framework with regard to trading venues and facilitates compliance with certain obligations in cross-border over-the-counter (OTC) derivatives transactions.

Following the signature of the agreement, the Federal Council will prepare its dispatch and submit it to Parliament in 2024. The agreement requires approval by the parliaments of both parties before entering into force.


Address for enquiries

FDF Communications
Tel. +41 58 462 60 33
kommunikation@gs-efd.admin.ch

Documents

 [Berne Financial Services Agreement – Agreement between Switzerland and the United Kingdom on mutual recognition in financial services \(preprint\)](#) (PDF, 644 kB)

 [Side letters](#) (PDF, 217 kB)

 [Factsheet](#) (PDF, 221 kB)

Publisher

Federal Department of Finance

<https://www.efd.admin.ch/efd/en/home.html>

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