

Memorandum of Understanding On Deepening Cooperation in the Area of Financial Services

The Swiss Federal Department of Finance,

and

the Israel Ministry of Finance,

(‘the Signatories’)

Mindful of the close bilateral relations between the Swiss Confederation and Israel,

Recognizing the strong interlinkages between their open and globally integrated financial sectors,

Taking due account of the Joint Declaration between the Swiss Federal Council and the Government of Israel on cooperation in tax matters signed on 27th of November 2016,

Welcoming the agreement reached between the supervisory authorities on 4th of September 2017 with regard to cooperation for innovation in the financial sector,

Confirming their support for open and stable markets for financial services and their willingness to further strengthen their mutual cooperation to enhance opportunities for cross-border financial services provisions,

Welcoming the establishment of an Israel-Swiss Financial Dialogue,

Have reached the following understandings:

1. Israel and the Swiss Confederation confirm their willingness to strengthen their mutual cooperation in the area of financial services and to:
 - a. continue a regular Financial Dialogue between their respective Ministries of Finance and competent authorities, and maintain a working-level exchange throughout the year,
 - b. further facilitate market access by improving the framework conditions for financial institutions operating between their jurisdictions,
 - c. further strengthen cooperation in international standard setting bodies and organisations in the area of financial services,
 - d. enhance regulatory and supervisory cooperation, where appropriate, and provide legal certainty regarding cross-border financial services, and
 - e. reinforce their cooperation in the area of financial innovation with the aim of establishing an environment conducive to innovation and encouraging financial innovators to enter and provide their financial services in the other jurisdiction.

2. The Signatories intend, as a matter of priority, to take the following first concrete steps in order to facilitate and improve cross-border financial services provisions and enhance business opportunities in their respective financial sectors:

Investment services

- The competent Israeli authorities intend to further explore possibilities to clarify the requirements for qualified clients and investors;

Mutual Funds and securities

- The competent Israeli authorities intend to examine the relevant parts of the Federal Act on Collective Investment Schemes (Collective Investment Schemes Act, CISA) of 23 June 2006 (hereinafter: the Swiss Law), in order to consider the possibility to recognize and approve the public offering of Swiss funds authorised according to the Swiss Law, including the listing of the units on the Tel Aviv Stock Exchange, should such possibility be relevant;

Insurance

- The competent Israeli authorities intend to further address pending regulatory issues;

Fintech

- The Israeli and Swiss authorities endeavour to identify areas, including regulation, where the framework for the establishment and provision of services by Fintech innovators in the each other's jurisdictions can be improved.

3. The Signatories intend, in the context of their Financial Dialogue, to discuss and review the progress made on the issues above on a regular basis and to identify and explore further measures to enhance their cooperation with a view to fostering the openness, stability and integrity of each other's financial markets.

Done in duplicate in the English language at Tel Aviv on September 4th, 2017

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