



HM Treasury



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Federal Department of Finance FDF
State Secretariat for International Financial Matters SIF

Financial Dialogue between Switzerland and the United Kingdom

The State Secretariat for International Finance (SIF) and Her Majesty's Treasury (HMT) held their 4th Financial Dialogue in Bern on the 8th September 2020. Senior officials from SIF and HMT engaged on how to deepen cooperation in financial services through an ambitious and comprehensive mutual recognition agreement, and suitable next steps in the coming months. In addition, the parties exchanged views on a broad range of topics of shared interest.

The Financial Dialogue was chaired by Deputy State Secretary Stefan Flückiger, SIF, and Katharine Braddick, Director General (Financial Services) of HM Treasury, and attended by officials from the Swiss Financial Market Supervisory Authority (FINMA), the Swiss National Bank (SNB), the Bank of England (BoE) and the Financial Conduct Authority (FCA).

SIF and HMT officials also met with representatives of the Swiss and UK financial services industry and exchanged views on the future shape of the bilateral Switzerland-UK relationship in the area of financial services.

A considerable part of the Financial Dialogue's agenda was dedicated to discussing the implementation of the Joint Statement on deepening cooperation between Switzerland and the United Kingdom (UK), which was signed by the Swiss and UK finance ministers, Federal Councillor Ueli Maurer and Chancellor of the Exchequer Rishi Sunak, on 30th June 2020. As part of these discussions, both sides reviewed the progress that has been achieved since the 30th June. They agreed that joint technical work has progressed well and should continue. Both sides agreed to schedule a meeting before the end of 2020 to take stock of the joint discussions and decide on next steps, including a further programme of discussion for 2021.

In addition, the Financial Dialogue enabled a valuable exchange of views and highlighted several opportunities for intensified cooperation going forward:

- a) COVID-19: HMT and SIF officials exchanged views on the impact of the COVID-19 pandemic on their respective economies and financial markets, as well as on national and international policy discussions.
- b) Sustainable Finance: Both sides exchanged information on their respective approaches in this field including steps they are taking to develop new capabilities through relevant education and training, such as the UK's Green Finance Education Charter and the Swiss report on Sustainability in financial education and training in Switzerland. They agreed to increase collaboration on the potential domestic implementation of the recommendations issued by the Task Force on Climate-related Financial Disclosures (TCFD). It was agreed that both sides will schedule additional exchanges on these topics going forward. The parties also discussed respective ways they are seeking to ensure financial stability risks from climate issues are identified and addressed – such as climate related stress testing.
- c) Stock market equivalence: In line with the discussions at ministerial level on 30th June, the UK reconfirmed that as soon as it is feasible once their equivalence powers come

into force, they will lay the necessary legislation to allow UK firms to meet the UK's share trading obligation on Swiss exchanges. Swiss officials confirmed that once Swiss shares can be traded freely on Swiss exchanges by UK market participants, UK exchanges will again be able to trade Swiss shares.

- d) Multilateral topics: Both sides exchanged views on their respective priorities for several multilateral fora, such as the FSB and IOSCO. This included discussing the importance of effective international coordination in response to COVID-19 as well as in addressing longstanding trends impacting the financial system such as climate and technology.
- e) Developments in digital finance/fintech: SIF and HMT officials shared their views on current plans and experiences in Open Finance, cross-border data flows in financial markets distributed ledger technologies and the role of Fintech firms in response to COVID-19.
- f) Women in finance: Both sides discussed their shared ambition to see more women in senior roles in the financial services sector, and outlined steps they are taking domestically to increase gender balance in senior management.

The next Financial Dialogue is expected to take place in London in 2021.

About SIF

The State Secretariat for International Finance represents Switzerland's interests in financial, monetary and tax matters not only vis-à-vis partner countries but also in the competent international bodies. It is committed to good framework conditions to ensure that Switzerland can have a secure, competitive and globally recognised financial centre and business location. The State Secretariat is also responsible for implementing the financial market policy of the Federal Council.

About HMT

HM Treasury is the UK government's economic and finance ministry, maintaining control over public spending, setting the direction of the UK's economic policy and working to achieve strong and sustainable economic growth.

The department is responsible for:

- public spending: including departmental spending, public sector pay and pension, annually managed expenditure (AME) and welfare policy, and capital investment
- financial services policy: including banking and financial services regulation, financial stability, and ensuring competitiveness in the sector
- strategic oversight of the UK tax system: including direct, indirect, business, property, personal tax, and corporation tax
- the delivery of infrastructure projects across the public sector and facilitating private sector investment into UK infrastructure
- ensuring the economy is growing sustainably.