HM Treasury

The Rt Hon. the Lord Goldsmith KC
International Agreements Committee
Committee Office
House of Lords
London
SW1A 0PW
(by email)

21st December 2023

Dear Lord Goldsmith,

Mutual Recognition Agreement in Financial Services between the UK and Switzerland: The Berne Financial Services Agreement

I previously (10 November 2023) wrote to you in my capacity as Chief Negotiator of the UK-Swiss Financial Services Mutual Recognition Agreement (to be referred to as the "Berne Financial Services Agreement") to inform you of our intentions to formally sign the ambitious agreement with the Swiss Federal Department of Finance by the end of the year, which is intended to enhance the cross-border market for wholesale financial services between the UK and Switzerland.

I am delighted to confirm that, as of today, the United Kingdom and Switzerland have signed the agreement at a ceremony in Berne, Switzerland. This was signed by the Rt Hon Jeremy Hunt MP, Chancellor of the Exchequer, His Majesty's Treasury and Karin Keller-Sutter, Federal Councillor, Head of the Federal Department of Finance. This is the culmination of multiple years of negotiations to determine outcomes-based mutual recognition. The agreement will enable financial services firms to provide a broad range of financial services on a cross-border basis to wholesale and sophisticated clients – in some cases whilst relying on familiar rules and supervision of their home jurisdiction rather than having to navigate unfamiliar rules of the foreign jurisdiction.

The deal creates a solid framework between two leading financial centres for UK businesses to provide wholesale financial services into the Swiss domestic market. The agreement is built on the UK and Switzerland's shared belief in open and resilient financial markets and will cement the open access between the two nations for decades to come. The arrangements under the Berne Financial Services Agreement will bring a range of benefits to the UK's financial services sector, deepening and enhancing an already thriving trading relationship, and providing for unprecedented new market access particularly in wholesale insurance.

The agreement presents a new chapter in how business can be done between open financial hubs and we envisage it having the ability to expand over time to bring in further opportunities for cooperation and mutual growth of our financial markets.

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As mentioned previously, we intend lay the Berne Financial Services Agreement for scrutiny as a Command Paper along with the Explanatory Memorandum in the new year. Ahead of this, please find enclosed copies of:

1. Full text of the Berne Financial Services Agreement and side letters to the agreement on insurance and financial market infrastructure
2. A document outlining the benefits that this agreement will bring to the UK

The full plain text of the agreement, including its associated side letters will also be available on gov.uk with clear demarcation that this agreement is not yet in force.

I am writing in similar terms to Harriett Baldwin MP, as Chair of the Treasury Committee.

We offer our full support to the Committee in examining and scrutinising the agreement. Should you have any questions or require further clarification on the MRA, please do not hesitate to contact me or my team.

Yours sincerely,

Richard Knox
Director, Financial Services – HM Treasury