



Key information on the value of the Berne Financial Services Agreement (BFSA)

The BFSA covers the supply of services to the large majority of wholesale (i.e., business to business) and high-net-worth clients. This covers: investment services; insurance; asset management; corporate banking; and financial market infrastructures.

The ONS does not break data down into these sub-sectors nor does it provide data that would allow us to distinguish between wholesale and retail business. As such the data is not available to give a quantitative breakdown of the total value of services traded in each of these sectors under the status quo nor to predict future trade flows under the BFSA. The information below provides general quantitative description for financial and insurance services trade between the UK and Switzerland, and a short descriptive overview of the value of each sector covered by the agreement.

Annex 1 provides supporting tables and figures.

Statistics on UK-Swiss financial and insurance services trade¹

UK-Swiss financial and insurance services trade amounted to £3.9bn in the latest available annual period (Q4 2022 – Q3 2023). Of this:

- £3.1bn corresponds to financial services trade;
- and £0.8bn to insurance services trade.

This places Switzerland as the UK's third largest trade partner for these services in aggregate, behind the US and EU (see Table 1).

Growth in UK-Swiss trade in financial and insurance services has been outpacing trade with many other similar financial hubs. Trade with Switzerland in these sectors grew by 53% between 2016 and 2022, in comparison to 28% growth for the UK's financial and insurance services trade with the rest of the world in the same period. This is greater than with any other of the UK's top seven financial services trade partners, with the exception of Hong Kong where trade has been growing rapidly. This is shown in Figure 1. Aggregate quarterly trade flows between the UK and Switzerland are shown in Figure 2.

As with the UK's overall financial services trade picture, trade in insurance and financial services with Switzerland maintains a significant, ongoing surplus (value of exports minus imports). In 2022, our trade surplus with Switzerland for financial services stood at £1.99bn and for insurance services stood at £0.16bn. This surplus can be seen in Figures 3 and 4.

Sector specific information on UK international trade in wholesale financial and insurance services

¹ All statistics in this section are HM Treasury's own calculations drawing from the following ONS data set: <https://www.ons.gov.uk/businessindustryandtrade/internationaltrade/datasets/uktradeinservicesserVICetypebypartnercountrynonseasonallyadjusted>.



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There is no detailed breakdown available for the contribution of financial and insurance services sub-sectors to domestic economic growth nor trade flows. The information below provides a descriptive overview of the sectors covered by the BFSA².

Corporate banking: The UK is the world's largest centre for cross-border banking. More than £4.4tn, or 15.5% of the outstanding value of international bank lending was owed to banks in the UK, as of Q4 2022. The UK is also the largest centre for cross-border borrowing³.

Asset management: At the end of 2021, asset managers in the UK managed more than £11.6tn on behalf of institutional and retail clients. Nearly half of assets under management in the UK (£4.6tn) is managed on behalf of overseas clients, and £2.7tn in overseas domiciled funds are managed by UK fund managers on a delegated basis⁴.

Commercial insurance and reinsurance: The UK is the fourth largest insurance market in the world, and the largest in Europe. We have a total premium volume of \$399bn (2021). The London Market is the world's largest speciality insurance market, covering 42% of global speciality insurance. 68% of premiums in the London Market originate from overseas⁵.

Capital markets: The UK's international reach and deep capital markets make it a major centre for issuing and trading international bonds. For example, at the end of 2022, the outstanding value of the UK's international bonds was the largest in the world, totalling more than \$3.2tn (\$800bn more than the United States)⁶.

Financial market infrastructures (FMI): FMI play a critical role in the effective functioning of the UK's domestic and international financial systems. In addition to hosting several major central counterparties (CCPs), the UK is the single largest global market for over-the-counter (OTC) derivatives activity. In 2022, UK-based OTC interest rate transactions accounted for over 46% of total global turnover⁷.

² All statistics in this section are drawn from the [2023 state of the sector report](#), authored by the City of London Corporation, in partnership with HM Treasury. Sources used within this report are marked, where appropriate.

³ BIS, 2023.

⁴ Investment Association, 2022.

⁵ Swiss Re, London Market Group, 2023.

⁶ BIS, 2023.

⁷ BIS, 2023.



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Annex 1: Tables and figures

Table 1: UK financial and insurance trade flows with overseas jurisdictions ranked by total value

Jurisdiction	Rank	Total value of all FS and insurance trade (imports and exports) in latest annual period Q42022-Q32023 (bn)
US	1	£43.43
EU	2	£40.51
Switzerland	3	£3.89
Canada	4	£3.85
Japan	5	£3.41
Hong Kong	6	£3.32
Australia	7	£3.16

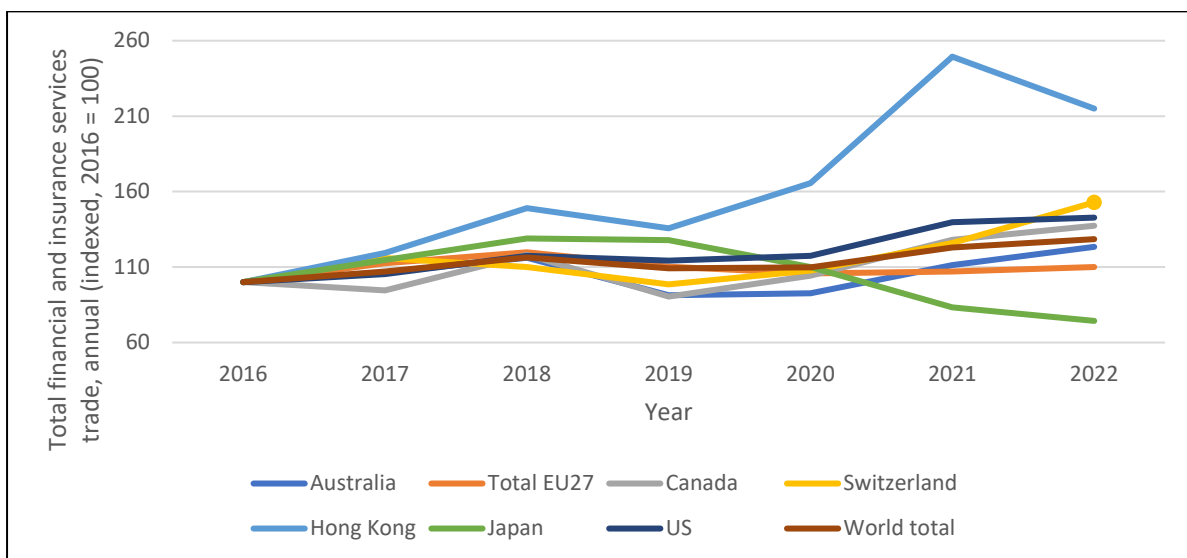


Figure 1: Indexed annual insurance and financial services trade flows between UK and top 7 financial and insurance services trade partners by volume (2016 = 100), ONS.

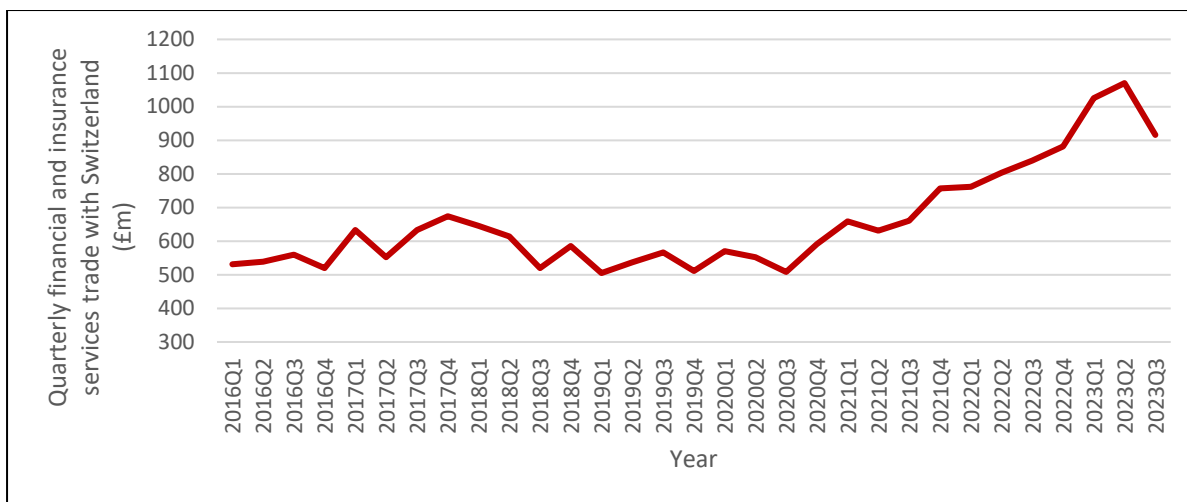
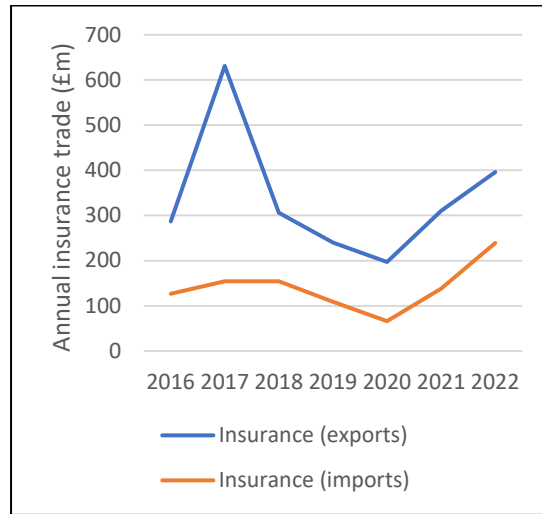
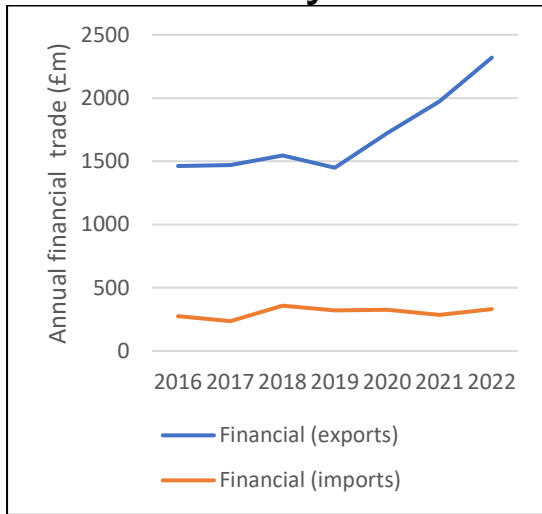


Figure 2: Total UK-Swiss financial and insurance services trade (exports and imports), quarterly, (Q1 2016 – Q2 2023), ONS.



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Figures 3 and 4: Annual financial services and insurance services imports and exports (2016 – 2022), ONS, showing large and ongoing trade surplus.