



Department for
International Trade



Department for
Business, Energy
& Industrial Strategy

Lord Grimstone of Boscobel, Kt
Minister for Investment
Department for International Trade
King Charles Street
Whitehall
London
SW1A 2AH

The Rt. Hon the Lord Goldsmith QC
Chair
International Agreements Committee
House of Lords
London
SW1A 0PW

T +44 (0) 20 7215 5000
E grimstone.correspondence@trade.gov.uk
W www.gov.uk/dit

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Dear Peter,

Thank you to your Committee and officials for your comments in '5th Report - Scrutiny of international agreements, Police Cooperation and Services Mobility Agreements with Switzerland'. I am writing to respond to the points raised regarding the Temporary Agreement between the Swiss Confederation and the United Kingdom of Great Britain and Northern Ireland on Services Mobility (SMA), and the Agreement between the Swiss Confederation and the United Kingdom of Great Britain and Northern Ireland on Police Cooperation (the Police Cooperation Agreement) on behalf of the Home Office.

The SMA

The SMA ensures that the UK and Swiss economies are open to service suppliers. Maintaining market access between our two countries will help UK firms do business in Switzerland, while ensuring that our economy continues to benefit from Swiss talent. In 2019, UK residents made 383,000 business visits to Switzerland and Swiss residents made 229,000 business visits to the UK. In addition to their general economic value, direct spending associated with business visits between the two countries totalled £280 million in 2019.

This agreement forms part of the government's strategy to place the UK at the centre of a modern network of free trade agreements with dynamic economies. This deal will enhance the UK's status as a global hub for services, while supporting trade in vital sectors such as finance, consultancy, legal services, the tech sector and the creative industries.

Looking forward

In your report, you urge the Government to set out its plans, including timescales, for negotiating a more permanent mobility arrangement with Switzerland. The UK looks forward to building an even stronger relationship with Switzerland. We remain committed to expanding our Free Trade Agreement with Switzerland, in line with our 24 month review clause in the continuity FTA.

Financial Services negotiations

Your report also requested that the Government update the Committee on the UK-Swiss financial services negotiations. Following successful initial exploratory talks, the UK and Switzerland are now moving forward with negotiations on the ambition of delivering a comprehensive mutual recognition agreement that would reduce costs and barriers for UK firms accessing the Swiss market, and vice versa. Negotiations are expected to cover a wide range of sectors such as insurance, banking, asset management and capital markets, including market infrastructure. In January, the UK laid regulations aimed at granting share trading equivalence to Switzerland's trading venues; these came into force on 3 February 2021 and were reciprocated by the Swiss, meaning that UK shares can be traded on Swiss exchanges, and vice versa.

The Police Cooperation Agreement

The UK Government remains satisfied that Switzerland meets the high data standards expected under the Agreement through its national laws and international obligations, including their domestic implementation. If in the future the UK determines that this is no longer the case, then as set out in paragraph 4.4 of the Explanatory Memorandum the Agreement's provisions allow for the cessation of data exchange and put in place conditions for its resumption.

Consultation

In your Report, you urge the Government to provide clear information as to whether any concerns have been raised by the Devolved Administrations (DAs), or the governments of the Crown Dependencies and Gibraltar, and, if so, how they have been addressed. The Department has a regular and detailed dialogue with Devolved Administrations, and the governments of the Crown Dependencies and Gibraltar. This has included regular Ministerial-level engagement, including through the Ministerial Forum for Trade and regular correspondence on specific agreements. It is important that any concerns which may be raised are handled in confidence and with discretion.

DIT and the FCDO have worked with Parliamentary Committees recently to improve Explanatory Memoranda and will continue to do so.

I am placing a copy of this letter in the House of Lords Library.

Yours sincerely,



Lord Grimstone of Boscobel, Kt
Minister for Investment
Department for International Trade
Department for Business, Energy and Industrial Strategy