

Switzerland-UK Financial Dialogue October 2024

Joint Statement

The Switzerland-UK Financial Dialogue took place in London on October 15, 2024.

This is the first formal meeting since the negotiations of the Berne Financial Services Agreement (BFSA) concluded in December 2023.

Officials from HM Treasury and the State Secretariat for International Finance were joined by representatives from their respective supervisory authorities, including the Bank of England, Financial Conduct Authority, Swiss National Bank, and the Swiss Financial Market Supervisory Authority.

The discussions emphasised close, ongoing Swiss and UK cooperation in financial services and focused on several key themes, including: 1) economic outlook and financial stability, 2) the BFSA, 3) sustainable finance, 4) artificial intelligence (AI) and innovation, and 5) capital markets.

The dialogue commenced with a discussion of the Swiss and UK macroeconomic outlooks, with participants reviewing current economic trends and market conditions, considering the impact of global factors. Both parties shared their objectives to deliver sustainable economic growth and recognised the role of stability and certainty in the financial services sector to bolster this, with HM Treasury outlining the UK government's Growth Mission. The Swiss State Secretariat provided an update on the recent report on banking stability from the Swiss Federal Council. Participants discussed potential measures that could be taken on the international level in order to enhance stability of the global financial system, including work on liquidity requirements, and on increasing resilience and crisis preparedness for open bank resolution. Updates were also provided on other multilateral priorities, including continuing to progress efforts to address vulnerabilities from non-bank financial institutions, and within international taxation, and third-party risk management.

On the BFSA, finance ministries updated on the progress of their respective domestic implementation procedures, with the UK and Switzerland noting that the ambition is to complete implementation as soon as possible, by the end of 2025 at the latest, and enter the Agreement into force shortly thereafter. The BFSA is a genuinely new kind of treaty that will enhance cross-border provision of financial services to wholesale and sophisticated clients and strengthen cooperation between Switzerland and the UK. The finance ministries exchanged reflections on industry responses to the BFSA so far and reiterated intentions to support industry in unlocking the full benefit of the Agreement. UK and Swiss supervisors noted that negotiations of a supervisory cooperation MoU supporting the BFSA are progressing with a view to reach their concluding stages soon.

Participants discussed ongoing work and developments in sustainable finance, reaffirming their commitment to close cooperation through a future work programme as outlined in the BFSA. Switzerland and the UK explored common strategic priorities and approaches in this area, covering disclosures, transition plans, and transparency. Both parties emphasised the importance of ensuring that the Swiss and UK sustainable finance standards are interoperable, primarily through alignment with the International Sustainability Standards Board (ISSB) requirements. Parties also updated on the progress on sustainability disclosure requirements and anti-greenwashing measures. They discussed the work of the Transition Plan Taskforce and reaffirmed support for the ISSB's work on developing guidance for transition plans disclosures. On transition finance, HM Treasury noted the

Transition Finance Market Review, while both sides agreed their approach to integrity in this area links to wider work on transition plans.

Switzerland and the UK discussed issues relating to AI and technological innovation. Representatives shared insights on their respective approaches to AI and explored both current and future AI use cases within financial services, including challenges to wider adoption in the sector. The discussion included reflections on global AI and digital regulation practices, with an emphasis on increasing our understanding of the impact on financial markets and financial stability risks from AI. The Bank of England and Swiss National Bank also updated on respective wholesale Central Bank Digital Currency (CBDC) projects and payments work.

The dialogue ended with a discussion on capital markets regulation. Authorities provided an update on the state of play towards achieving T+1 settlement, noting the industry-driven efforts and shared ambition for collaboration in the European region. HM Treasury outlined the UK government's ambition to reinvigorate capital markets to stimulate investment and innovation within the economy.

Swiss and UK representatives agreed to reconvene in the second half of 2025, emphasising the importance of continued open dialogue on shared priorities.